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Section 5 Attachments

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Section 5 Attachments

Attachment 5-1: Redacted

Attachment 5-2: Financial Reports - EDPR

Attachment 5-3: Financial Reports - ENGIE

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Financial Reports - EDPR

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Annual Report 2023

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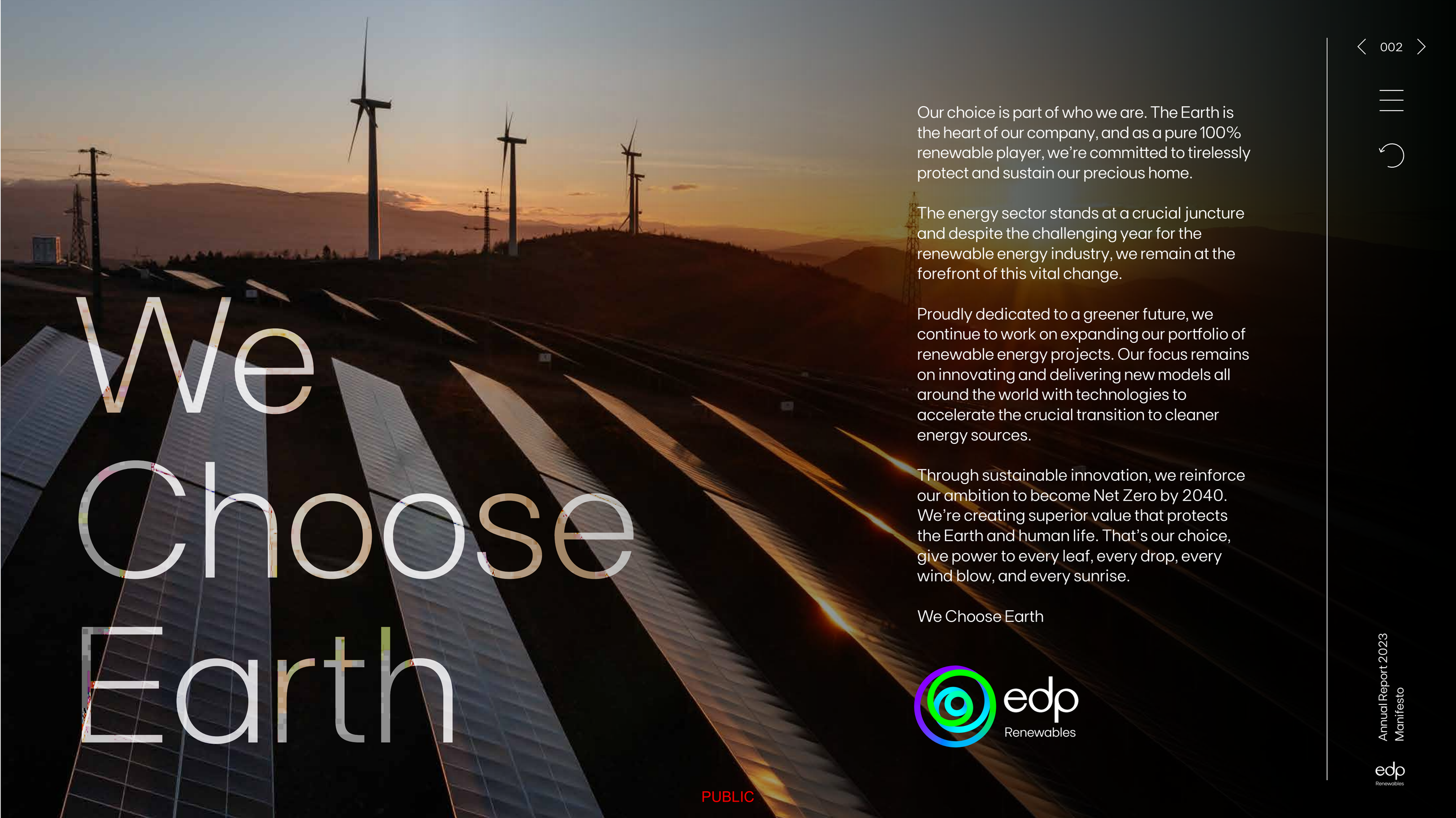

We Choose Earth

Our choice is part of who we are. The Earth is the heart of our company, and as a pure 100% renewable player, we're committed to tirelessly protect and sustain our precious home.

The energy sector stands at a crucial juncture and despite the challenging year for the renewable energy industry, we remain at the forefront of this vital change.

Proudly dedicated to a greener future, we continue to work on expanding our portfolio of renewable energy projects. Our focus remains on innovating and delivering new models all around the world with technologies to accelerate the crucial transition to cleaner energy sources.

Through sustainable innovation, we reinforce our ambition to become Net Zero by 2040. We're creating superior value that protects the Earth and human life. That's our choice, give power to every leaf, every drop, every wind blow, and every sunrise.

We Choose Earth

edp Renewables

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Purpose

Our energy

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

and heart

Highlights our people and their key role in delivering our commitment to our clients, partners and communities

drive a better

Reflects our ambition and leadership in making change happen

tomorrow

The reason why we work every day

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edp Renewables

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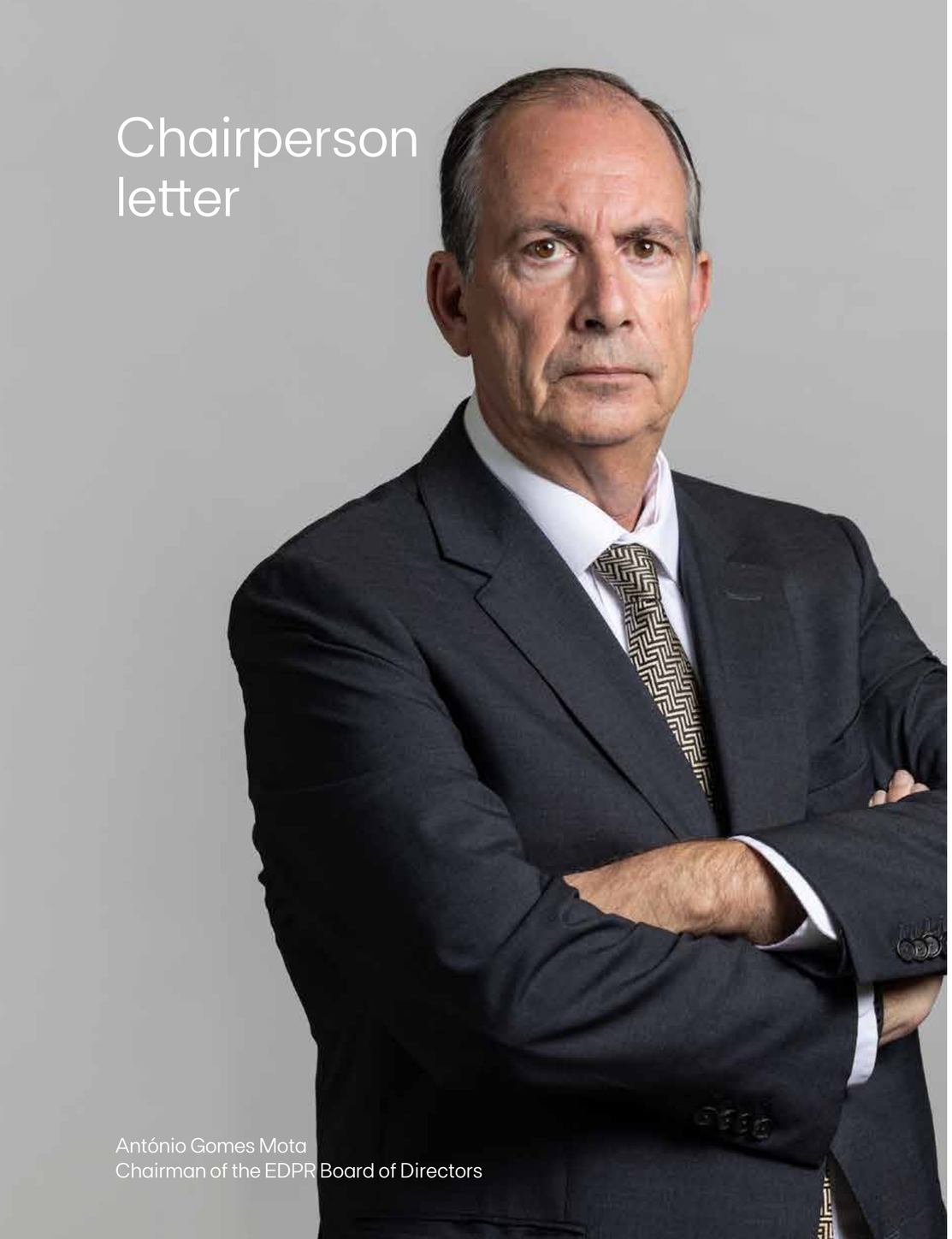
Chairperson letter



António Gomes Mota
Chairman of the EDPR Board of Directors

Dear Stakeholder,

This was a critical year for EDPR, one for acceleration across the entire industry with the world witnessing global uncertainly and the ongoing conflict in Ukraine and the Middle East.

The renewables sector experienced a period of volatility with rising inflation, increased capital expenditure, ongoing supply chain pressures and security issues, and a challenge around the world's ability to deliver on climate commitments. These trends combined have driven concern around the prospect of a sustainable and profitable long-term growth for our sector.

I would like to say that I remain confident in the future of our sector and EDPR's ambitions of growth.

Several positive moves towards triple renewables by 2030

In 2023, we witnessed a remarkable milestone in the renewable energy sector as the International Energy Agency (IEA) recently reported a noting 50% increase in renewable energy capacity, totalling almost 510 GW in 2023. This phenomenal progress underscores the growing momentum and potential within the renewable energy market. This same report highlights the upwards revision of 2023-2027 targets for renewable electricity capacity forecast, including key markets where we are present: Germany, Brazil & US.

Furthermore, regulatory bodies and international organizations, such as the European Union, are advocating for substantial reductions in greenhouse gas emissions. The EU's recommendation of a 90% reduction in net greenhouse gas emissions by 2040, compared to 1990 levels, sets a significant benchmark for our collective efforts towards net zero.

Recent developments such as the upward revision of offshore auction prices in the UK and the US signify the growing value and potential in offshore renewable energy projects. Additionally, improvements in the US grid connection infrastructure, facilitated by FERC's initiatives to reduce interconnection queue backlogs and enforce strict timelines, present promising opportunities for streamlined operations and enhanced efficiency.

EDPR is well-positioned to capture renewables growth potential despite 2023 challenges

At EDPR, we are well-positioned to meet these challenges as a climate energy leader while driving increased value for all our global stakeholders. In March, we announced our revised

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Business Plan for 2023-2026, reinforcing our company's ambitions to lead the energy transition. At the heart of this plan sits a €20 billion global investment, directed to Wind Onshore (40%) and Solar Utility Scale (40%) as well as emerging technologies (20%) such as Solar DG, Wind Offshore, Storage and Hydrogen. With this updated Business Plan, we reiterated our mission to create superior value by championing ESG excellence and a climate positive world, supporting our employees, clients, communities, shareholders, and partners in this transition.

We have successfully completed a 1 billion euros capital increase to partially finance the company's growth plan attracting long term investors to the shareholder's structure. We also implemented the Scrip Dividend Programme to offer to our shareholders a flexible remuneration mechanism, replacing the ordinary dividend corresponding to the year 2022, with a shares conversion rate of 92%, a clear indication of a highly positive view from the shareholders regarding the company's future. In 2024, EDPR's Board of Directors will propose in the 2024 general shareholder meeting to continue with the scrip dividend programme.

On risk management, we continuously monitor supply chain and permitting processes to mitigate the risks of delays and capital expenditure inflation, while also balancing the mix of merchant and long-term contracted revenues. EDPR prioritizes the preservation of a high weight of long-term contracted and hedged revenues, with 90% of its portfolio generation secured under stable pricing arrangements in 2024, protecting the company from short-term volatility in energy markets.

Despite encountering challenges in 2023 such as delays in grid connection permitting for our wind projects in Colombia and unexpected solar panels supply chain bottlenecks in US, which implied a delay in the commissioning of some of our solar projects there, we were able to add 2.5 GW capacity in 2023 and we are on track to add 4 GW for 2024.

There were also some externalities that penalized our profitability, namely the El Niño effect, generating a below average wind resource and contracyclical windfall energy taxes in Europe. Nonetheless, we were able to deliver a solid Asset Rotation execution, with strong valuation multiples, compensating a very challenging high interest rates environment.

On the other hand, our DNA strongly linked to ESG remained intact and we reaffirmed our ambition to achieve net zero emissions by 2040, as we collaborate closely with our suppliers to drive an impactful and lasting transformation. Empowering our local communities and reinforcing our commitment on protecting biodiversity are also key areas on our ESG strategy.

Leaner and more efficient Corporate Governance structure

The year of 2023 concluded a cycle of important progress in the governance of EDPR. We have reformed EDPR's Board substantially over the course of the 2021-2023 mandate. We reduced the size of the Board from 15 to 12 Directors, elected an Independent Chairperson, increased the representation of Independent Directors from 40% to 50% and, critically, increased the representation of women from 20% to 33%. We also ensured committees are composed exclusively of Independent Directors. In 2022, we established a new committee dedicated entirely to ESG, within the Board of Directors, clearly highlighting the central role of sustainability in the management of EDPR. We also updated EDPR's Remuneration Policy of the Board of Directors for the 2023-2025 period, moving to an incentive-based system aligned with ESG best practices. All these changes clearly align EDPR's governance model with the best market practices.

On behalf of EDPR's Board of Directors, I want to thank our global employees for their effort, commitment, and enthusiasm. You are at the heart of our successful history and of the bright future that I believe that lies ahead. A word of appreciation is due to our contractors, suppliers, clients, and partners, for your belief in the present and in the future of business. One final word to our shareholders that despite a very challenging environment have continued to support us and to believe in our commitment to deliver a sustainable creation of value.

Although in 2024 we will continue to work on a very demanding environment, I am fully convinced that EDPR will be able to navigate in these challenging times, continuing to contribute to the decarbonization of the economy and to respond to the interests of its stakeholders.

António Gomes Mota

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Message from the CEO

Miguel Stilwell d'Andrade
CEO of EDP and EDP Renewables

Dear Shareholders and Stakeholders,

2023 was marked by a continued commitment to the energy transition. Governments around the world kept implementing supportive policies and regulations to promote renewable energy adoption. Many countries accelerated their transition away from fossil fuels, and clean energy sources continued to outpace traditional fossil fuels in new installations and capacity additions.

However, over the year, the sector and our business encountered multiple headwinds arising from the severe market dislocations in many areas. Rising inflation and interest rates led to higher costs; inadequate permitting processes continued hindering the development of renewable projects; supply chain restrictions impacted solar panel deliveries, especially in the US, delaying the commissioning of projects. All these factors impacted confidence in the sector's growth value proposition.

EDP Renewables (EDPR) has remained focused on the medium and long-term goals and objectives, while adjusting to the unprecedented context and short-term volatility. In these uncertain times, the hard work and resilience, anchored on the capabilities and experience accumulated by our teams over the last decades, has paid off. We completely reconfigured the US solar supply chain in record time, we renegotiated PPAs, and we are proactively managing the development of our wind projects in Colombia (0.5 GW) expecting to reach the economic conditions that allow us to move ahead with the projects. We continue to drive efficiency and optimization of CAPEX and OPEX to mitigate the market disruptions. And we have raised the bar with a new Business Plan announced in March 2023 that ramped-up our targets to a yearly deployment of more than 4 GW in renewables corresponding to a €20 billion investment plan in wind, solar, storage and green hydrogen between 2023 and 2026. This revised ambition was supported by the successful execution of a €1 billion capital increase at EDP Renewables level to partially finance the company's growth plan – a testament of the trust of the investors in the company and in the sector.

> Our growth in the current environment is a testament of our long-term commitment to Renewables, to a safe and affordable energy system, and to a sustainable future for the generations to come.

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During challenging times, experience is a key factor to successfully navigate uncertainties and adapt swiftly to changing circumstances. At EDPR our long-lasting presence in the sector and our long-term contracted profile have cemented our position as a Renewables leader. While 2023 was one of the more challenging years we have experienced, our long-term performance to date gives us great confidence in the strength of our business, and the ability to meet the planet's clean energy needs while creating superior value for shareholders and other stakeholders.

Growth across our regional hubs

As we look back on 2023, despite the challenges faced in the sector, EDPR maintained a solid operational performance across markets where we operate. Our global teams jointly added +2.5 GW of new renewables' capacity, representing a 12% YoY increase of installed capacity to 16.6 GW.

We have commissioned Portugal and Spain's first hybrid projects combining wind and solar power generation at one single location. We have launched the largest European solar project in Poland with an installed capacity of more than 150 MWac, generating clean energy that will prevent the emission of more than 208,000 tons of CO_2 annually. In the United Kingdom, we announced the installation of our first stand-alone Battery Energy Storage Systems (BESS), contributing to around 50 MW of capacity to the power grid.

We continued to grow in North America, having commissioned 1.2 GW in 2023, and by year-end we reached a record high capacity of c. 2.0 GW under construction. Moreover, EDPR North America and Google signed the largest US corporate sponsorship, focused on the development and installation of more than 80 distributed solar PV projects across six US states – an initiative that provides benefits to nearly 25,000 low-to-moderate income families.

In Brazil, we launched our largest wind farm complex worldwide with an installed capacity of 580 MW and 138 wind turbines. The complex, located in Rio Grande do Norte, can produce enough energy to supply more than 1.5 million people per year.

In the Asia-Pacific region, EDPR has more than doubled our solar installed capacity to more than 1 GWp. We also successfully completed the construction of our largest single solar distributed generation (DG) project undertaken – 19 MWp in China's Anhui province.

In 2023, Ocean Winds, EDPR's 50/50 joint venture with ENGIE dedicated to offshore wind energy, has reached financial close for three offshore wind bottom-fixed projects: Moray West in the UK and the French projects of the Îles d'Yeu / Noirmoutier and Dieppe-Le Tréport. In total, by year end Ocean Winds holds a secured portfolio of projects in 7 countries representing 16.6 GW of gross capacity, of which 1.5 GW is in operation, 1.9 GW under construction and 13.2 GW under advanced development. Furthermore, as part of our disciplined risk management and focus on returns, we canceled the South Coast PPA in Massachusetts, U.S., given the change in market conditions, with a relevant positive impact on the optionality value of the project.

Further strides across environmental, social, and governance best practices

Alongside our continued growth and solid operational performance, EDPR made further progress in sustainable practices and in creating positive impact with our multiple stakeholders.

Within our commitment to the circular economy, EDPR North America launched the program "Close the Loop" in partnership with SOLARCYCLE. This initiative, focused on fostering a more efficient use of resources and materials, aims at returning solar supplies back into supply chains to help grow the domestic solar manufacturing industry.

In addition, we were thrilled to see EDPR ranked as 4th in the Power Generation peer group Corporate Knights' 2024 Global 100 List, announced each year during the World Economic Forum in Davos, that ranks the world's most sustainable companies.

EDPR has once more received recognition from the Top Employer Institute for best practice in people management across countries where we operate including Portugal, Spain, France, Italy, Poland, Romania, Brazil and, for the first time, Greece and Colombia. Additionally, our company continues to be part of the Bloomberg Gender Equality Index (GEI), a recognition for good practices of inclusion and equal professional opportunities. This is a testament of the company's dedication to its people, and to their development and well-being. Yet, the best recognition of all is that more than 90% of EDPR's employees are proud to work for the company.

Superior value creation for EDPR stakeholders

The year was completed with a demonstration of the value that we can offer to our shareholders, despite the challenging context. EDPR has secured ~60% of the 17 GW additions targeted in the 2023-2026 Business Plan, while keeping a very selective investment approach – looking at investments that not only target returns (>1.4x IRRp/WACC or the min-

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imum 200 basis points spread IRR to WACC) but also a solid risk profile with at least 60% of the NPV of the new projects being fully contracted, or long term contracted.

Recurring EBITDA was 1.8 billion euros, -14% versus 2022, and recurring Net Profit totaled 513 million euros, versus 671 million euros year-on-year, impacted by top line headwinds, with El Niño lowering wind load factors namely in North America, and with lower average selling price. These adverse effects were partially compensated by strong execution of Asset rotation transactions, with three deals, in Spain, Poland and Brazil, generating proceeds of 1.5 billion euros and gains of 460 million euros, which contributed to balance sheet strength and the acceleration of accretive growth.

The value delivered to our shareholders came also through the new Scrip Dividend programme aiming at improving the company's dividend policy to a 30-50% payout ratio, to provide a flexible and competitive remuneration to shareholders.

Looking ahead

It was the collective performance of our people that enabled us to deliver such achievements in 2023, despite the challenging environment. I want to extend a sincere thanks to all our EDPR teams and to my colleagues of the EDPR Management Team - your hard work and unwavering commitment is what makes EDPR a reference in the sector. I also want to thank the EDPR Board of Directors' Chairman and members for all the advice, support and dedication to the company.

And to our shareholders, thank you for the continued support and trust that you place in us — we are working hard to deliver sustained long-term value creation. To all EDPR Renewables stakeholders, thank you for being an integral part of this transformative journey.

As we move forward, let us continue to be the doers of positive change, shaping a future where sustainability thrives, and our collective efforts create a lasting impact.

Miguel Stilwell d'Andrade

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We are leading the energy transition

to create superior value

Pereira Barreto Solar Park, Brazil

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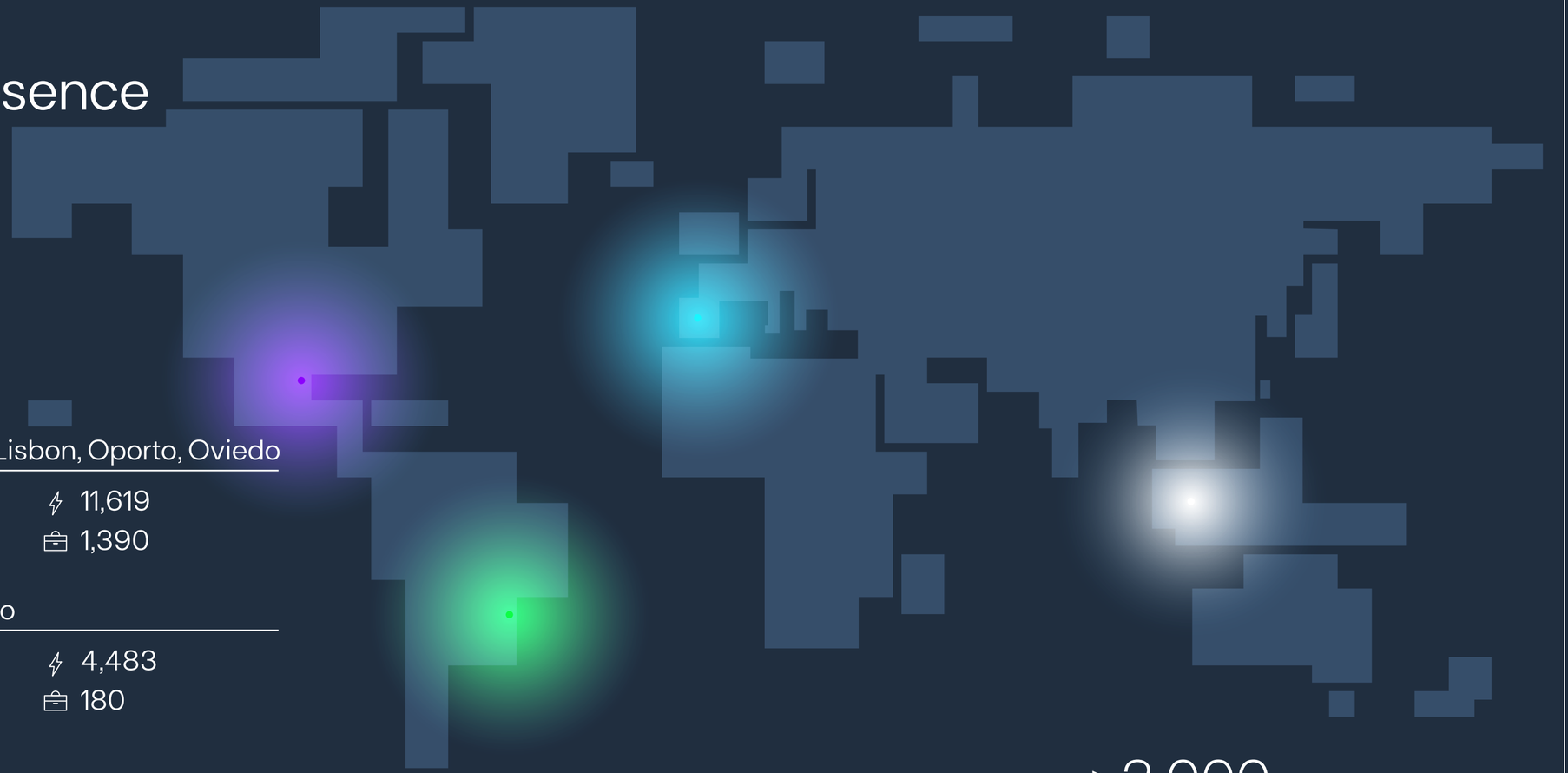
1.1.1. Global presence

Our Presence is structured around 4 regional hubs



Europe — Madrid, Lisbon, Oporto, Oviedo

5,392	11,619
606	1,390

South America — São Paulo

832	4,483
416	180

North America — Houston

7,084	17,306
1,321	1,073

APAC — Singapore

905	1,184
	400

Solar Capacity (MW)
Wind Capacity (MW)
Electricity generation
Employees (#)
Main offices

>3,000
employees

35 TWh
total production

16.6 GW
total capacity

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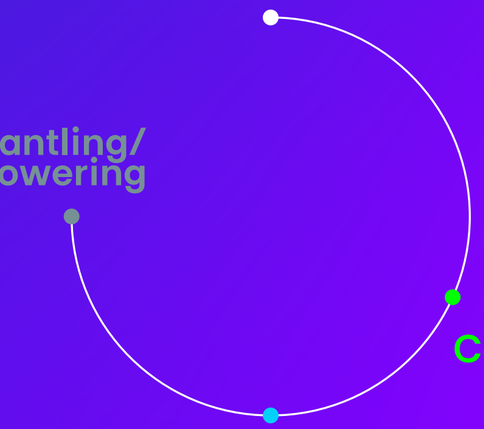
1.1.2. Business description



Development

- **Site identification and grid connection**
  Search for sites with top-class wind conditions or irradiance resource and analyse grid connection feasibility.
- **Renewable resources analysis**
  Install meteorogical equipment to collect and study wind profile and solar radiance.
- **Obtain permits**
  Engage with local public authorities to secure environmental, construction, operating and other licences.
- **Design layout & equipment choice**
  Optimise the layout of the asset and select the best fit of equipment model based on the site characteristics.
- **Origination**
  Secure long term contracts for energy sale, guaranteeing stable and predictable cash-flows.
- **Project funding**
  Find appropriate financing for the project.

Construction

- **Construction**
  Build access roads, prepare foundations, assemble wind turbines or solar panels, construct substation.
- **Procurement**
  Source major equipment and construction contracts globally.

Operation

- **Start of operations & deliver clean energy**
  A better energy, a better future, a better world!
- **Ongoing maintenance service**
  Keep availability figures at the highest level possible and minimise failure rates.
- **Data analysis**
  Monitor real-time operational data, analyse performance and identify opportunities for improvement.
- **Risk & Energy management**
  Mitigate market exposure and manage energy sales.

Dismantling/ Repowering

- **Efficiency**
  EDPR increases power generated by reducing the overall number of wind turbines and replacing them with more efficient machines.
- **End of life**
  Once wind farms and solar plants reach the end of useful life (30-35 years), wind turbines and solar panels need to be assessed and replaced.

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1.1.3. 2023 Main achievements

January

12 EDPR commissions its first hybrid solar and wind energy plant, the first of its kind on the Iberian Peninsula.

17 EDPR distinguished as one of the best companies to work for by Top Employer in 9 countries, including Greece and Colombia for the first time.

31 EDPR is once again included in the Bloomberg Gender Equality Index (GEI), improving its overall score compared to last year.

February

14 EDPR signs its first PPA secured in Greece to sell the green energy produced by a 78 MW wind portfolio.

27 EDPR announces new Scrip Dividend programme in order to provide a flexible and competitive remuneration to its shareholders.

March

02 EDPR presents its Business Plan 2023-2026, forecasting a global gross investment of €20 Bn until 2026 to boost renewable additions.

EDPR entered into an investment agreement with GIC in which the latter committed to subscribe ~€1 Bn to help fund EDPR's updated growth plan.

30 EDPR signs an agreement to secure solar modules for EDPR's US projects with First Solar, which uses a thin film PV technology setting industry benchmarks for quality, durability, and environmental performance.

April

04 EDPR holds its Annual General Shareholders' Meeting and the 11 items of the agenda are unanimously approved.

24 Google and EDPR agree to develop 650MWp of solar energy, the largest US corporate sponsorship of distributed PV, while promoting an initiative that provides benefits to nearly 25,000 low-to-moderate income families.

27 EDPR secures a PPA for a 110 MWac solar project in the US, committing to employ women & minorities in positions of leadership on the project, to undertake habitat restoration activities and ensure the project is carbon neutral.

May

02 EDPR informs about a long-term virtual PPAs to develop a 54 MW portfolio of wind projects in the region of Galicia, Spain.

03 EDPR secures a 15-year PPA to sell the green energy produced by a 150 MWac solar project in Texas, US.

June

01 EDPR awarded with a 20-year FiT for 159 MW of renewable capacity in Italy for wind and solar projects.

14 Google chooses Kronos Solar EDPR for long-term energy contract of 40 MWac in The Netherlands, EDPR's first PPA in the country.

July

13 Two of EDPR's main green hydrogen initiatives, a key vector for the energy transition, have been selected by the European Commission to receive funding from the European Union Innovation Funds.

25 EDPR closes Asset Rotation deal for a 257 MW wind portfolio in Spain.

September

08 EDPR awarded two wind onshore projects under development with CfD for 56 MW in the UK.

October

12 EDPR completes Asset Rotation deal of 142 MW from 3 operating wind farms and up to 159 MW of hybrid solar projects under development in Poland.

17 EDPR secures a 15-year PPA for a 180 MW solar project in the US.

November

28 EDPR strengthens its role in Poland's energy transition by being awarded a long-term contract in the latest tender.

December

29 EDPR buys back 49% stake in 1 GW wind portfolio in Portugal, Poland and Italy for €0.57 Bn.

30 EDPR completes Asset Rotation deal of a 260 MW wind portfolio in Brazil.

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1.1.4. Stakeholder management

Stakeholder management is a strategic priority for EDPR, following the ESG (Environment; Social; Governance) growing importance in the business world.

Engaging with stakeholders is an extremely demanding exercise for companies, that involves sharing information and being transparent in their relationship with society and, in particular, with all who are affected by their activities. EDPR seeks to achieve this through four major interaction commitments: comprehend, communicate, trust, and collaborate.

EDPR remains committed to preserving the excellence achieved in this area, constantly seeking to listen to its key stakeholders, adapting and improving its procedures, and incorporating different visions into its action plans.

As a result, in 2023, the EDP Group carried out a global and integrated study among several stakeholder segments in the regions where it operates, with more than 6,000 respondents. This exercise allowed EDPR to assess stakeholders' global perception of the company and its role in leading the energy transition. Following the first global assessment conducted in 2021, there has been steady progress in perceptions and strong reinforcement of our global positioning.

EDPR continues committed to achieving an excellent level regarding stakeholder engagement activities, designing new procedures, and global and unified approaches on its main markets, adapting it whenever necessary regarding cultural and social specificities.

EDPR strongly believes this activity is key to enabling the implementation of the business plan, improving business success, anticipating risks, and also to create value for the stakeholders involved.

Position EDPR as a global company at the forefront of the energy transition, increasing awareness in our key markets, and establishing long-lasting and trustful relations with our main stakeholders will continue to be our main purpose.

Stakeholders

Market

- Competitors
- Investors & Analysts
- Financial Entities & Tax equity investors
- Shareholders
- Assets Owners
- Market Agents

Democracy

- Governments
- Public Powers & Regulation
- Parliament & Political Parties
- Municipalities
- International Institutions & Associations

Value chain

- Employees & Unions
- Suppliers
- Partners
- Universities & Scientific Community
- Offtakers
- Business Associations
- Start-ups
- Clients

Social and local communities

- NGOs
- Landowners
- General Public
- Educational Institutions
- Media & Opinion Leaders

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1.2. 2023 in review

1.2.1. Key metrics

Financial

€1,845 m
Recurring EBITDA
vs €2,157m in 2022

€897 m
Organic Cash Flow
+14% YoY

€460 m
Asset Rotation Gains
vs €424 m in 2022

€5.7 Bn
Net debt
vs €4.9bn in 2022

€513 m
Recurring net profit
vs €671m in 2022

€4,556 m
CAPEX
vs €3,446m in 2022

Operational

16.6 GW
Installed capacity
EBITDA + Net Equity

94%
Technical availability
vs 98% in 2022

34.6 TWh
Renewables generation
+4% YoY

29%
Load factor
-1.7pp vs 2022

2,491 MW
New additions
EBITDA + Net Equity

4.4 GW
Under construction as of Dec-23
vs 4.0 GW as of Dec-22

ESG

3,043
Employees
34% female

87%
Employees trained
vs 96% in 2022

72%
Total waste recovered

20 mt CO_2
Emissions avoided

100%
Independent members of BoD committees

€2.4 m
In social impact programs
Stable YoY

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1.2.2. Share performance

EDPR has 1,024 million shares listed and admitted to trading in NYSE Euronext Lisbon, following the successful share capital increase in March 2023, where 50,968,400 new shares were issued at a subscription price of 19.62 euros per share for a share premium of 14.62 euros, along with the issuance of 12,451,539 new shares following the scrip dividend program concluded in June 2023, EDPR total share capital is composed of 1,023,978,101 shares with a nominal value of five euros each, fully paid. All these shares are part of a single class and series and are admitted to trading on the Euronext Lisbon regulated market. On December 31st, 2023, EDPR had a market capitalisation of €19.0 billion, and equivalent to €18.53 per share. In 2023 total shareholder return was -9%, considering the dividend paid on May 26th of €0.265 per share.

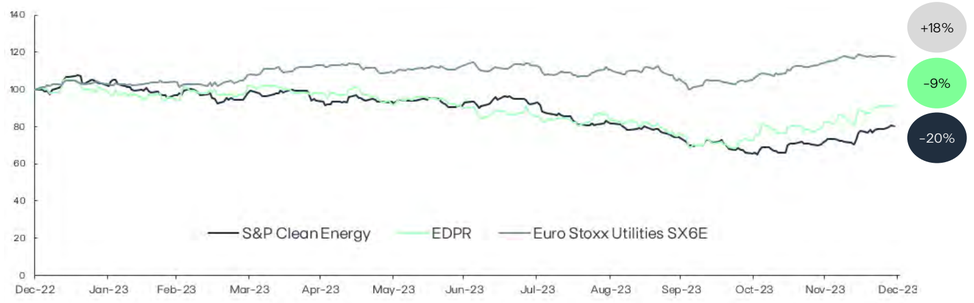
In 2023, the Utilities Sector exhibited total return of +17.7% return in 2023, in contrast to the challenges faced in 2022, where energy markets were adversely affected by rising in energy sourcing costs. Despite the difficulties encountered by renewables players throughout the year, government policies persist in bolstering the performance of electricity markets, thereby promoting the ongoing energy transition. Moreover, the reduction in interest rates is anticipated to contribute to a recovery in energy market stocks.

The global benchmark for clean energy-related businesses, S&P Global Clean Energy Index, registered a TSR of -20.1%, mainly attributed to the underperformance of pure renewables companies compared to utilities, resulting from profit warnings prompted by high interest rates, operational challenges, and disruptions in the supply chain. Consequently, a wave of impairments affected renewable energy players, precipitating a subsequent decline in the clean energy stock market.

EDPR's TSR of -8.8% in 2023 underperformed both European and Utilities benchmark Indexes, impacted by lower resources caused by weather conditions and capacity delays.

The performance of EDPR's share price in 2023 was impacted by several factors. On one hand, the adverse of macroeconomic conditions resulting from the increase in interest rates, supply chain issues and complicated weather condition. On the other hand, the implementation and strong delivery of EDPR's Strategic Plan growth targets in the first year of this plan.

Indexed EDPR Total Shareholder Return vs. S&P Clean Energy & Euro Stoxx Utilities SX6E



EDPR IN CAPITAL MARKETS	2023	2022	2021	2020
Opening Price (€)	20.58	21.90	22.80	10.42
Minimum Price (€)	13.89	17.00	16.17	8.82
Maximum Price (€)	21.77	26.55	25.69	23.00
Closing Price (€) (adjusted for dividend and splits)	18.53	20.58	21.90	22.80
Market Capitalisation (€ Millions)	18,969	19,768	21,036	19,889
Total Traded Volume: Listed & OTC (Millions of shares)	792.0	712.6	1,016.10	381.9
of which in Euronext Lisbon (Millions of shares)	418.4	379.3	552.2	48.0
Average Daily Volume (Millions of shares)	3.11	2.77	3.95	1.49
Turnover (€ Millions)	7,558	13,989	20,079	4,966
Average Daily Turnover (€ Millions)	29.64	54.43	77.85	19.32
Rotation of Capital (% of Total Shares)	77%	74%	106%	44%
Rotation of Capital (% of Floating Shares)	269%	296%	423%	195%
Total Shareholder Return	-9%	-6%	-3%	120%
Total Number of Shares (Millions)	1,024	961	961	872

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RELEVANT EVENTS

1	20-Jan	EDPR informs about gender equality plan
2	30-Jan	Closing of Asset Rotation deal of a 260 MW operating wind portfolio in Brazil
3	14-Feb	EDPR secured its first PPA in Greece
4	27-Feb	EDPR informs about the increase of its target dividend payout ratio to 30-50% and announces new Scrip Dividend programme
5	27-Feb	EDPR informs about FY 2022 Results
6	02-Mar	EDPR informs about its Business Plan 2023-2026
7	02-Mar	Intention from EDPR to pursue equity raise of ~€1 billion
8	02-Mar	Approval of non-preemptive capital increase
9	03-Mar	Notice of the General Shareholders Meeting of April 4th, 2023
10	03-Mar	Capital increase completion and final terms
11	06-Mar	Registration of share capital increase of EDPR
12	07-Mar	Admission to trading of shares of EDPR
13	09-Mar	Notification of qualified shareholding of GIC
14	13-Mar	Resignation of a member of the Board of Directors
15	30-Mar	Agreement with First Solar to secure solar modules
16	04-Apr	EDPR informs about resolutions of the Annual General Shareholders Meeting
17	17-Apr	EDPR secured PPA for a wind project in the US
18	27-Apr	EDPR secured PPA for a solar project in the US
19	02-May	EDPR secured long term VPPAs for a 54 MW wind portfolio in Spain
20	02-May	Scrip Dividend Programme launch and approval of the informative document
21	03-May	EDPR secured PPA secured for 150 MW solar project in the US
22	04-May	EDPR informs about 1Q23 results
23	25-May	Registration of share capital increase of EDPR
24	01-Jun	EDPR awarded 20-year FiT in the eleventh GSE auction in Italy
25	02-Jun	Admission to trading of shares of the Company
26	14-Jun	EDPR secured its first long-term PPA in the Netherlands
27	26-Jun	EDP increases its participation in EDPR as a result of Scrip Dividend program
28	25-Jul	EDPR closes Asset Rotation deal for a 257 MW wind portfolio in Spain
29	26-Jul	EDPR informs about 1H23 results
30	27-Jul	EDPR informs about Asset rotation deal signed for a renewables portfolio in Poland
31	07-Aug	Management transaction related with the acquisition of shares by the Member of the Executive Board of Directors
32	29-Aug	EDPR signs Asset Rotation deal for a 260 MW wind portfolio in Brazil
33	5-Sep	Blackrock notifies change in qualified shareholding in EDPR

RELEVANT EVENTS

34	8-Sep	EDPR awarded with CfD for 56 MW of wind onshore in the UK
35	2-Oct	EDPR on Ocean Winds sells minority stake in its 950 MW Moray East offshore project
36	12-Oct	EDPR completes Asset Rotation deal of a 300 MW renewable portfolio in Poland
37	17-Oct	EDPR secures a PPA for a 180 MW solar project in the US
38	31-Oct	EDPR informs about 9M23 Results
39	29-Dec	EDPR buys back 49% stake in 1 GW wind portfolio in Portugal, Poland and Italy for €0.57bn
40	29-Dec	EDPR completes Asset Rotation deal for a 260 MW wind portfolio in Brazil

Source: BLOOMBERG / EDPR

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1.3. Organisation

1.3.1 Shareholder structure

EDPR shareholders are spread across 40 countries, being EDP the main shareholder.

Major shareholders, the EDP Group

The majority of the Company's share capital is owned by EDP Group, holding 71.27% of the share capital and voting rights. EDP Group is a global company operating in all parts of the energy industry chain, from generation to the distribution and supply of gas and electricity. Over the past four decades, the company has built a significant position in the global energy landscape, establishing a presence in 4 continents. With over 13,000 employees, EDP supplies electricity and/or gas to over 9 million customers and is a sustainability partner for its clients, offering products and services in solar energy, energy efficiency, electric mobility, among others.

By the end of 2023, EDP had an installed capacity of 28.9 GW, generating 56.4 TWh of energy, of which 87% came from renewables. In this context, sustainability is part of the company's DNA, which is why the EDP Group has been a member of the Dow Jones Sustainability Index for more than 15 years.

Own shares

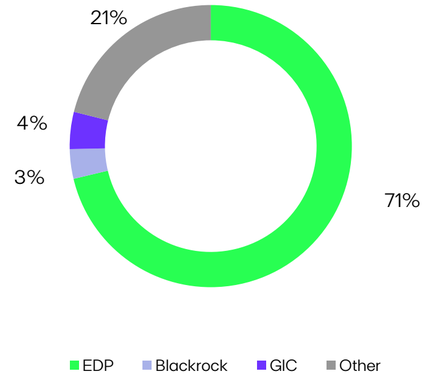
As of December 2023, EDPR did not hold own shares and no transactions were made during the year.

Other qualified shareholders

Besides the qualified shareholder EDP Group, GIC – Government of Singapore Investment Corporation – communicated to CNMV the 9th of March 2023 an indirect qualified position, as collective investment institution, that surpassed the 3.00% shareholding threshold in EDPR share capital and voting rights and therefore becoming a qualified shareholder, as well as Blackrock Inc., who communicated to CNMV the 5th of September 2023 an indirect qualified position surpassing the 3.00% shareholding threshold in EDPR.

As of December 31st, 2023, GIC and Blackrock owned 4.25% and 3.39% of EDPR share capital and voting rights.

EDPR shareholder structure



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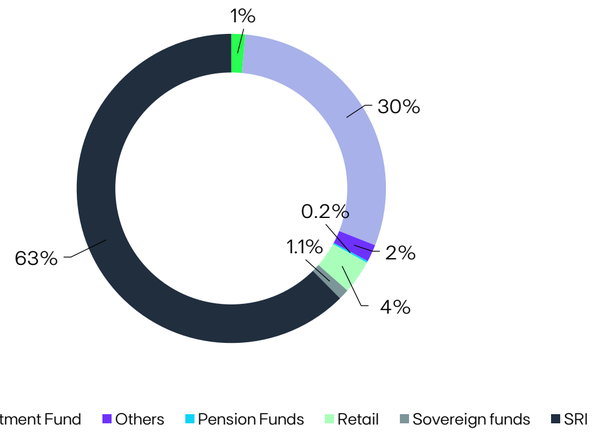
Broad base of investors

EDPR has an international base of investors. Excluding EDP Group, EDPR shareholders comprise more than 35,000 institutional and private investors spread worldwide.

Within institutional investors, which represent about 96% of shareholder base (ex-EDP Group), sustainable and responsible funds (SRI) are the major type of investor, followed by investment funds.

In this context, EDPR is a member of several financial indexes that aggregate top performing companies for sustainability.

Shareholders (Ex-EDP) by Type

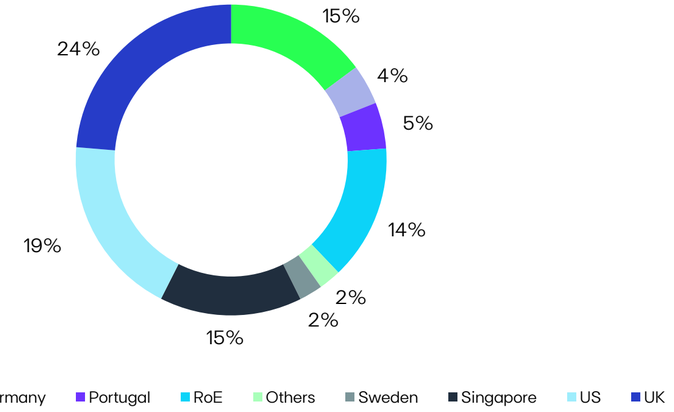


Worldwide shareholders

EDPR shareholders are spread across 40 countries.

The United Kingdom is the most representative country accounting for 24% of EDPR's shareholder base (ex-EDP Group), followed by the US, Singapore, France, Portugal, Germany and Sweden. In the Rest of Europe, the most representative countries are Switzerland, Spain, Belgium, Norway and Austria.

Shareholders (EX-EDP) by Country



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1.3.2. Organisation structure

EDPR has grown significantly in a short period of time and will continue to step-up its growth, in line with its ambitious objectives for 2026. In this context, the Company's operative model is evolving to have an adequate organisation to cope with the strategic ambitions and enhanced growth standard.

Accordingly, EDPR's organisation structure was defined based in the following fundamentals:

- Ensure corporate functions enable growth, maximize efficiency, and promote one global company.
- Empower core regions (Europe, Latin America, North America, and Asia-Pacific) to lead growth and development.
- Leverage existing transversal logic in key business functions, with central and local resources.
- Ensure new technologies (such as storage and hydrogen) are nurtured and amplified by regions and foster further continuous and disruptive innovation.

As a result, EDPR's organisation model is organised around five main elements: a Corporate Holding, Onshore Europe & Latin America (EU & LATAM) platform, Onshore North America (NA) platform, Onshore Asia-Pacific (APAC) platform, and Offshore platform. Each platform includes different business units specialised in each of the market's specificities.

This structure provides a perfect balance between the global view necessary to further develop EDPR's leadership in global renewable energy and the local approach that is critical for the successful development of our wind farms and solar plants, ensuring alignment with the defined strategy, optimising support processes and creating synergies.

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Organisational model principles

The principles on which EDPR bases its organisational model are defined by the Management Team. These are a set of performance aspects that define the characteristics of the relationships, grant the rights between EDPR Holding and the business units, and ensure optimal efficiency and value creation.

Accountability alignment

Critical KPIs and span of control should be hierarchically aligned at project, country, platform and holding level to endure accountability tracking, and to take advantage of complementarities derived from end-to-end process vision.

Client-service

Corporate areas function as competence support centers and are internal service providers to all business units for all geographical non-specific needs. Business priorities and needs are defined by local businesses, and best practices are defined and distributed by corporate units.

Lean organization

Execution of activities at holding level are held only when significant value is derived, coherently with defined EDPR holding role.

Reinforce collegiate decision making

Ensure proper country-balance dynamics to ensure multiple-perspective challenge across functions

Clarity and transparency

Platforms organization models should remain similar, to allow for:

1) Easy coordination, vertically (holding-platforms) and horizontally (across platforms);

2) Scalability and replicability to ensure efficient integration of future growth.

EDPR holding

EDPR Holding seizes value creation through the dissemination of best practices in the organisation and the standardisation of corporate processes to the platforms and the business units to improve efficiency. The internal coordination model and interface with EDP Group impacts functions and responsibilities of both the Company's processes and structure. The assignments of the main responsibilities and activities of EDPR Holding to fulfil their respective missions include:

- Define internal structures.
- Ensure a global budget and its periodic monitoring.
- Manage the essential human resources.
- Provide appropriate management information.
- Compete for a culture of excellence throughout the Group.
- Integrate risk management and compliance in each area of responsibility, ensuring the monitoring and effectiveness of controls.

Strategic Management

Covers the activity of EDPR Holding to support the Management Team

- Define strategy objectives, policies, rules and procedures;
- Promote the dissemination of the EDPR culture and best practices;
- Review the accomplishment of the Company's business plan;
- Control key performance indicators.

Transversal Operation

Systematically and progressively coordinate between EDPR Holding and the Business Units

- Leading the activities included in the mission and functions of corporate addresses;
- Align the policies and strategies of each Business Unit;
- Ensure a functional reporting including policies, plan of action of activities;
- Linking the regulatory obligations of each
- Business Unit with efficient and effective management by leveraging corporate knowledge to maximise the interests and results of the Group;
- Capture synergies and optimise support processes.

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EDPR platforms

The four platforms are defined as: Onshore Europe & Latin America, Onshore North America, Onshore Asia-Pacific and Offshore.

Onshore Europe & Latin America platform

After its consolidation in Spain since 1997 as one of the leading companies in the renewable industry, EDPR continued to expand its business in Europe in 2007 with the entry, throughout these years, in other markets such as Portugal, France, Belgium, Italy, Poland, Romania, and more recently Greece, Hungary, UK, Germany and Netherlands.

In South America, EDPR's history began in 2009 through Brazil, entering in the Colombian market ten years later and in the Chilean market in 2021.

In this platform, the technologies that represent the installed capacity are wind and solar photovoltaic (PV).

Onshore North America platform

As part of its growth strategy, EDPR entered the US market in 2007, having more than doubled its wind power production capacity since.

This first approach to the North American market was followed by EDPR's activity in Canada and Mexico and reinforced by its recent entry into distributed solar (DG) power generation in the US in 2021.

On the North American Onshore platform, along with solar DG, wind and solar PV make up the installed base of technologies.

Onshore APAC platform

EDPR entered in Asia through a solar PV project in Vietnam in 2021.

In February 2022, EDPR concluded the acquisition of a majority stake in Sunseap, which has become the most established home-grown clean energy solutions provider in Singapore, being the largest owner and developer of rooftop PV systems. Backed by its strong market position as a leading Pan-Asian solar player, Sunseap is the largest distributed solar player in SEA and top 4 largest solar player in SEA, with an expanding presence.

As a result, EDPR is currently present in 9 APAC markets: Vietnam, Singapore, China, Taiwan, Japan, Cambodia, Malaysia, Thailand, and Indonesia.

The APAC Onshore platform's installed technologies are solar photovoltaic (PV) and distributed solar (DG).

Offshore platform

EDPR has a 50:50 Joint Venture with ENGIE (Ocean Winds) for offshore wind energy since 2020, which grants the development of projects in the United Kingdom, Portugal, France, Belgium, Poland, South Korea, and the United States.

Ocean Winds develops both bottom-fixed and floating offshore wind farms.

PUBLIC

1.3.3. Integrity and ethics

EDPR is global energy company, focused on creating value, innovation and sustainability, which operates a business based on a commitment to excellence, serving its stakeholders and making a decisive contribution to a responsible energy transition. One of its most valuable assets is its reputation, which is why EDPR is committed to carrying out all its activities ethically in the different markets in which it operates and acting on principles that derive from its identity. In this context, EDPR is committed to act in accordance with the highest ethical and compliance standards.

Ethics

During 2023, the Ethics area of EDPR, led by the Company's Ethics & Compliance Officer and their team, supported by EDPR's Ethics Ombudsperson, focused on two essential aspects:

Firstly, in **managing the reports received through the Speak up channel**, following the established process: investigation of the situations presented, synthesis of conclusions and proposals for opinions, and finally analysis and deliberations by the Company's Ethics Committee, then forwarded to its executive management. This year, with the transposition of the European Directive on Whistleblower Protection into Spanish legislation, the process for managing reports was naturally adjusted to the new provisions, which were in effect during the latter part of the year, although without changes that influence the essence of the process. It is believed that as a result of the work to encourage the appropriate use of the Speak up channel, the number of reported concerns showed a positive evolution. In 2023, there were sixteen (16) claims submitted through the Speak Up channel, of which 4 were considered as founded, 5 as unfounded, 3 as inconclusive (there is not enough evidence to confirm the infraction) and 4 were under analysis by the end of the year.

Secondly, in **disseminating the ethical principles and commitments** established in the Company's Code of Ethics: through ethics **training** for managers in various locations, as well as through various **communication** initiatives that reinforce the various themes of the Code among employees. Additionally, in an effort to ensure good coordination between the perspectives of Ethics and Compliance, several knowledge-sharing meetings were held with local teams in various locations where EDPR operates.

In this sense, and with the aim of strengthening an ethical culture from the outset, new employees undergo specific online training introducing the Code of Ethics: "Ethics is value: let's live our code of ethics," and all employees receive the Code of Ethics to become familiar with it and commit to upholding its principles. Other employees also received the Code of Ethics during 2023 to become familiar with it and adhere to its principles; and whenever there is an update, they are required to review it again.

Additionally, during 2023, specific training sessions were conducted for the members of the EDPR Board of Directors, and all of them also completed the following training: "Ethics is value: let's live our code of ethics."

In 2023, EDPR also conducted an **Ethics survey** among its population, which recorded a participation rate of 52%, 25 percentage points higher than previously recorded (52% vs. 27%), and with important positive findings such as the increase in knowledge about how to communicate ethical concerns or observed misconduct, which rose by 21 percentage points compared to the previous survey (77% vs. 56%).

Compliance

EDPR is committed to carrying out its activity in strict compliance with the legislation and regulations, as well as to act in a responsible and oriented way by the highest standards of ethics and integrity, maintaining the idea of establishing Compliance as a strategic part of the Company's corporate culture. This commitment applies to all EDPR entities and to their administrators, collaborators and service providers who act on their behalf.

In this sense, EDPR assumes a zero tolerance Compliance policy regarding any non-compliance with the applicable legal and regulatory requirements, especially regarding bribery, corruption or money laundering.

To put this commitment into practice, EDPR has adopted the Compliance Management System Implemented by the EDP Group, which is aligned with the best international practices, namely with the ISO Standard 37301:2021 - Compliance Management Systems - and with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) reference of risk management, internal control and fraud prevention (Fraud Risk Management).

This System is developed at Group level, allowing the harmonization of Compliance management guidelines and methodologies throughout the organization and to different regulatory scopes, covering all activities, businesses, and geographies. Whenever necessary, corporate guidelines are specified by business units in order to meet their respective particularities. The Compliance Management System is essentially based on nine components, which can be framed in three levels of action (as illustrated).

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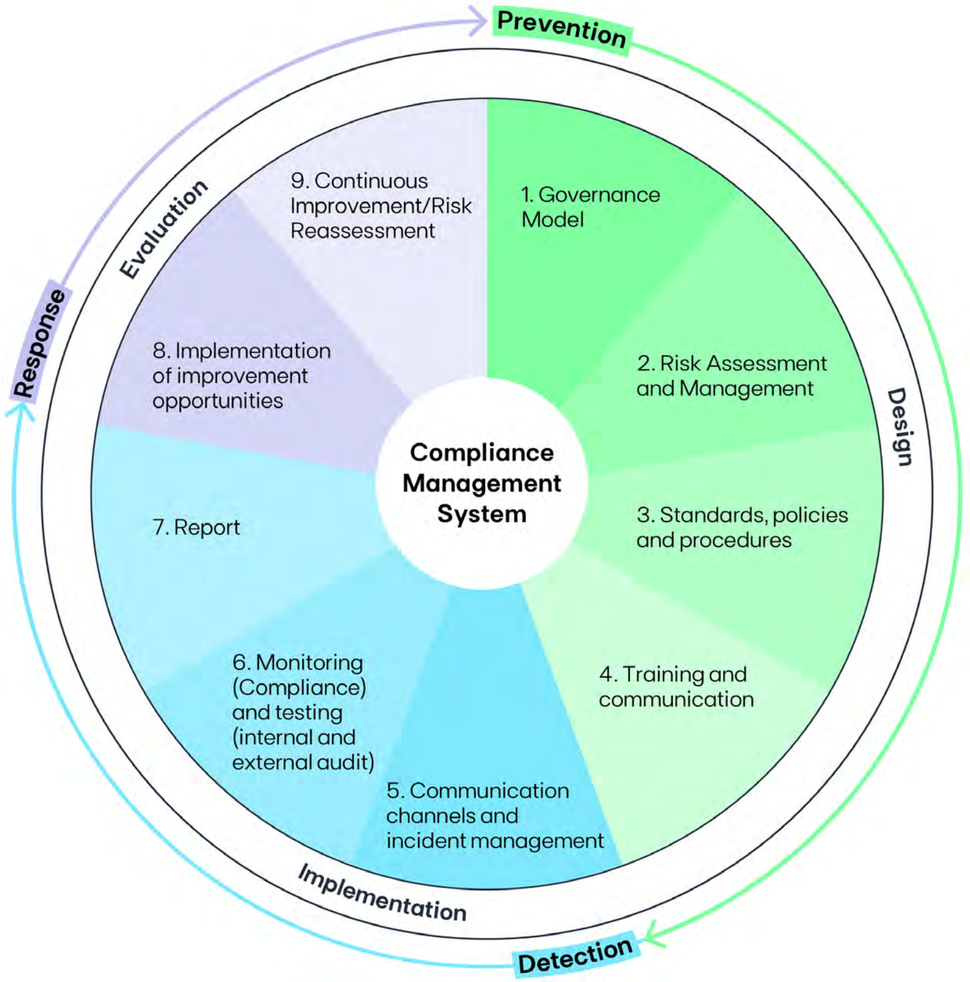

Through the work developed over the years, EDPR currently has different mechanisms, such as a specific governance model – including a Compliance & Internal Control Global Unit (C&IC) with the responsibility for the coordination of the Program and an appointed Compliance Officer -, specific policies and procedures, periodic training/awareness initiatives and monitoring and reporting instruments that enable the identification of situations to consider from continuous improvement perspective, responding to internal and external challenges. EDPR also provides a whistleblowing channel (the SpeakUp channel), whose management is ensured by an independent and impartial area.

The Compliance Management System integrates specific programs (SCPs) depending on the risks affecting the Group namely: (1) Integrity/Anti-corruption; (2) Prevention of Money Laundering; (3) Personal Data Protection; (4) Prevention of Criminal Risks; (5) Internal Control System for Financial Reporting.

The Compliance Management System, as well as the respective SCPs, are continuously monitored by the C&IC and periodically subject to internal audits, in accordance with the annual activity plan of the Internal Audit Department or subcontracted to third-parties, and external audits, which may result in the identification of opportunities for improvement, considered for the purpose of improving the Compliance management.

Also, from a continuous improvement perspective, a Compliance Survey is conducted every 2 years for all Group employees, from all Business Units and geographies, with the aim of assessing their perception and positioning regarding Compliance matters, including their knowledge about the application of the existing Compliance mechanisms in the Group. The last Compliance Survey was conducted in 2022, resulting in the development of an action plan that provided for the reinforcement of awareness and training actions. Also aiming at the improvement of the Group's Compliance Management System, and an evaluation survey by their main interlocutors.

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Integrity, Anti-bribery and corruption

This Specific Compliance Program has as its central axis the Integrity Policy, which defines the commitments, general principles of action, and duties of the entities of the Group, its employees, service providers, and business partners, regarding the prevention of illicit acts. This Policy complements the set of existing norms and compliance mechanisms at both the corporate level, including the Supplier Code of Conduct, the Code of Conduct for Senior Management and Senior Financial Officers and the Related Party Transactions Policy, in addition to the Group's own Code of Ethics and the available reporting channels, as well as the prevention and control models of criminal liability previously implemented by EDPR.

The Integrity Policy is approved by the Board of Directors, periodically reviewed (last review conducted in 2023), made available to all employees – being a mandatory reading document, with registration of acknowledgement – and is available on the EDPR website. This Policy reinforces the zero-tolerance policy regarding corruption or bribery practices, clarifies the prohibition of facilitation payments, and details the principles related to the prevention of conflicts of interest, donations and sponsorships, contributions to political parties, prevention of money laundering and combating the financing of terrorism, as well as guidelines regarding the performance of integrity due diligence of third parties, the relationship with politically exposed persons (PEPs), the acceptance and allocation of offers and invitations to events, and the monitoring of international sanctions. In the context of whistleblowing, the Integrity Policy reinforces the principle of non-retaliation, listing the different available channels at the internal and external levels, and addresses the process of investigating potential non-compliance situations and identifying and implementing any corrective actions.

The principles and guidelines set out in the Integrity Policy are embodied in specific internal procedures, of which we highlight the following:

- The Third-Party Integrity Due Diligence Procedure, namely suppliers, business partners/counterparties, beneficiaries of sponsorship/ donations, employee applicants and other third parties, evaluating the various integrity risks (if necessary, using specialized external consultants), foresees the analysis of possible existing legal proceedings, adverse news, involvement with PEPs, inclusion in sanctions lists, situations of conflict of interest, etc. The analysis carried out results in the assignment of a rating and the issuance of an opinion that includes specific recommendations regarding the approval of the transaction, the adequacy of its contractual conditions, and the monitoring of the contract's execution.
- The Procedure for relations with PEPs provides for specific rules of action, foreseeing the need to record and communicate certain types of interaction.
- The Procedure for offers and invitations to events defines rules of action and thresholds for its award and acceptance, as well as review and approval mechanisms.
- The procedure for the attribution of donations and sponsorships, requires an integrity due diligence of the respective beneficiaries as well as the monitoring of the actual application of the support granted.
- The conflict-of-interests management procedure establishes rules that guarantee impartiality and transparency in decision-making and to prevent misconduct or inappropriate behavior.
- The Complaint Management Procedure defines the principles of action and rules to be followed in the management of complaints received and in the investigation process, involving five phases: preliminary analysis, documentary investigation, interviews, investigation, and the release of a final report.

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In the operationalization of this SCP in 2023, the following stands out:

- The analysis of 824 third parties (2022: 693), as part of the Integrity Due Diligence (IDD) procedure.[1]
- The development of training and awareness-raising actions to ensure the strengthening of the compliance and integrity culture, complemented by specific initiatives developed locally according to identified needs, namely:
  - Global training on the Speak Up whistleblowing channels and on the Complaints Management Procedure.
  - Monthly global publication of the Compliance Golden Rules, raising awareness of the main principles of different compliance areas, including specific topics related with the Integrity procedures.
  - Communication campaigns to disseminate integrity topics as the celebration of the Compliance Officer day, the Compliance day and Anticorruption day.
  - Trainings online to reinforce specific procedures as Integrity Due Diligence Procedure and Intermediary Agreements Procedure.
  - Trainings in person on the Compliance Model in the geographies.

In this context, a total of 2,836 participations (2022: 645) were recorded in the various sessions made available, corresponding to a total of 1,658[2] training hours (2022: 47 hours).

In terms of continuous improvement, the following initiatives stand out throughout 2023:

- Review and update of internal regulations on Integrity, considering changes in context and continuous adherence to best practices.
- Automation of some of the existing control mechanisms.
- Strengthening the monitoring of the application of the implemented procedures.

EDPR Specific Integrity Compliance Program is certified according to the requirements of ISO 37001 – Anti-Bribery Management Systems.

[1] For the purpose of calculating this indicator, in 2023, EDPR considers the number of third parties analysed, regardless of the number of times each of them has been subject to analysis.

Prevention of Criminal Risks

The Prevention of Criminal Risks Program was first approved in December 2017 and was updated during 2022.

Under this Compliance programs EDPR has implemented in Spain a management system that includes supervision and control measures to prevent the occurrence of crimes or, highlighting the topics of corruption prevention, bribery, and other similar offenses prevent crime, reduce risk and foster an ethical and legally compliant business culture (benefiting of synergies with other Compliance programs such as the Integrity Compliance Program).

This Compliance Program is certified according to the UNE 19601:2017 Standard – Criminal Compliance Management Systems.

Personal Data Protection

The strict respect for privacy and the protection of personal data of all its stakeholders is assumed by the EDP Group as a commitment to be followed in its activity, throughout the value chain. In this context, the Specific Personal Data Protection Program is one of the main cross-cutting programs of the EDP Compliance Management System. This commitment is reflected in the Group's Data Protection Policy, adopted by EDPR's Board of Directors, according to which such commitment is ensured by observing the following principles: (1) Lawfulness and Purpose; (2) Transparency and Fairness; (3) Proportionality; (4) Control; (5) Privacy since "0" moment; (6) Responsibility; and (7) Security.

These principles are embodied in the different global data protection norms and procedures and that address, in particular:

- **Privacy by Design** processes.
- Risk assessments of the processing activities and data protection impact assessments.
- The management of **processors**.
- The process of responding to the **exercise of data protection rights**.
- The management of personal **data breaches**.

[2] For the purpose of calculating this indicator, in 2023, EDPR considers the number of training hours attended by the total of participants.

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These global procedures may be complemented by specific procedures and controls defined at the level of each Business Unit for the entire life cycle of processing activities, according to their exposure to risks of Personal Data Protection.

In their relationship with data subjects, the Group companies provide information on the data processing carried out, both by EDPR and by their processors, namely through Privacy Policies available on their respective websites or informative disclaimers provided in contractual clauses or data collection forms.

In these documents, the EDP Group entities identify, among other aspects, the purposes for which the data is processed, the respective legal basis, retention periods, if applicable, whether the data is shared with other parties, as well as provide the contacts of the entity responsible for data processing and the contacts of the respective Data Protection Officer (DPO), through which data subjects can exercise their rights regarding personal data protection, request information or clarifications about their data and submit complaints.

The management of this Specific Compliance Program is based on a specific governance model, based on the Compliance Management System, which establishes the responsibilities and the relationship paradigm between the different stakeholders, with the coordination of the Compliance & Internal Control Global Unit, specific teams responsible for promoting the dissemination, knowledge, training, and implementation of the Compliance program in their respective areas of activity, and with the Internal Audit Global Unit, in the third line of defense, conducting specific audit work to verify the adequacy and effectiveness of the control mechanisms implemented. Whenever legally required, this Governance Model also includes a DPO.

As part of the Personal Data Protection Compliance program, in 2023, a total of 1,523 participations were recorded in the available sessions, corresponding to a total of 453 training hours. In this context, the launch of the "The World of Data Protection" global learning stands out, with the objective of refreshing basic concepts, principles, and obligations regarding personal data protection.

Regarding continuous improvement initiatives developed in 2023, the following stand out:

- Personal Data Mapping and Gaps identified of EDPR APAC platform.
- Personal Data Compliance Roadmap of EDPR APAC platform.
- Personal Data Action Plan of EDPR APAC platform.
- Approval and dissemination of specific Employee Privacy Notice + consent language for EDPR APAC platform.
- Data Protection Workshops addressed to EDPR's corporate legal department.
- Identification of international transfers of personal data within EDPR.
- Development of Biding corporate rules together with the EDP Group.

Internal Control System for Financial Reporting

EDPR, within the scope of its financial reporting obligations, has an Internal Control System for Financial Reporting (ICFR), consisting of a model for the evaluation and mitigation of financial reporting risks, through the monitoring of the execution of control activities and the identification of potential improvement actions and their implementation. The EDP Group's ICFR was developed and implemented based on the criteria established by the internal control regulatory framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013") in relation to business processes and overall controls, and by the Control Objectives for Information and related Technologies ("COBIT") in relation to general information technology controls. In 2023, the ICFR mapped and monitored a total of 1,068 controls that contribute to mitigating the risks in Financial Reporting, including those of fraud and information systems.

Annually, the ICFR is audited by an external independent entity and since 2010 it has been considered, in all materially relevant aspects, an appropriate and effective internal control system and is certified by the external auditor without conditions and comments.

PUBLIC

Why we choose wind offshore

Moray East Offshore Wind Farm, Scotland

edp Renewables

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PUBLIC

2.1. Business environment

2.1.1. 2023 overview

2023 was marked by efforts to recover from what happened in the previous years. After a global pandemic and the immediate effects of the war in Ukraine, the impacts on the global economy still last. The different global economies still struggle to get back on track and the energy sector is finding its way back to lower volatility.

While in 2022 inflation rates were at very high levels, 2023 was the year to start seeing more stable indexes. In the Eurozone inflation was 5.4% by 2023, a drop from 8.4% in 2022, while in the United States, it stood at 4.1% against 8.0% in 2022 (source: Focus Economics). Monetary policy measures played a big role in 2023, with consecutive increases in interest rates both by the European Central Bank and by the US Federal Reserve. The higher cost of capital creates a challenging environment for investors, cautiously considering where to put their money next.

In 2023, the energy sector recovered from the environment of uncertainty and high volatility from 2022. Coal annual average prices decreased more than 55% in 2023, as API#2 – a widely used European price reference for coal – was around 129 $/ton compared to 290 $/ton in 2022.

The Brent price was somewhat stable during the first half of 2023 but following cuts in Saudi Arabia, Russia, and OPEC+ countries production, it reached the maximum of 95.4 dollars per barrel ($/bbl) by September. The year ended with an average price of 83 $/bbl, a lower reference compared to the 101 $/bbl of 2022.

There was a significant decrease in gas prices, as Henry Hub – reference index in the US - reached an average price of 2.5 dollars per million British thermal units ($/MMBtu), 54% lower than the previous year. The European reference gas index (TTF) price at the beginning of the year was 63 €/MWh (average price in January) but started to decrease to the range of 30-45 €/MWh as EU gas storage reached a level of 86% at the end of the year. The TTF had an average price of 41 €/MWh in 2023, almost three times lower than the 2022 price of 121 €/MWh.

In Europe, the reference carbon price of the European Emissions Trading System (ETS) was on average 84 €/ton in 2023, a slight increase from the 81 €/ton average price in 2022.

Having a sustainable and secure energy system is a clear priority to many countries, after everything that happened in 2022. Accelerating the energy transition is on the political agenda of so many countries, as well as on the strategic plans of private sector corporations. Throughout the year 2023, several policies were put in place, with the main focus of boosting investors' confidence back and strengthening industries' competitiveness, so that economies can keep on recovering and businesses have a favourable environment to strive.

Global warming in 2023

2023 has become the warmest year on record, according to the European Earth Observation Programme, "Copernicus". Unprecedented global temperatures from June onwards led 2023 to become the hottest year since we have registers, overtaking 2016, the previous warmest year. In the past months, global temperatures were 1.48° C warmer than the 1850-1900 pre-industrial level and therefore, close to the 1.5°C limit agreed upon in the Paris Climate Agreement. According to the report, it is likely that a 12-month period ending in January or February 2024 will already exceed the 1.5°C threshold.

The Intergovernmental Panel on Climate Change (IPCC) made a call in March 2023 for urgent climate action, as the planet seems to be at an inflection point regarding climate change, as chances to keep the 1.5°C temperature goal are narrowing. According to the report, limiting global warming to 1.5°C, requires a peak of emissions before 2025, and reducing them by 43% by 2030, 60% by 2035 and reaching net-zero in early 2050.

Global warming has already caused devasting disruptions in ecosystems, populations and economies all around the globe, and impacts seem to be increasingly catastrophic. The year 2023 was no exception and important climate-related events caused widespread damage all around the world. In Libya, and Turkey, torrential rains fell in volumes rarely seen, leading to devastating floods. China was hit by the Doksuri Typhoon, one of the strongest storms in years, that caused significant rainfall and flooding across the country. Extreme hot and dry conditions led to a large number of catastrophic wildfires all around the globe, including Greece (that experienced the largest wildfire ever seen in Europe), Canada, South America and Australia, among others. On the other hand, record droughts were recorded in different regions, including the Amazon rainforest, Mexico and western Africa.

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Climate negotiations: 28th Conference of the Parties of the UNFCCC (COP 28)

The 2023 United Nations Conference of the Parties (COP) took place in Dubai, in the United Arab Emirates (EAU) from 30 November to 12 December.

For the first time, countries agreed on the need to "transition away from fossil fuels in energy systems" in a "just, orderly and equitable manner" to achieve net-zero by 2050. This was the main conclusion to the first Global Stocktake (the inventory on global climate action and support that informs the updates to countries' Nationally Determined Contributions or NDCs). However, the deal did not include concrete actions and no timescale was specified. Besides, given the omission of the terms "phase-out" or "phase-down" could be a sign of lack of ambition according to some countries.

Countries home to at least half the world's renewable energy capacity also signed a pledge to triple the world's renewable energy capacity by 2030 to at least 11 TW and double global energy efficiency improvement rates from around 2%/year now to more than 4%/year by 2030. The renewables' target will require an unprecedented acceleration in renewables' deployment, although according to the International Energy Agency, it is an "ambitious, yet achievable goal".

Renewable Energy Directive

The Renewable Energy Directive is the legal framework for the development of clean energy across all sectors of the EU economy. Given the need to speed up the European clean energy transition as mandated in the "Fit for 55" package, the Renewable Energy Directive EU/2018/2001 for the period 2020-2030, was revised in 2023. The revised Renewable Energy directive, the so-called "RED III" was published on 31 October 2023 and entered in force 20 days later.

The RED III aims to increase the share of renewable energy in the EU's overall energy consumption to 42.5% by 2030, with a further indicative target of 2.5%. To achieve this target, the Directive calls for an acceleration of permitting procedures and sub-targets on the industry, transport and buildings sectors are also imposed.

Regarding the acceleration of permitting procedures, the Directive includes measures to considerable speed up permitting for new projects. A key measure is the definition of so-called "Renewable acceleration areas" that have to be defined by Member States (MS), and in which renewable projects will benefit from shorter and simplified permitting processes. In particular, RES projects (or collocated energy storage facilities) in these areas will be exempted from the Environmental Impact Assessment and permitting times shall not exceed one year (two years for offshore projects) and six months for repowering of plants and for new installations with an electricity capacity of less than 150 kW. Outside such areas, the process should not exceed 24 months. The Directive furthermore mandates that the lack of an answer from the administration within the prescribed deadlines will result, in some cases, in tacit approval of the specific administrative step. Under the new Directive, the deployment of RES will also be of "overriding public interest" limiting the grounds of legal objections to new installations.

Member States must transpose the RED III to national law by mid-2025.

Wind Power Package

The European Commission launched the so-called "Wind Power Package" (WPP) in October 2023, which aims to accelerate the roll-out of wind energy in Europe and to strengthen the competitiveness of European wind energy manufacturing. The WPP tackles specific challenges faced by the European wind power sector, such as the uncertain demand for wind turbines, high inflation, shortages and increasing costs of raw material costs, and slow and cumbersome permitting processes. The final goal is to achieve the 510 GW of wind energy that the REPowerEU targets by 2030.

The WPP proposes a Wind Power Action Plan which sets out 15 concrete and immediate actions, structured in 6 key pillars.

Some measures aim at accelerating the deployment of wind through an increased predictability and faster permitting, with a strong emphasis on the digitalization of national permitting processes.

The WPP also aims at improving auction design. MS will ensure auction prices are indexed to reflect increase in costs and will use prequalification criteria in critical areas such as cybersecurity. The WPP also calls for an increased visibility through wind pledges, publication of the mid-term auction schedules and of long-term plans for renewables deployment.

Access to finance is another key pillar. The EC aims to double the EU Innovation Fund budget for clean technologies and to increase support for wind-related activities in the

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revised Strategic Energy Technology Plan (SET Plan) focusing on research and innovation in the wind manufacturing sector. On this regard, the EC launched a €4bn call under the Innovation Fund with grands aimed to support investment in clean tech manufacturing. Likewise, the European Investment Bank changed its lending rules to support factory investment and launched a new €5bn counter-guarantees scheme for wind turbines manufacturing.

To ensure commitment from Member States, a dedicated Wind Power Charter was released in December 2023, and was signed by 24 Member States and endorsed also by Bulgaria and Croatia and more than 300 companies from the wind energy sector (such as EDP Renewables).

Market Design Reform

Throughout the year 2023, the EU worked on the electricity market design reform, and in December 2023 the proposal was approved. This reform intended to build an energy system based on clean technologies, while at the same time promoting a competitive environment for businesses and a stable price setting for consumers.

To reach such goals, different proposed measures are moving forward, some of them highlighted here:

- Investments in new generation such as wind, solar, geothermal, hydro without reservoir, and nuclear, will be backed through public support in the form of two-way contracts for difference, or an equivalent scheme.
- Member states shall provide public guarantees to promote new renewable power purchase agreements under certain conditions.
- Suppliers (with more than 200 thousand customers) will be obliged to offer fixed-term and fixed-price contracts with a duration of at least 1 year.
- Member states may apply flexibility support schemes to non-fossil technologies, including storage and demand-side response, in the form of capacity payments.

Net-Zero Industry Act

The Net Zero Industry Act was published in March 2023 to strengthen European manufacturing capacity and promote measures to overcome barriers to the scaling up of such capacity. Some specific targets were set to achieve these outcomes, namely increasing the production of zero-impact technologies, in order to meet at least 40% of the EU's annual needs for the deployment of strategic zero-impact technologies by 2030. Solar photovoltaic, onshore wind, offshore wind, batteries, and electrolysers are some of the technologies among the list considered in this Act.

To ease conditions and stimulate investment, this legislation sets several proposals, namely:

- Accelerating permitting and lowering the administrative burden to the implementation of net-zero technology manufacturing projects.
- Facilitating market access, for example, by including sustainability and resilience criteria for public procurement and auctions.
- Attracting investment through the Net-Zero Europe Platform and the EU Hydrogen Bank.
- Fostering innovation through the creation of regulatory sandboxes.

Critical Raw Materials Act

Clean technologies rely heavily on critical materials, and so the demand for these is expected to rise significantly in the coming years. To secure the supply of strategic raw materials, the European Commission proposed in March 2023 the Critical Raw Materials Act. The legislation identifies a list of strategic raw materials that are needed for key technologies, which in turn are critical for the EU to pursue its green ambitions and goals.

The Act sets a target of having no more than 65% of the EU's annual consumption of each strategic raw material at any relevant stage of processing from a single third country by 2030. By diversifying the supply chains, the EU will be able to mitigate the risk of external dependencies.

The legislation is in provisional agreement by the Council and the Parliament, and it sets the following non-legally binding targets:

- At least 10% of the EU's annual consumption of strategic raw materials by 2030 must come from internally conducted extraction.
- At least 40% of the EU's annual consumption of strategic raw materials must come from internally conducted processing by 2030.
- At least 25% of the EU's annual consumption must come from internally conducted recycling by 2030.

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EU Action Plan for Grids

On 28 November 2023, the EU Commission (EC) presented the "Action Plan for Grids", a 14-point plan to modernize Europe's electricity grid, both at the transmission and distribution level, with the goal of enabling and facilitating the clean energy transition.

Delayed grid connections are one of the main barriers that are hindering the deployment of renewables. The Plan aims at bringing visibility on available grid capacities and will require system operators to increase transparency both on available grid and on connection requests volumes.

The Plan seeks to improve the long-term planning of grids to accommodate more renewables and higher electricity demand due to a higher electrification of the economy, including hydrogen. To this purpose, it focuses on anticipatory investments and will propose guidance identifying conditions under which the approval of anticipatory investments should be expected. These investments could be particularly relevant in "Renewable Acceleration Areas" as stated in the Renewable Energy Directive.

The modernization, expansion and smartening of the EU electricity networks will require important investments. The EC estimated that around €584 billion in investments will be necessary from now to 2030. The Plan says the European Investment Bank (EIB) will identify financing tools to support grid investments, including guarantees or similar mechanisms to catalyse private financing.

The Plan also includes several actions to strengthen grid supply chains, focusing on supply chain standardization for grids.

US Regulatory Update 2023

The Inflation Reduction Act, which came into effect on January 1, 2023, is the most significant legislation in the history of the United States. It aims to provide funding, programs, and incentives (such as tax credits) to accelerate the transition to a clean economy. This is intended to reduce the costs of renewable energy for organizations, NGOs, businesses, and academic institutions.

The Treasury has informed how investment tax credits will apply to offshore wind and batteries, while also detailing how domestic content and apprenticeship tax credit-adders can be applied. The Department of Energy (DOE) has announced 3.5 billion USD to boost domestic production of batteries, 1.3 billion USD for transmission expansion, and various smaller grants for equal justice and innovation projects focusing on low-income and coal communities.

The Federal Energy Regulatory Commission (FERC) published Order No. 2023 on September 6, 2023. This rule will go into effect on April 3, 2024, and is meant to both reduce backlogs of projects seeking to connect to the transmission system and provide more concrete deadlines throughout the process. The rule will adopt a cluster study approach for examining gris upgrades and additions rather than studying individual proposals.

The Environmental Protection Agency (EPA) proposed greenhouse gas emissions limits for coal- and gas-fired power plants in May 2023. The limits vary based on plant size, whether they are existing or new, and how often they are online. These proposed limits would require the affected plants to either add carbon capture technology, co-fire with 'green' hydrogen, or retire. These rules are not yet final and there has already been pushback from various states and RTO/ISOs citing reliability concerns. It is expected that the final version issued by the EPA will undergo heavy legal scrutiny.

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2.1.2. The evolution of renewables around the world in 2023

Global Overview

According to the International Energy Agency (IEA), in 2023, the amount of renewable energy capacity added to energy systems grew by 50% globally compared to the previous year, the fastest growth rate in the last two decades, estimating that 507 GW have been added. Photovoltaics contributed to a third of the increase in global capacity.

The IEA expects an even faster growth in the next 5 years, increasing the chances of achieving the goal of tripling renewables global capacity by 2030 as agreed at the COP 28 Climate Change Conference. According to the IEA, solar PV and wind will account for 95% of global renewable additions through 2028. Supportive policy environments and the improving economic attractiveness of these two technologies remain the most important drivers behind the expected growth.

The astonishing renewables growth in 2023 was mainly driven by China, that installed as much solar PV as the entire world did in 2022. The growth was also supported by all-time records of new renewable additions in Europe, the US and Brazil.

Wind

According to IEA estimations, global wind additions could have reached 108 GW in 2023, the highest figure ever seen. Long-term fundaments remain strong for the coming years, and supportive policies in China, the US and Europe in particular, are expected to boost wind additions in the coming years. However, short and medium-term challenges in project execution remain.

New installations in China could have hit a record and grow to 59-65 GW[1] as provinces are accelerating to meet the targets set out in their five-year plans. India could have commissioned more than 3 GW of new wind projects, the highest figure since 2017.

In the US, new installations have grown at a moderate pace, with around 7-9 GW built in 2023. Although developers seem to be taking advantage of new tax credits from the Inflation Reduction Act, it still takes time to bring projects online. At the end of Q3 2023, nearly 147 GW of onshore wind were operating in the US, according to the American Clean Power Association (ACP). Additions are expected to pick up in 2024.

The European Union built a record 17 GW of new wind capacity in 2023, according to preliminary data from Wind Europe. Wind energy is expected to be a fundamental piece of Europe's clean energy transition, but these figures are still well below the required capacity to hit the 2030 target (30 GW/year). In particular, onshore wind energy still faces some significant obstacles that contribute to the delay, namely difficulties in obtaining licensing, network restrictions and increased costs in the production chain.

Germany was the largest market, followed by the Netherlands and Sweden. Germany[2] installed 2.9 GW of onshore wind power in 2023, more than the previous year (2.4 GW). In addition, around 7.5 GW were approved in 2023 and 6.4 GW awarded in tenders, figures never seen before.

Spain commissioned 1.6 GW of onshore wind facilities, a very promising figure but still below the 4 GW per year that would be necessary to reach the 63 GW 2030 wind target proposed in the National Energy and Climate Plan (NECP) submitted to the European Commission for approval.

In Latin America, Brazil remains the largest wind market, with record additions of around 4.9 GW[3]. This growth could bring Brazil's total installed capacity to nearly 28 GW, making it the country's second largest generating technology, after large-scale hydro.

Regarding offshore wind, around 12-14 GW of new offshore installed capacity were globally added in 2023, surpassing the 2022 figure (9 GW). Rising costs and supply-chain bottlenecks have hindered the industry, resulting in projects delays and cancellations. China remains the main market, with around 7-8 GW installed.

According to Wind Europe preliminary data, Europe (including the UK) installed 4.2 GW of offshore wind capacity, up 40% on 2022. Netherlands led offshore, as it commissioned the 1.5 GW Hollandse Kust Zuid wind farm, the world's largest operational wind farm, followed by UK and France.

[1] At the time of preparation of this report, final data from the Global Wind Energy Council (GWEC), the American Clean Power Association (ACP) or Wind Europe, had not been released. Experts consulted include IEA, S&P, Bloomberg New Energy Finance, Wood MacKenzie.
[2] Data from BWE.
[3] Data From National Electricity Energy Agency (ANEEL).

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Solar PV

2023 is on course to become another record-breaking year for solar PV, with the IEA forecasting around 373 GW of new installed capacity, a 63% increase compared to 2022. This shows the enormous growth potential of the technology, continuously braking records in the last years. All solar PV segments have witnessed considerable growth in in 2023. According to the IEA, around 55% of new solar PV capacity would be utility-scale projects and the remaining ones small-scale (mainly residential and commercial systems).

China could have added between 180 and 200 GW of solar PV capacity, according to data released by the National Energy Administration (NEA). The growth was supported by China "30-60" goal of reaching peak emissions by 2030 and net zero in 2060. Other major markets in Asia include India (~10 GW expected), Japan (~8 GW) and Republic of Korea (~3.5 GW).

In the US, approximately 31-33 GW of solar PV capacity could have been added in 2023, according to analysts consulted[1]. Solar PV is the fastest-growing source of electricity in the US, making up almost half of all new power capacity in the first three quarters of 2023. According to the American Clean Power Association, more than 83 GW of solar PV were operating at the end of the third quarter of 2023.

The EU installed a record 56 GW of solar capacity in 2023, well above the 40 GW added the previous year, according to SolarPower Europe. In 2023, Germany returned to the top spot with 14.1 GW of new capacity, followed by Spain with 8.2 GW, Italy with 4.8 GW, Poland with 4.6 GW and the Netherlands with 4.1 GW. In Central and Eastern Europe, Czech Republic, Bulgaria and Romania crossed the 1 GW threshold for annual solar additions.

In Latin America, Brazil is expected to remain the main market in 2023, with around 12 GW installed, according to the Solar Association ABSOLAR.

[1] Experts consulted include IEA, SEIA (Solar Energy Industries Association), American Clean Power Association, S&P, Bloomberg New Energy Finance, Wood MacKenzie.

Storage

Energy storage systems allow energy consumption to be separated in time from the production of energy. Electricity storage and, more in particular, battery energy storage systems (BESS), are a key tool in achieving a low-carbon future, as they allow to accommodate larger shares of variable renewables (typically wind and solar PV) allowing to achieve a greater system flexibility. Batteries can not only shift excess renewable energy to hours when there is less production, but they can also provide a wide range of services to the system, such as frequency response, reserve capacity, black-start capability among other grid services. In addition to providing grid stability services, BESS could also be used by TSO and DSOs to defer costly grid investments. All in all BESS, can be a valuable tool to reduce curtailment, an increasingly important challenge in countries with high renewables' penetration.

Batteries offer enormous deployment and cost reduction potential, according to analysts. In that sense, utility-scale battery storage deployment is already happening on a very large scale, and its capacity is expected to increase nearly 85-fold by 2050[2].

However, many challenges lie ahead. On the one side, BESS supply chains are today highly geographically concentrated. According to the IEA, China concentrates around 75% of the manufacturing capacity, and the share is not expected to significantly decrease in the next years. Therefore, countries need to diversify supply chains and/or develop industrial strategies for batteries' manufacturing. The access to critical minerals, essential for BESS production, is also a key challenge for most of the countries.

On the other side, regulatory and market conditions are not always well-suited to compensate batteries for all the services they can provide, and in most of the countries BESS projects are not attractive to investors. Therefore, it is important to enhance the returns they can yield, monetizing positive externalities and minimizing the risks associated with the projects. This can be achieved through different options including: (i) allowing BESS participation in capacity markets (which need to provide long-term contracts); (ii) designing ancillary services well-suited for BESS; (iii) allowing BESS participation in auctions (standalone or paired with renewables); (iv) granting aids or grants when necessary; and (v) enabling the PPA market.

[2] Source: IEA (WEO 2023) according to the data of the Stated Policies Scenario (STEP).

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2.1.3. Regulatory framework

Belgium

- Green certificate scheme (GC)
- Wind farms receive market price plus GCs per MWh produced.
- Number of GC/MWh (kECO) for new plants' contracts was revised in 2019, 2021, 2022 (exceptional update) and 2023
- Last update (Dec-22, for 2023 onwards) the kECO decreased from 0.52 to 0 GC/MWh due to high electricity prices
- The minimum price for GCs is set at 65€/GC in Wallonia

Poland

- Electricity price can be stablished through bilateral contracts.
- Wind farms commissioned before 2018 are supported through a Green Certificate scheme (GC). Wind receives 1 GC/MWh during a 15-year period. Electricity suppliers have a substitution fee for non-compliance with GC obligations.
- Since 2018, wind farms are supported by 15-year two-side Contracts-for difference awarded through auctions.

Italy

- Wind farms in operation prior to 2012YE are under a feed-in-premium scheme applicable during the first 15 years of operation.
- Wind farms commissioned from 2013 to 2017 are supported by a 20-year floor CfD scheme, awarded through competitive auctions.
- Since 2017, wind farms are supported by a 20-year two-side CfD scheme.

Portugal

- Wind farms commissioned before 2006 are subject to a Feed-in-tariff (FiT) whose value is correlated with production and indexed to CPI. Initial tenure was the soonest of 15 years (or until 2020) or 33GWh/MW but in was increased 7 years (tariff extension) with a cap and floor scheme in exchange of annual payments between 2013 and 2020.
- Wind farms under the new regime (COD after 2006) are subject to a FiT for the soonest of 20 years from COD of 44 GWh/MW. Tariff value is also indexed to CPI.
- Since 2019, solar projects are awarded following a new auction system.
- Floating PV projects awarded in 2022 auction has a 15 years CfD contract with a negative strike price (the original project pays for injecting the energy in the grid in exchange of securing grid capacity that can be used by over equipment and hybrid)

Spain

- Under RD 413/2014, wind energy projects receive pool price and a premium per MW in order to achieve a target return defined by regulation.
- RDL 17/2019 has set the target return (TRF) @7.398% for WF's prior to 2013 for the next two regulatory periods (until 2031) and @7.09% for new installations for the current regulatory period (until 2026).
- Premium calculation is based on standard assets (standard load factor, production and costs).
- Since 2016, all the new renewable capacity is allocated through competitive auctions.
- In 2020, RD 960/2020 defined the framework for a new auction mechanism.
- Since 2021 several auctions have taken place to grant the new scheme.

Colombia

- Colombian wind farms are awarded 15-year contracts though competitive pay-as-bid auctions. Contracts are signed with distribution companies.
- Additionally, Colombian wind farms must secure reliability charge contracts, which provides a monthly payment in exchange of having part of their capacity available when the system is under tight supply conditions.

Brazil

- Old wind farms receive support under a feed-in program ("PROINFA").
- Since 2008, competitive auctions award 20-year PPAs to winning projects.
- Electricity may also be sold under private PPAs.

Romania

- Wind assets (installed until 2013) received 2 GC MWh until 2017 and 1 GC/MWh after 2017 completing 15 years:
- 1 out of the 2 GC earned until March 2017 is postponed and can only be recovered gradually from January 2018.
- Solar assets received 6 GC/MWh for 15 years:
- 2 out of the 6 GC earned until December 2020 are postponed and may only be recovered gradually from 2025.
- GC are traded in the market under a cap and floor system (cap €35.0 and floor 29.4€).
- Wind assets (installed after 2013) receive 1.5 GC/MWh until 2017 and 0.75 GC/MWh afterwards until completing 15 years.
- Solar PV facilities (installed after 2014) only receive 3 GC.
- The GCs issued after April 2017 and the CGs postponed to trading from July 2013 will remain valid and may be traded until March 2032.

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France

- Old wind farms receive Feed-in tariffs for 15 years, with values depending on their COD and load factors achieved.
- A transitory Contract-for-difference scheme was released in December 2016 in which wind farms having requested a PPA in 2016 would receive a 15-year CfD, being the strike price very similar to the previous FiT. This scheme was closed in December 2019.
- From 2017 onwards:
- Wind farms with 6 wind turbines (or less, and with 3MW/WTG maximum) can request a 20-year CfD which strike price ranges from 72€/MWh to 74€/MWh depending on turbine's diameter and may include a FiT reduction when a yearly generation cap is reached. Since April 2022, additional tip height restriction (below 132m) has been implemented
- Wind farms not eligible to CR17 need to participate in competitive tenders in order to obtain a 20-year CfD
- A new set of rules ("Cahier des Charges") that will govern auctions (both technology-specific and neutral) from H2 2021 until 2026 were published in August 2021

Hungary

- Renewable projects before 2016 benefited from a feed-in tariff scheme ("KÁT system").
- In 2016 the FiT was closed to new projects and replaced by a new support system ("MÉTAR system") consisting of 15- year Contracts-for-Difference granted through technology-neutral tenders.

Greece

- Renewable projects in Greece are supported by a 20-year feed-in premium (Contract-for-Difference) awarded through auctions.
- In 2022, Greece launched a new support system, based on two-way contract-for difference contracts, awarded through auctions:
- For both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure, with minimum reserves per technology of 30%.

Chile

- Technology-neutral auctions, for renewable and non-renewable technologies award 15-year power purchase agreements with distribution companies.
- Large non-regulated customers can also enter into PPAs directly with generators or organize a public auction.

UK

- Since 2013, renewables are supported through a 15-year two-way Contracts-for-difference, awarded through auctions, that have progressively replaced the former Green Certificate scheme:
- The "established technologies" which include onshore wind and solar PV, compete for budgets in each allocation round. Less mature technologies have a separate "pot" of allocated budget. For the first time, in 2023 auction, offshore will compete with mature technologies.

Vietnam

- Onshore wind projects were supported under two different Feed-in-tariff regimes:
  - Projects were granted a 20-year PPA with EVN, the state utility.
  - As the latest feed-in-tariff was closed for new projects, a new support scheme is expected to be released soon - most likely, competitive auctions will be introduced.
- Solar PV projects have also been remunerated under two different feed-in-tariff regimes and the government is also planning to introduce a pilot auction program.
- FiT schemes are no longer available; however a transitional scheme has been published for renewable projects that had a FiT signed but failed to COD on time. Transitional scheme would be subject to a price negotiation with EVN

Singapore

- No support is given to large-scale renewable energy
- Solar PV development is mainly incentivized through public agencies tenders like the SolarNova programme or JTC tenders
- Solarnova was launched in 2014 by the Housing Development Board (HDB). It aggregates demand for solar PV across some government agencies buildings to achieve economies of scale. Since 2014, 8 SolarNova tenders have been launched
- JTC is a government agency under the Ministry of Trade and Industry that launched several Solar PV tenders under the Solarland and SolarRoof programme. There have been fewer and smaller auctions than in solarnova's program.

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2.2. Strategy

The energy transition has become increasingly critical for addressing climate change and the pressure has never been greater. Over the past decade we have witnessed continuous breaking of warmest year records, all-time high-water levels, and record high CO_2 emissions. Climate change has become the biggest challenge that society faces today.

Furthermore, there has been a shift in global dynamics showcasing the higher need for endogenous, affordable, and reliable energy. This shift has been aggravated by the impact of macro movements, that have promoted the volatility of energy markets, supply chain disruption and concerns about energy security. 2023 has shown signs of stability mainly reflected in normalized energy prices.

The World recognizes that renewables play a key role in the global solution to energy independence and a sustainable planet. The energy transition is an opportunity to create more resilient, efficient, and sustainable energy systems that will meet future energy needs while reducing greenhouse gas emissions. Governments worldwide are taking decisive action to support the transition to low-carbon energy systems. Legislative frameworks such as the Inflation Reduction Act in the United States and REPowerEU in Europe, are evidence of clear targets and incentives for companies, cities, and countries to take decisive action towards the decarbonization of the economy.

To take early action in the energy transition and be better positioned to seize the opportunities presented by this shift, EDPR released in March 2023 its new Business Plan for 2023-26, where it clearly restates the Company's commitment to step-up to the Net Zero challenge and create superior value as a leading pure renewable global player.

A Leading Global Renewables Major

Pure 100% Renewable Player

>4 GW/year	Double	Net Zero
Renewables deployed in 2023-26	Wind & Solar Capacity by 2026 vs 2020	By 2040

2.2.1. Ramping Up Growth

EDPR, as a leading pure renewables player, is focused on profitable and diversified growth. Through its robust pipeline and diversification strategy, EDPR is targeting a ramping up growth of ~17 GW of renewable capacity additions until 2026. EDPR's strategy of growth is supported by a flexible pipeline which allows to capture opportunities and respond effectively to market conditions. The Company sustains a clear diversification both geographically and technologically with focus in its main markets in Europe and US along with a bet in solar technology to diversify even more its current operating portfolio and reinforce it resilience.

EDPR has now secured ~60% of the ~17 GW additions targeted for 2023-26.

	Europe	North America	South America	APAC	Gross additions
Wind Onshore	~1.5	~2.1	~1.3	~0.1	~17 GW in 2023-26
Solar Utility scale	~3.9	~4.1	~0.9	~0.5	
Solar DG	-	~0.7	-	~0.6	
Wind Offshore	~0.7	-	-	-	
Storage + H2	~0.1	~0.4	~0.1		

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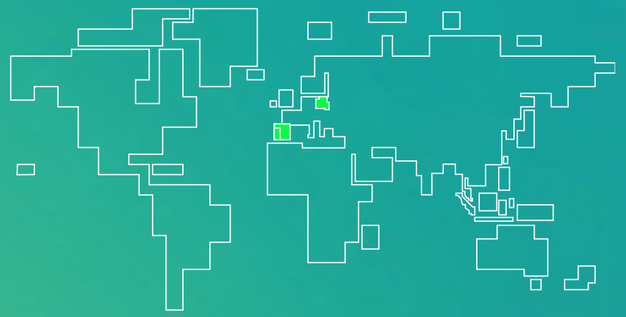
Hybridization in Europe

Advancing renewable energy through hybridization.

Our approach: EDP Renewables has achieved significant milestones in renewable energy across Europe, including the successful connection of Spain's first wind-solar hybrid project, the unveiling of the largest photovoltaic plant in Europe in central Poland, and the commissioning of the first hybrid solar and wind energy park in Portugal. The main advantages of these projects are aimed at optimizing existing infrastructures, efficiently using interconnection, reducing costs on grid investments, granting connection rights using existing wind farm rights, and mitigating development risk. The hybridization of wind and solar technologies and the adaptation of pre-existing assets demonstrate our commitment to increasing efficiency, utilizing existing infrastructure, and reducing environmental impact.



Countries: Portugal, Spain and Poland

The three hybrid parks will prevent the emission of more than 250,000 tons of CO_2.

Differentiator factor: Both the wind-solar hybrid project in Spain and the Przykona photovoltaic plant in Poland feature innovative technologies, with the solar installations utilizing bifacial panels to maximize renewable energy production. The wind-solar hybrid project in Spain is expected to prevent the emission of more than 24,000 tons of CO_2 annually, while the Przykona photovoltaic plant in Poland will generate close to 220 GWh of clean energy, preventing the emission of more than 208,000 tons of CO_2. Additionally, in Portugal increases the complex's renewable energy production to over 39 GWh per year, contributing to the reduction of greenhouse gas emissions and environmental sustainability.

What lies ahead: 15 wind-solar hybridization projects under construction and development in Spain, adding more than 230 MW of renewable capacity to the country.

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Leveraging on New and Superior Assets

EDPR is leveraging its superior portfolio and infrastructure as a competitive advantage for increased renewables deployment:

Hybridization

- EDPR leverages on the existing grid connection capacity and current operating capacity, enabling the combination of wind and solar energy sources, which accelerates renewable deployment.
- Planned to have ~1 GW in Europe coming from 60 projects, including the first operational Iberian hybrid site.
- **As of Dec-23, EDPR has installed already 100 MW of hybrid projects between Portugal, Spain and Poland.**

Repowering

- Building upon EDPR's successful track record, the Company's approach enables an increase in both project capacity and longevity.
- It is expected ~70 MW in Europe across 8 projects

Storage

- EDPR aims to add ~0.5 GW of battery storage capacity between 2023-26, primarily through co-located projects.
- Most of this capacity, roughly ~90%, will be derived from North America, which is a more mature market in terms of energy storage.
- Additionally, EDPR sees opportunities for battery storage in other markets where the Company has a presence.
- **As of Dec-23, EDPR has 0.2 GW of storage under-construction in the US.**

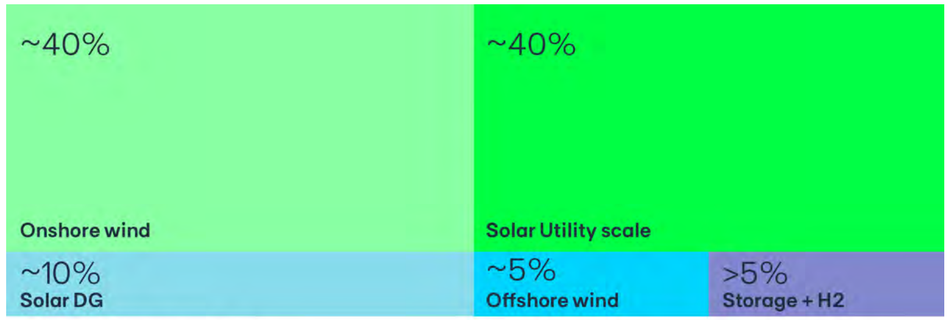
Hydrogen

- Enabling the deployment of RES and providing long-term optionality through strategic partnerships, serving as a mechanism for scaling up. With an expected gross installed capacity of ~1.5 GW by 2030, EDPR is well-positioned for growth.
- The company also benefits from a competitive advantage derived from its involvement in just transition projects in the Iberian region.

2.2.2. Backed by a Solid Investment Plan

EDPR's ambitious growth will be backed by a €20 billion gross investment plan for 2023-26. Despite pursuing growth, EDPR will maintain a selective investment approach that considers both returns and risk profiles. Investment will be diversified across growth technologies and geographies in differentiating value propositions, leveraging on its expertise and experience.

€20 billion in Gross Investments for 2023-26



Onshore wind
Top 4 global[1] player with extensive track record along the full value chain with highly experienced teams.

Solar Utility scale
Additions ramping up quickly, leveraging presence in growing markets, through traditional and new technologies (e.g., floating solar).

Solar DG
High growth market, leveraging on developed capabilities and portfolio, global footprint with transversal segments and business models, and synergies with utility scale.

Offshore wind
Significant growth opportunity with medium term value crystallization, and CAPEX acceleration post 2025.

Storage + H2
Markets starting to materialize by 2025; target mainly Storage co-located opportunities and H2 partnerships.

[1] Excluding China.

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Source of Funding

Whilst maintaining diversified sources of cash to deliver growth

EDPR will maintain a diversified range of cash sources supporting the ~€20 billion of Gross Investments for 2023-26. Starting with ~€6 billion that will be generated from Asset Rotation deals, excluding capital gains, and an additional ~€4 billion from TEI structures in the US. As a result, EDPR will present a Net Investment of ~€10 billion.

Furthermore, around ~€6 billion will come from the Organic Cash Flow and ~€1 billion from a Capital Increase, that has already been successfully executed during 2023. Finally, the remaining ~€4 billion will be obtained through Net Debt.

Keeping our Value-Adding Asset Rotation Model

EDPR's Asset Rotation strategy has been an important part of the Company's performance proved with a consistent track record since 2012 of multiple successful transactions crystalizing close to €20 billion of proceeds since 2012. EDPR will continue creating value through this self-funding strategy by selling majority stakes in operational or under-development assets, being able to de-risk its portfolio, crystallizing future value upfront and recycling capital for future project.

Asset Rotation plan will be based in selling ~30% of all annual capacity additions from 2023 to 2026, selling a total of 5 GW for the period and generating a total of ~€7 billion of proceeds. These transactions will reflect expected capital gains of ~€0.3 billion each year.

By the end of 2023, EDPR had executed and signed ~35% of the ~€7 billion Asset Rotation program for 2023-26.

AR Proceeds for 2023-26	AR Proceeds executed+signed	Cap gains /capex of AR deals
~€7bn	~35%	~40%

Always keeping an eye for value-adding opportunities

In December, EDPR announced that it had agreed with China Three Gorges the buy-back of a 49% stake in EDPR's wind portfolio in Portugal, Poland and Italy.

This transaction is in line with EDPR's value creation strategy, allowing the consolidation of the Company's position in core markets, by increasing its exposure to the European market and to accretive renewable projects with immediate contribution to the P&L. The deal also provides higher flexibility to manage the portfolio for potential hybridization and repowering.

2.2.3. Ensure Delivery at the Highest Excellence Standards

EDPR will keep on managing the value chain in its entirety in order to ensure the delivery of competitive and quality projects at the highest excellence standards. Supplier base diversification, strong ESG audit requirements and manufacturing origin are the key elements that define our procurement strategy.

Development

EDPR possesses local development knowledge and a multi-partnership network, with a track record in asset financing and tax equity structuring in the US, as well as strong commercial capabilities and risk management expertise in the CPPA market, allowing to secure shaped PPAs at premium prices.

Procurement and Construction

By leveraging EDPR's global scale, the Company engages in competitive procurement processes, partnering with local OEMs to ensure flexibility, and benefiting from an experienced E&C team with over 15 GW built in the past 15 years, supported by agile project management practices.

Operations and Maintenance

With strong O&M expertise, EDPR implements predictive maintenance strategies to maximize asset value, that are backed by Global Energy and Risk Management strategies for effective operational and risk mitigation measures.

>15 GW	~50%	>20 years
Wind & Solar Growth	Portfolio with In-House O&M[1]	Relationship with Top Tier Suppliers

[1] As of Dec-23.

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We are working every day towards Net Zero, operating with the best ESG practices along the value chain

Business Plan, 2026 targets

Ambition	Goal	2023	2026 target	2030 ambition
Decarbonize for a climate-positive world	Renewable capacity additions (GW/year)	2.5	4	-
Communities Empowering our Communities for an active role in the transition	Global investment in communities, cumulative[1]	€6.5m	€16m	€28m
	New hires, number	639	>2,000	>4,000
	Training in upskilling program, % training[2]	37%	45%	>45%
Planet Protecting our planet contributing to its regeneration	Total recovered waste[3] per year	72%	85%	>90%
	Projects with Net Gain Biodiversity tracking system worldwide	22%	100%	100%
	Biodiversity Net Gain in new projects	-	-	100%
Partners Engaging our Partners for an impactful transformation	Suppliers compliant with ESG Due Diligence[4]	42%	100%	100%
	Purchases volume aligned with EDPR ESG goals[5]	>50%	90%	>90%
ESG Culture A strong ESG culture protecting and empowering human life	Fatal accidents, number	1	0	0
	Women employees	34%	36%	40%
	Women employees in leadership	28%	31%	35%
	Employees received ESG training	60%	70%	>90%

[1]Accumulated OPEX 2021-2026. Includes voluntary & mandatory investment + management costs. [2]Excludes transversal training. [3]Includes construction, operational & dismantling phases. [4]Purchases >25k€. In 2023, this indicator was improved. Prequalification assessment already considers IDD, Environment & H&S, as well as other risk mitigation stages: desk assessments/audits/inspections, during contract period. With this new approach, in 2023, 42% of critical suppliers are fully analysed with an ESG due diligence. [5]The volume of purchases associated with critical suppliers whose decarbonization, environmental (biodiversity & circular economy), and human rights goals are consistent with EDPR's. In 2023, more than 50% of EDPR's purchasing volume is considered aligned with EDPR's ESG goals.

2.2.4. Resulting in a Delivery of Superior Value, While Keeping a Sound Balance Sheet and Risk Profile

Business Plan, 2026 targets

	2022	2024	2026	
Step-up delivery				
Deployment GW/year	**2.1**	~3.9 avg. 2023-24	**~4.9** avg. 2025-26	**+~2.6** 2026 vs. 2022
Increased results with superior renewables portfolio				
EBITDA €bn	**2.2**	~2.5	**~3.0**	**~9%** CAGR 2022-26
Earnings growth through accretive investments in attractive projects				
Recurring Net Profit €bn	**0.67**	~0.7	**~0.9**	**~9%** CAGR 2022-26
Sound balance sheet				
Recurring Net Debt €bn	**5**	~7	**~9**	**+~4** 2026 vs. 2022
Net Debt/ EBITDA[1] x	**2.8**	~3.2	**~3.2**	**+~0.4** 2026 vs. 2022

Scrip dividend providing optionality to shareholders, who can choose to receive dividend in shares or in cash

Target payout ratio 30-50% converging to renewables peers

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2.2.5. Targets supported by a top-class global team

Talent strategy
Strong value proposition

Attraction
Bringing on-board the best talent

- Boost employer branding strategy
- Scale-up sourcing strategy
- Broader and diverse talent pool

Experience
Nurturing an unrivaled workplace

- Global strategy for well-being, flexibility and inclusion
- Global compensation and benefits framework
- Top talent retention and sucession planning

Development
Preparing for the future, empowered

- Global collaboration and mobility
- Fostering leadership growth
- Continued re/upskilling

Recognized as top employer across markets

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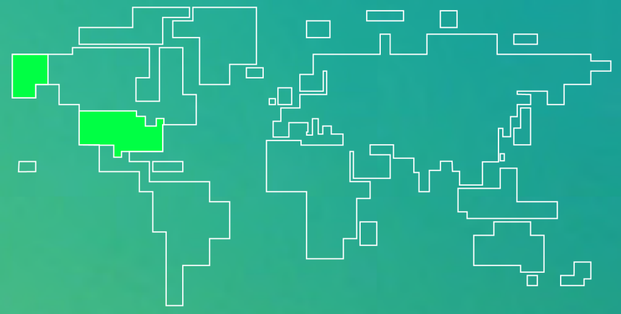
Google and EDPR Synthetic Community Solar Partnership

Empowering local communities and advancing Environmental Justice through solar energy.

Our approach: Over the last two years, EDPR NA DG created an environmental product called the ImpactREC, designed to democratize community solar benefits for low-income communities. The platform has secured a commitment from Google to acquire ImpactRECs generated from an initial 500MWac portfolio (the “Portfolio”), to be developed by EDPR NA DG. This initiative is part of the "Clean Energy Financial Benefit Sharing Program," aimed at promoting environmental justice and reducing energy burden for low-to-moderate income families across six US states. Projects are expected to be compensated under a structure where revenue is generated through participation in either the PJM wholesale market, qualified facility contracts set up with the local utility, or a combination thereof.Energy rates are expected to be hedged by a VPPA (or similar instrument), and the ImpactRECs will be sold to Google under a quasi-put structure with a price of $15/MWh, for a contracted period of 15 years.



Country: US

This collaboration represents the largest US corporate sponsorship of distributed PV.

Differentiator factor: The entire program is expected to provide savings in the form of electric bill credits to ~25,000 low moderate income households (LMI Beneficiaries) while targeting a specific cash yield.

What lies ahead: The first projects are targeted to be operational by the end of 2024, with a goal of adding 3 GW in decentralized solar energy projects for the 2023-26 period for EDP Renewables. The immediate focus is on development in Ohio, with a secondary focus in the PJM Territory, paving the way for a sustainable and impactful future in solar energy development.

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2.3. Risk management

In line with EDPR's controlled risk profile, Risk Management process defines the mechanisms for measurement and management of risks and opportunities impacting the business, increasing the likelihood of the Company in achieving its financial, operational and ESG targets, while minimising fluctuations of results.

Risk management process

EDPR's Enterprise Risk Management Process is an integrated and transversal management model that ensures the minimisation of the effects of risk on EDPR's capital and earnings, as well as the implementation of best practices of Corporate Governance and transparency. The process aligns EDPR's risk exposure with the company's desired risk profile.

The Enterprise Risk Management Framework was first approved in 2016, in accordance with the guidelines agreed at its Board of Directors level and is inspired by the Basel Committee directives.

Based on this risk framework, the Company developed a Risk Management System through individual risk policies and procedures for most relevant risks, where it is defined the methodology to calculate probability of occurrence and impacts, as well as mitigation measures and thresholds.

In addition, these risk policies and procedures establish the process for control, periodic evaluation, and eventual adjustments. The approvals necessary to proceed with this system are submitted to the Management Team who, in turn, keeps the Board of Directors informed of the progress.

Risk governance model

Risk management at EDPR involves three organizational functions, which refer to the 3 lines of defence that perform their responsibilities on an articulated but independent manner among them:

- Risk Manager (Management): Responsible for day-to-day operational decisions and for implementing approved risk policies. They constitute the first line of defence and are composed by the members of the different Business Units/Departments.
- Risk Profiler (Strategy): Responsible for identification and analysis of risks, defining policies and limits for risk management within the company, as well as its monitoring. This role is performed by the Global Risk and the Compliance & Internal Control departments, which constitute the second line of defence.
- Risk controller (Controlling): Responsible for the follow-up of the results of risk-taking decisions and for verifying alignment of operations with general policies approved by the Management Team, in an independent and objective manner. This role is performed by both the Internal Audit Department, as well as external auditors, and they represent the third line of defence and provide sturdiness to the management process of the 1st and 2nd lines.

Additionally, Risk Management is closely followed and supervised by the Audit, Control and Related Party Transactions Committee; an independent supervisory body composed of non-executive members in charge, among others, of supervising the functioning of the internal risk management and control systems, as well as evaluating those systems and proposing the adequate adjustments according to the Company's necessities.

The Audit, Control and Related Party Transactions Committee receives information from the Global Risk director, on a quarterly basis, on the company's risk management status and evaluation. During these meeting, a detailed review of the level of each risk category within the risk taxonomy is conducted, comparing it with the maximum thresholds established in the ERM Framework. In addition, a comparison is made with the results from the previous quarter and the previous year, in order to assess the evolution of risks and take preventive measures if necessary.

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During 2023, the Committee received reports on EDPR's risk management status in March, June, September, and December. These reports allowed the Committee to be updated about the risks and make informed decisions to protect the interests of EDPR and its shareholders. The quarterly review of the risk taxonomy is an essential practice to ensure effective management of business risks and maintain the financial stability of the company.

Risk Management at EDPR is also endorsed by the Management Team, supported by the Risk Committee, and implemented for investment and day-to-day decisions by all managers of the Company.

The Risk Committee is the forum where the different Risk Functions discuss the policies to be implemented and control the risk exposure of the company. EDPR's Risk Committee integrates and coordinates all Risk Functions and assures the link between corporate's risk appetite and defined strategy and the operations of the company.

EDPR created three distinct meetings of the Risk Committee in order to separate discussions on execution of mitigation strategies from those on the definition of new policies:

- **Restricted Risk Committee**: Held every month, it is mainly focused on execution risk and counterparty risk, as well as providing visibility on the decisions on energy hedging strategies taken in the Global Energy Management (GEM) Steering Committees, where EDPR's risk officer is one of the permanent members. Currently, the Restricted Risk Committee is the forum to:
  - Discuss the status of projects under development and construction;
  - Review exposure to offtakers, suppliers and financial institutions;
  - Track merchant exposure and provide visibility on hedging decisions taken in the GEM Steering Committees;
  - Monitor compliance with risk thresholds defined in EDPR's risk policies (market, counterparty, operational and country risk).

Main participants in the Restricted Risk Committee include EDPR's Management Team and several Corporate and regional teams involved in the decision making of these topics.

- **Financial Risk Committee**: Held every quarter, it is a forum to review main financial risks and discuss the execution of mitigation strategies. Exchange rate risk, interest rate risk, liquidity risk, commodities risk and credit risk from financial counterparties are most relevant risks reviewed in this committee.

Main participants of the Financial Risk Committee include EDPR's CEO and CFRO and selected members of the Finance, Planning & Control, Accounting & Consolidation, M&A and Global Risk teams.

- **General Risk Committee**: Held every quarter, it is the forum where new strategic analyses are discussed, and new policies and procedures are proposed for approval to the Management Team. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

Main participants of the General Risk committee include EDPR's Management Team, Global Risk, Internal Audit, Compliance & Internal Control, and other directors of the Company from selected departments. Additionally, the members of the Audit, Control and Related Party Transactions Committee are permanently invited participants of the General Risk committee.

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Risk map at EDPR

Risk Management at EDPR is focused on covering all risks of the Company. In order to have a holistic view, they are classified in six Risk Categories, which are Energy Market, Financial, Strategic, Counterparty, Operational and ESG.

Within each Risk Category, risks are classified in Risk Groups. In addition, for each risk category and risk group, EDPR implements a series of mitigation strategies with specific measures. The full description of the risks and how they are managed can be found in chapter 5. Corporate Governance. The Risk Categories, the Risk Groups and the Risk Management mitigation strategies are summarised below.

Risk categories and description	Risk Groups	Likelihood	Impact	Mitigation Strategies
Energy Market Risk It refers to the risk to EDPR resulting from movements in energy market prices. Due to the relationship between wind and solar production and energy price, production risk is considered within market risk. Moreover, liquidity risk is also included due to its relationship with extreme changes in energy prices.	• Energy Price Risk • Energy Production Risk • Liquidity Risk			• Close analysis of natural hedges to define best alternatives • Hedge of market exposure through long term purchase agreements (PPA) or short and medium term financial contracts. • Natural geographical diversification • Hedge of wind volumes through financial derivatives • Close follow up of liquidity needs in the company
Financial Risk It refers to risks affecting EDPR's ability to fulfil its financial obligations due to movements in the financial markets. It includes movements in Interest Rates, Exchange Rates (FX), Inflation and Commodity prices. It also includes Capital Gains risk, due to the importance of EDPR's asset rotation strategy in its business.	• Interest Rate Risk • Exchange Rate Risk • Inflation Price Risk • Commodity Price Risk • Capital Gains			• Execution of interest rate hedging • Execution of pre-hedging for interest rate exposure for new financing needs • Natural FX hedging, with debt and revenues in same currency • Execution of FX hedging for net investment (after deducting local debt) • Execution of FX hedging to eliminate transactional FX risk, mainly in Capex • Execution of inflation hedging • Alternative funding sources such as Tax Equity structures and Multilateral/Project Finance Agreements • Execution of commodity (capex raw materials) prices hedging • Execution of FX hedging to eliminate Capital Gains volatility
Strategic Risk It refers to risks coming from macroeconomic, political, social, or environmental situation in geographies where EDPR is present, as well as those coming from a change in competitive landscape, from technology disruptions, or from supply chain issues. Investment Decisions criteria and Reputational issues also fall under this category.	• Country Risk • Regulatory Risk • Competitive Landscape Risk • Technology Disruptions Risk • Investment Decisions Criteria and Energy planning • Supply Chain Risk • Reputational Risk			• Careful selection of energy markets based on country risk and energy market fundamentals • Follow-up of regulation changes to adjust strategy if needed • Active involvement in major industry associations in all EDPR markets • Diversification in markets, remuneration schemes and technologies • Consideration of stress case scenarios in the evolution of energy markets for new investment and asset rotation decisions • Follow-up of cost effectiveness of renewable technologies and potential market disruptions • Worst case profitability analysis of every new investment considering all risk factors • Risk-return metrics at project and equity level as well as profitabiity resilience metrics • Signing of medium-term agreements with equipment suppliers to ensure visibility of prices and availability of supply • Relying on a large base of equipment suppliers to ensure procurement needs

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Risk Categories and description	Risk Groups	Likelihood	Impact	Mitigation Strategies
Counterparty Risk Risk that a counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract;	• Counterparty Credit Risk • Counterparty Operational Risk	 	 	• Counterparty exposure limits by counterparty and at EDPR level • Collateral requirement if limits are exceeded • Inclusion of credit triggers for long term contracts • Monitoring of compliance with internal policy
Operational Risk Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters), including the effect of a loss created by not being able to ensure business continuity;	• Development Risk • Construction Risk • Operation Risk • IT/OT Risk • Legal Claims Risk • Personnel Risk • Processes Risk	 	 	• Partnerships with strong local teams and communities • Inclusion of contingencies on project economics • Supervision of suppliers by EDPR's engineering and construction team • Flexible CODs in PPAs to avoid potential penalties • Recurrent monitor of operational risks during development and construction phases • Close follow-up of O&M costs, turbine and panels availability and failure rates • Insurance against physical damage and business interruption • Redundancy of servers and control centers • Strict compliance with legal requirements and zero tolerance for discrimination, unethical behavior or fraud • Attractive remuneration packages and training for personnel • Revision and compliance with all regulations that affect EDPR activity (H&S, environmental, taxes...) • Control of internal procedures • Crisis Management plan and procedures
ESG Risk It refers to risks related with Environment, such as Climate change or Circular economy; Social, such as Communities or Health & Safety, and Governance, which includes risks related to Corporate Governance or Business Ethics. They help define a set of standards for a company's behaviour used by socially conscious investors to screen potential investments.	• Environmental Risk • Social Risk • Governance Risk	 	 	• ESG policies and specific measures • TCFD analysis and climate mitigation measures • Contingency plans to ensure business continuity and environmental protection • Health & Safety controls • Compliance policy and speak up channel

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Risk analysis highlights during 2023

In 2023, following both external and internal assessments carried out on the maturity of its ERM Framework, EDPR reviewed its Risk Taxonomy and made some additional updates to its Enterprise Risk Management Framework, to act on the audits' recommendations and further strengthen its risk governance, policies and procedures. The revised ERM Framework and the new Risk Taxonomy, which now includes a specific section dedicated to ESG Risks, were approved during the second half of 2023.

Also, an historical analysis was performed on the profitability of EDPR's projects at the time of approval, to understand how the different profitability risk metrics for the portfolio have evolved in the last decade and to provide higher visibility on the risk-return relationship, at approval, for different technologies and geographies. Slight changes in methodology were proposed and a set of recommendations were issued to further improve resilience of current profitability risk metrics being used.

Additionally, a deep dive on EDPR's historical and projected structural merchant exposure was performed, to understand how future capacity additions could impact the company's desired long term risk profile. The analysis provided insights on current trends, how average contracted life of EDPR's assets is evolving and offered recommendations to ensure exposure is aligned with the company's desired risk profile for the following years.

Another initiative developed in 2023 is related to the review of EDPR's Net Investment FX Risk strategy, which aims to mitigate the potential impact of exchange rate movements in the Group's net assets denominated in foreign currency. A thorough review of the methodology was carried out and adjustments were made to better align the Net Investment Strategy with EDPR's Business Plan and desired risk profile, while seeking out the optimization of the risk-return trade off.

In addition, in 2023 EDPR reassessed its internal Operational Risk, executing a bottom-up analysis across all departments, while also relying on historical data. The analysis provided an updated visibility on the main operational risks impacting the company, how they have evolved over time and whether they could be seen as representative for the future, as EDPR implements its current Business Plan.

Likewise, throughout the year, other specific analyses were carried out, covering different subjects:

- Task Force on Climate-Related Financial Disclosure (TCFD): Review of current process for annual assessment of climate risks and their impacts on the company's performance, while issuing some recommendations to further improve resilience of current disclosures under the ESG Risk management pillar.
- Counterparty risk: Overview of the current policy and its limits implemented at EDPR, with proposed amendments to better align them with current company & market reality.
- DG Community Solar: Deep-dive analysis on the risk profile of the DG Community Solar business in the US vs other DG opportunities, while recommending mitigation measures to align exposure with desired risk profile.
- Country risk: Detailed annual assessment of country risk for those geographies in which EDPR is currently present and for those that could potentially be part of EDPR's portfolio.

Finally, during 2023, a comprehensive series of trainings were performed across the organization to reinforce EDPR's risk culture and promote awareness of risk management topics among its employees. Main trainings carried out throughout the year were as follows:

- Counterparty Risk: Reinforce the importance of the topic in EDPR and the main fundamentals on how to manage it. Training was provided to the Procurement, Purchasing, Origination and M&A teams, across all platforms.
- Operational Risk: Present the results of the Operational Risk analysis carried out in 2023, including main conclusions and recommendations. Training was provided to all senior management of the company.
- Profitability and FX Risk: Overview of risk metrics and sensitivity analyses performed on FX and project profitability for investment approval. Training was provided to the M&A teams across all platforms.
- Business Continuity and Crisis Management: Detail Crisis Management Policy, processes, and procedures, while reinforcing importance of employees' awareness to prevent crises. Training was provided to all employees in the company.
- Commodities Risk: Overview of main raw materials indexes and their liquidity and how to project future prices for cost estimations. Training was provided to the Procurement, Purchasing and Storage teams in Europe, LATAM and NA.

Some of these trainings have been incorporated in EDPR's knowledge catalogue and will be provided on a recurrent basis to maintain the level of risk awareness and promote a risk culture across the company.

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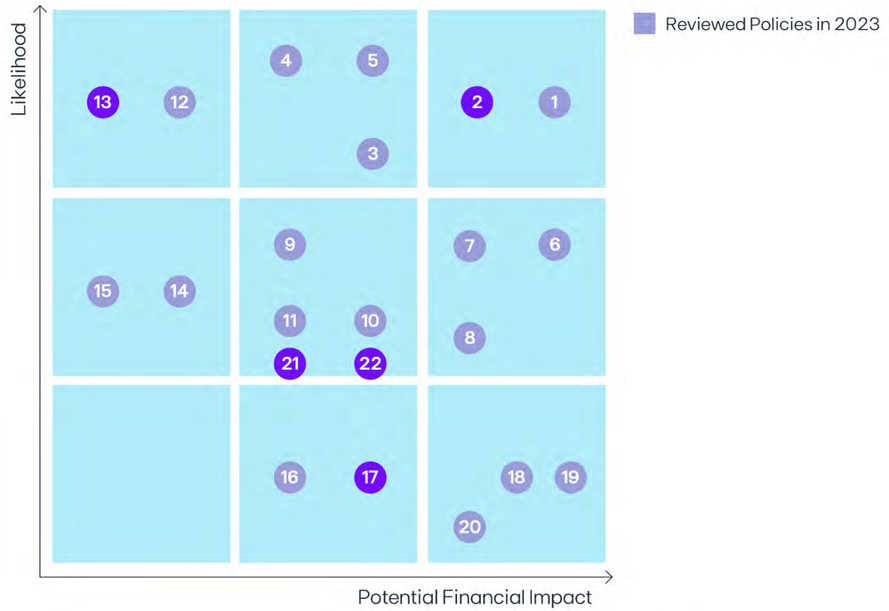
EDPR risk matrix by financial impact

EDPR's risk matrix is a qualitative assessment of likelihood and potential financial impact of the different risk groups within the Company. It is dynamic and it depends on market conditions and future internal expectations and scenarios.



1 Energy Price
2 Energy Production
3 FX
4 Interest Rate
5 Supply Chain risk
6 Development risk
7 Counterparty
8 Regulatory
9 Execution/Construction
10 Legal
11 Operation (damages, equip. perf)
12 Comm. Price
13 Inflation
14 IT
15 Personnel
16 Processes
17 Liquidity
18 Strategic
19 Business Continuity
20 Environmental risk
21 Social Risk
22 Governance Risk

Emerging risks at EDPR

Gap in labour market and availability of talent for renewable energy companies

Increased competition for labour resources, both skilled and unskilled, structural changes in work culture (driven by remote working) and digital transformation are some of the factors creating an emerging gap in the supply-demand labour market.

The rapid growth of the global renewable energy industry, expected for the next couple of decades, together with an ageing world population, could originate a mismatch between the availability of skilled and professional labour and the demand from industry players, including EDPR.

A shortage of qualified personnel could impact team sizing and productivity, lead to an increase in workforce costs and create the need to go further on the benefits provided in order to attract and retain talent in the organisation.

To tackle the problems caused by this emerging risk, EDPR is putting in place some mitigation measures, such as the development of youth-targeted programs, an increase in social media presence geared towards recruiting and networking initiatives, the advancement of work-inclusive methodologies and the flexibilization of work, in line with the new reality and work culture.

Potential misalignment between regulatory risk on energy market design with international commitments for climate transition

The marginal remuneration system has been a staple of the wholesale electricity market design in Europe and North America for many decades. However, in recent years, this operating model has seen its fair share of challenges, as a growing number of intermittent, zero-marginal cost technologies (such as wind or solar) have increased its share in the overall production, leading to higher generation uncertainty and price volatility within electricity markets.

These structural challenges, coupled with the aftermath of a worldwide pandemic, the constraints in global supply chains and the invasion of Ukraine in 2022, created an unprecedented situation of high electricity prices, especially in Europe, leading many

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governments to implement short-term regulatory changes in the hopes of easing the economic impact on consumers and businesses alike.

For energy companies, the emerging discussions on potential modifications to the current marginal design of electricity markets, can create a situation of deep uncertainty and affect their strategic outlooks.

Structural changes with retroactive consequences on existing projects' profitability could discourage any new investments in renewable installations and promising technologies, thus jeopardising the fulfilment of the ambitious long term climate goals put forth by those same countries. This could, in turn, lead to a downwards revision of those same climate transition objectives.

To address this emerging risk of regulatory changes not being aligned with long-term climate goals, EDPR's mitigation strategies entail a close follow-up of the regulatory developments, an active participation in national and international discussions, a strategic approach to geographically diversify its presence and the creation of contractual resilience, in order to share the risk stemming from potential structural changes in market design.

Supply chain disruptions due to shortage of commodities (raw materials)

For the last few years, demand for some commodities such as Lithium, Cobalt or Nickel has been increasing considerably, as they represent key materials used in the production of electric vehicles, electronic components and devices, and batteries for renewable energy projects. Lithium, in particular, appears especially relevant as is not only facing challenges from the demand side, but also because resources are concentrated in specific parts of the world.

As net zero targets become an increasingly important part of countries' development policies, the expected global transition from the internal combustion engine to electric vehicles in the medium/long term might lead to an exponential surge in demand for lithium which could, in turn, generate disruption in the supply chain through price increases, delays in production, and eventually shortage of supplies.

On the supply side, most of the supply chain for lithium batteries is owned by China, leading to questions regarding concentration of resources and how geopolitics could play a role in the global availability of the resource.

Additionally, lithium typically requires very high volumes of water, leading to sustainability and ethical issues, especially when considering some of the largest lithium reserves are found in drought-prone regions.

For EDPR and the whole renewable energy sector, the potential shortage of lithium could negatively impact the expansion of energy storage in renewable energy systems, which could play a crucial role in storing excess energy generated during off-peak production periods and releasing it during time of high demand or when other renewable sources are not actively generating power. A material increase in the cost of lithium could impact the economic viability of energy storage solutions and could also impact already approved projects that contemplate a potential repowering in the future.

In order to mitigate this potential emerging risk, EDPR is working to create a wide base of suppliers from whom to contract and is algo negotiation framework agreements to ensure long-term supply and visibility on its supply chain. Additionally, EDPR is also actively working with suppliers to tie contract price indexation to liquid indexes, so that hedging strategies can be put in place to mitigate increases in prices.

Flawed decision-making based on outputs developed through the mainstream use of AI within the company

As new technologies and processes are integrated into EDPR's day-to-day business, it becomes more natural to leverage on the output obtained from automation tools to make more informed decisions. However, when these decisions are made using data that is unconsciously skewed or incomplete, it can lead to misguided strategies, poor resource allocation or, ultimately, suboptimal outcome.

Artificial Intelligence is still at its early stages and its use at EDPR is applied within a controlled environment, but the expectation is that, in the future, it will become a mainstream technology and a key component by helping drive the decision-making process at the company.

Because AI relies on databases and historical information to operate, there is a risk that if EDPR's databases show some sort of bias, even unconsciously, this could lead to flawed recommendations, with unintended consequences. Additionally, because decision-making processes from AI systems are complex and difficult to understand, this could also lead to a void in holding people accountable for possible errors or misguided strategies.

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To mitigate the impact of flawed decisions from the future mainstream use of AI, based on biased data, EDPR is prioritizing data quality, by investing in robust data collection systems, establishing clear data governance policies, and implementing checks to ensure the integrity and objectivity of the information used for decision-making purposes. Moreover, a culture of transparency, critical thinking and collaboration is also being promoted, together with training to employees, with the goal of putting in place the proper checks and balances and increasing accountability.

Climate and environment-related litigation

The last few years have seen an increase in climate-related litigation: well organized and well-funded NGOs bring litigation proceeds against governments and states (initially) and corporates (most recently), as a way to compel them to pursue more ambitious climate change mitigation and adaptation goals. These cases typically focus on claims of lack of ambitious targets to reduce greenhouse gas emissions or even accusations of green washing. The litigation brought forward by these players could not only generate a meaningful financial impact to the companies being sued, but also encompass significant reputational risk.

Being a 100% pure renewable energy player, EDPR appears to be somewhat protected from these potential claims. However, as climate litigation against corporates becomes more widespread and plaintiffs more sophisticated, one cannot exclude the possibility of EDPR being subject of a future lawsuit, should its growth targets be deemed not ambitious enough.

Furthermore, environment-related litigation appears to be expanding beyond only reducing greenhouse gas emissions, and further embracing other types of environmental degradation, such as decline in nature and biodiversity, which could basically turn any company into a potential target.

In order to mitigate the risk of climate-related litigation, EDPR has implemented an Environmental Policy that takes a proactive approach to environmental management, with the goal of delivering on EDPR's 3 key environmental commitments: mitigate climate change, promote a circular economy and protect biodiversity.

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Why we choose solar DG

La Gavia Solar DG, Spain

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03 Our performance

Financial capital	58
Human capital	68
Supply chain capital	72
Social capital	77
Natural capital	88
Digital capital	92
Innovation capital	95
Sustainable development goals	99

Because We Choose Earth

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edp Renewables

3.1. Financial capital

3.1.1. Operational performance

OPERATING PORTFOLIO	INSTALLED CAPACITY 2023 (MW)				NET CAPACITY FACTOR (%)			ELECTRICITY GENERATION (GWh)		
	DEC-23	ADDED	AR[1]	Δ YTD[2]	2023	2022	ΔPP YOY	2023	2022	Δ% YOY
Europe	**5,535**	**+775**	**-398**	**+377**	**26%**	**26%**	**+0.01pp**	**11,619**	**11,778**	**-1%**
Spain	2,042	+131	-256	-124	25%	26%	-1pp	4,491	4,885	-8%
Portugal	1,413	+245	-	+245	27%	27%	-0.3pp	2,701	2,715	-1%
Rest of Europe	2,080	+399	-142	+257	28%	26%	+2pp	4,428	4,178	+6%
France	244	+30	-	+30	28%	24%	+4pp	525	411	+28%
Belgium	11	-	-	-	34%	27%	+7pp	29	24	+24%
Poland	798	+207	-142	+65	28%	28%	+1pp	1,749	1,739	+1%
Romania	521	-	-	-	28%	26%	+3pp	1,284	1,163	+10%
Italy	412	+117	-	+117	26%	25%	+0.4pp	747	737	+1%
Greece	80	+35	-	+35	22%	24%	-1pp	86	93	-8%
UK	5	-	-	-	21%	24%	-3pp	9	10	-11%
Netherlands	9	+9	-	+9	-	-	-	-	-	-
North America	**7,813**	**+1,166**	**-**	**+1,163**	**30%**	**33%**	**-3pp**	**17,306**	**18,362**	**-6%**
US	6,891	+869	-	+866	30%	33%	-3pp	15,428	17,029	-9%
Canada	427	+297	-	+297	27%	32%	-5pp	394	360	+9%
Mexico	496	-	-	-	35%	45%	-9pp	1,484	973	+53%
South America	**1,248**	**+394**	**-260**	**+134**	**41%**	**39%**	**+2pp**	**4,483**	**2,625**	**+71%**
Brazil	1,165	+311	-260	+51	41%	39%	+2pp	4,483	2,625	+71%
Chile	83	+83	-	+83	-	-	-	-	-	-
APAC	**890**	**+190**	**-**	**+178**	**17%**	**16%**	**+1pp**	**1,184**	**636**	**+86%**
Vietnam	402	+9	-	-2	21%	19%	+3pp	743	393	+89%
Singapore	315	+85	-	+85	13%	12%	+0.4pp	296	184	+61%
Rest of APAC	172	+96	-	+95	15%	16%	-1pp	145	59	+146%
Total EBITDA level	15,485	+2,525	-658	+1,852	29%	30%	-2pp	34,593	33,401	+4%

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OPERATING PORTFOLIO	INSTALLED CAPACITY 2023 (MW)			
	DEC-23	ADDED	AR[1]	Δ YTD[2]
Europe	**462**	**-36**	**-**	**-36**
Spain	120	-36	-	-36
Portugal	31	-	-	-
Rest of Europe	311	-	-	-
North America	**592**	**-**	**-**	**-**
US	592	-	-	-
APAC	**16**	**+1**	**-**	**+1**
Rest of APAC	16	+1	-	+1
Total Equity level	1,070	-35	-	-35
TOTAL (EBITDA + Equity)	16,555	+2,491	-658	+1,817

(1) AR stands for Asset Rotation; (2) YTD variation considers a decommissioning of a ~3 MW wind turbine in the US and ~12 MW variation in APAC due to ac/dc real conversion.

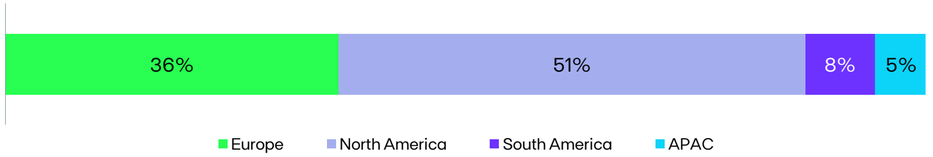
EDPR continues to deliver selective growth

With a top-quality portfolio, EDPR has a strong track record and proven capability to execute superior projects and deliver on targets. The installed asset base of 16.6 GW is not only young, on average 9 years, it is also mostly certified in terms of environmental and health and safety standards.

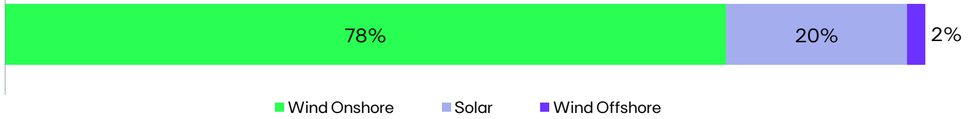
As of 2023, EDPR had, in terms of EBITDA + Equity capacity, 5,997 MW installed in Europe, 8,405 MW in North America, 1,248 MW in South America and 905 MW in APAC.

In terms of technology, EDPR continued its effort to diversify its portfolio, which translates into 12,985 MW of wind onshore, 322 MW of wind offshore and 3,248 MW of solar technology, that includes both solar PV utility-scale and solar DG.

Capacity by Region (%)



Capacity by Technology (%)



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2023 installations were global and mainly driven by solar

During 2023, EDPR added a total of 2,526 MW globally, with Europe and North America representing 76% of the total installations, and a larger percentage of solar capacity vs. wind.

More specifically, EDPR added 958 MW of wind onshore, corresponding to 277 MW in Europe, namely 117 MW in Italy, 65 MW in Spain, 35 MW in Greece, 26 MW in France, 22 MW in Portugal and 12 MW in Poland. In North America, 499 MW were installed coming from a project in US and another one in Canada. Lastly, in South America, EDPR added 182 MW of wind onshore, including 83 MW in Chile.

In terms of solar capacity, EDPR added a total of 1,569 MW, corresponding to 667 MW in the US, 223 MW in Portugal, 212 MW in Brazil, 195 MW in Poland, 66 MW in Spain, 9 MW in Netherlands, 4 MW in France, 85 MW in Singapore, 9 MW in Vietnam and 97 MW in the Rest of APAC.

Pursuing its Asset rotation strategy, EDPR successfully concluded three Asset rotation deals that amounted to c.0.7 GW of capacity. In detail, EDPR sold 100% stake in a 256 MW wind portfolio in Spain, 100% in a 142 MW wind portfolio in Poland and 100% in a 250 MW wind portfolio in Brazil.

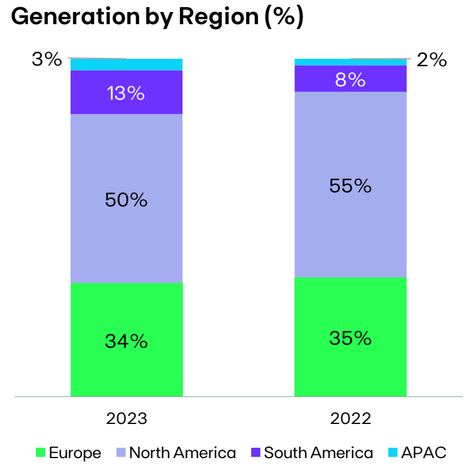
All in all, in 2023, EDPR consolidated portfolio net variation was +1.8 GW.

4% increase Year on Year in generation

EDPR produced 34.6 TWh (+4% YoY) of clean energy in 2023 and achieved a 29% load factor (vs 30% in 2022) reflecting a 94% renewable index.

The YoY evolution has been affected by the increase of 12% in installed capacity with a high concentration of annual additions in the last quarter or the year along with the asset rotations closed in mid-2023 for wind assets in Europe. In terms of resource, generation has been impacted by the increase of solar capacity weight, with lower load factors vs wind, as well as wind resources below LT average in US from El Niño weather phenomenon, where EDPR has more than 45% of its renewable portfolio.

The Company continues to leverage on its competitive advantages to maximise the projects' output and on its diversified portfolio across different geographies to minimise the renewable resource volatility risk.



EDPR diversified portfolio delivers balanced output

In 2023, Europe output decreased -1% YoY to 11.6 TWh and represented 34% of the total output, reflecting a 26% load factor (flat YoY). Specifically, in Spain, load factor during the year was 25% (-1pp YoY), in Portugal load factor was 27% (flat YoY) and in the Rest of Europe, load factor was 28% (+2pp YoY) mainly driven by north of Europe.

In North America, output decreased -6% YoY to 17.3 TWh, reflecting mainly a weaker renewable resource at 30% (-3pp YoY) related to El Niño weather phenomenon. North America represented 50% of EDPR's total output in 2023.

EDPR's production in South America, more precisely in Brazil, increased to 4.5 TWh (+71% YoY), mainly explained by higher installed capacity along with higher load factor (41%, +2pp YoY). The region represented 13% of all EDPR generation in the year.

Finally, APAC load factor stood at 17% (+1pp YoY) with production during the period reaching 1.2 TWh (vs. 0.6 TWh in 2022) following the full integration of Sunseap acquisition and solar capacity additions in the platform. In 2023, APAC represented 3% of all EDPR generation.

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EDPR manages a portfolio of 16.6 GW with 4.4 GW of capacity under construction

As of December 2023, EDPR had 4.4 GW of capacity under construction, fostering portfolio diversification with >60% related to solar. This capacity under construction includes 2.1 GW located in US (out of which 0.2 GW of collocated storage), including the solar projects postponed from 2023, with an important share planned to be commissioned during the first half of 2024. EDPR is committed to install 4 GW during 2024.

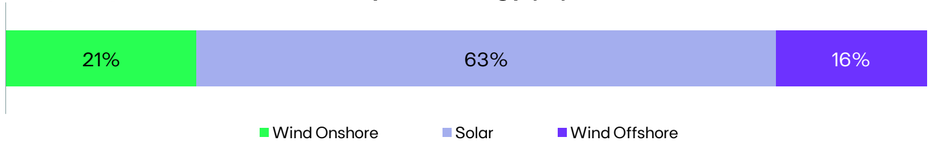
In terms of wind onshore, under construction capacity amounted to 90 MW in Europe, with 70 MW in Greece and 20 in Spain, and in South America 833 MW were under construction, corresponding to Brazil and Colombia.

Regarding solar capacity under construction, 404 MW were in Europe, more precisely, 155 MW in Italy, 140 MW in Spain, 74 MW in Hungary, 21 MW in Netherlands and 15 MW in France. In North America, EDPR had 2,074 MW under construction, all of them coming from the US. In South America, 255 MW were under construction in Brazil. Finally, EDPR also had 64 MW of capacity under construction in APAC.

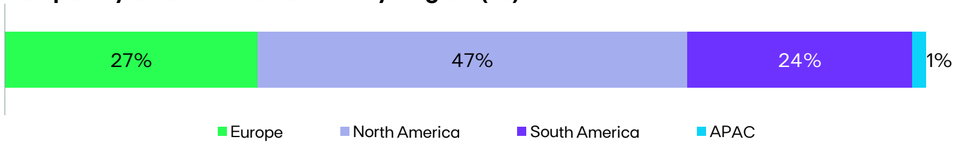
In terms of wind offshore, EDPR had, through its JV with Engie, Ocean Winds, 728 MW under construction at equity level coming from the Moray West project in the United Kingdom and the three projects under construction in France totalling 309 MW, which translates into a total of 1,896 MW gross capacity.

EDPR has a young portfolio with 9 years of average operating age, with an estimate of over 22 years of useful life remaining to be captured.

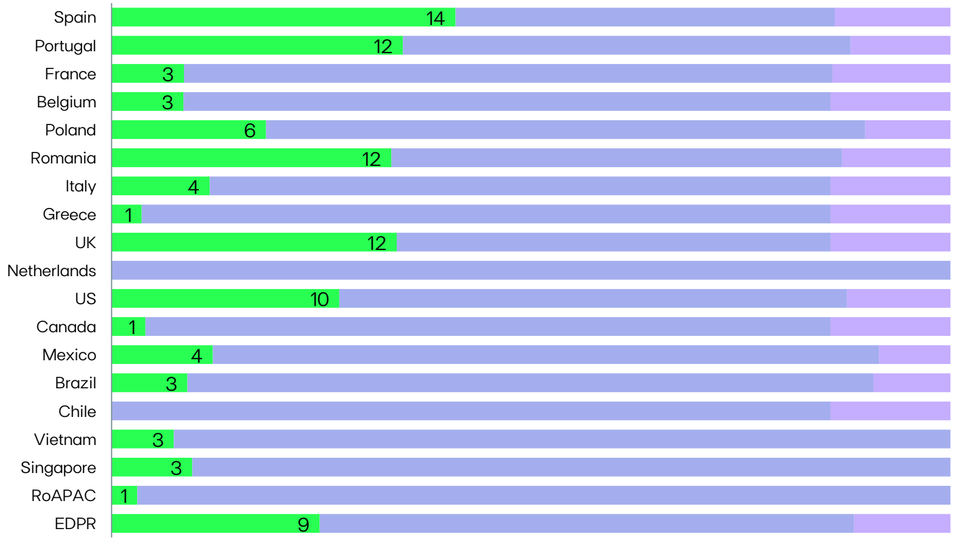
Capacity Under Construction by Technology (%)



Capacity Under Construction by Region (%)



Assets Average Age & Useful Life (years)



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3.1.2. Financial performance

Income Statement

Revenues reached €2.2 billion and EBITDA summed €1.8 billion.

Revenues totalled €2,239 million (vs. €2,371 in 2022) on the back of additional installed capacity (+€161 million vs 2022), lower average selling price (-€28 million vs 2022), Asset rotation effect (-€158 million vs 2022), worse wind resource (-€68 million vs 2022) and forex translation and others (-€39 million vs 2022).

Other operating income amounted to €583 million (+11% vs 2022), largely driven by €460 million related to capital gains from Asset rotation transactions closed during the year in Europe and Brazil.

Since 2021, macro environment has rapidly changed worldwide with supply chain unbalances and higher assets under management leading into higher costs. EDPR continued to grow despite such circumstances. During 2023, Operating Costs (Opex) were also impacted by regulatory clawbacks mainly related to Poland and Romania along with more assets under management. In this context Opex totalled €1,001 million (+9% vs 2022).

In 2023, EBITDA summed €1,835 million (vs €2,157 million in 2022) mainly driven by short term headwinds, namely the weak wind resource in the US due El Niño weather effect (€178 million), US solar projects delay (~1 GW of solar panels on supply chain issues), clawback taxes in Europe (€106 million) and the impact from Colombia projects delay (€53 million). Other drivers were also the lower electricity price in Europe (€93/ MWh vs €106/ MWh in 2022) along with a lower contribution from Ocean Winds which compares with an extraordinary contribution in 2022. All in all, these negatives were partially compensated by €460 million of capital gains.

Net Financial Expenses decreased to €313 million (vs €449 million in 2022) mainly on the back of higher capitalized financial expenses in line with operational assets timing and positive impact from forex and derivatives. Non-controlling interests totalled €150 million (vs €201 million in 2022), in line with top line performance.

During the period, EDPR was impacted by non-recurring events, mainly €178 million from an impairment at D&A level related to delays in Colombian projects, €10 million from the Massachusetts offshore PPA cancellation and €12 million from a provision in Romania related to regulatory clawbacks, leading to a Recurring EBITDA of €1,845 million and a Recurring Net Profit of €513 million.

CONSOLIDATED INCOME STATEMENT	2023	2022	Δ% YOY
Revenues	2,239	2,371	-6%
Other Operating Income	583	526	+11%
Operating Costs	-1,001	-920	+9%
Supplies and Services	-475	-439	+8%
Personnel Costs	-244	-241	+1%
Other Operating Costs	-283	-240	+18%
Share of Profit of Associates	14	179	-92%
EBITDA	1,835	2,157	-15%
REC. EBITDA	1,845	2,157	-15%
EBITDA/Revenues	*82%*	*91%*	*-9pp*
Provisions	-16	6	-
Depreciation and Amortisation	-965	-771	+25%
Amortisation Government Grants	21	20	+6%
EBIT	875	1,412	-38%
Financial Income/ (Expense)	-313	-449	-30%
Pre-tax Profit	561	962	-42%
Income Taxes	-102	-145	-30%
Profit of the Period	459	817	-44%
Non-controlling Interests	-150	-201	-25%
Net Profit	309	616	-50%
REC. NET PROFIT	513	671	-24%

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Balance sheet

In 2023 total equity increased by €2,082 million.

Total Equity of €12.6 billion increased by €2,082 million in 2023, of which €1,371 million are attributable to reserves and retained earnings. Equity attributable to EDPR shareholders increase is mainly explained by the +€993 million from the capital increase, +€309 million from Net profit in the period and +764 million from variation in fair value cash flow hedges, along with -€21 million from dividend distributions to EDPR shareholders and -€9 million of the exchange rate effects.

Total Liabilities increased €472 million year on year to €17.4 billion, mainly explained by the increase in financial debt (+€1,080 million), deferred tax liabilities (+€219 million), provisions (+€49 million) and institutional partnerships (+€9 million), offset by the decrease in other liabilities (-€817 million), rents due from lease contracts (-€35 million) and deferred revenues from Institutional partnerships (-€33 million). Liabilities were mainly composed of financial debt (42% vs 36% in 2022), liabilities related to institutional partnerships in the US (8%; flat vs 2022) and other liabilities (33% vs 39% in 2022).

Liabilities to tax equity partnerships in the United States decreased by €24 million to €2,188 million. Deferred revenues related to institutional partnerships primarily represent the non-economic liability associated to the tax credits already realised by the institutional investor, arising from accelerated tax depreciation, and yet to be recognised as income by EDPR throughout the remaining useful lifetime of the respective assets. Deferred tax liabilities reflect the liabilities arising from temporary differences between the accounting and the tax basis of assets and liabilities. Accounts payables include trade suppliers, PP&E suppliers, deferred income related to investment grants received and derivative financial instruments.

As total assets summed €30.0 billion in December 2023, the equity ratio of EDPR reached 42%. Assets were 67% composed of net PP&E – property, plant and equipment representing €20.3 billion (+€2,361 million vs 2022). In detail it included +€4.5 billion of capex, -€0.7 billion of depreciation charges along with a negative impact of exchange differences and others of -€1.5 billion.

Net intangible assets of €3.0 billion mainly include €2.2 billion from goodwill registered in the books, for the most part related to the acquisitions made in the period.

STATEMENT OF FINANCIAL POSITION	2023	2022	Δ YOY
Property, Plant and Equipment, net	20,252	17,891	+2,361
Intangible Assets and Goodwill, net	2,787	2,883	-96
Financial Investments, net	1,104	1,201	-96
Deferred Tax Assets	622	625	-4
Inventories	88	80	+8
Accounts Receivable – Trade, net	559	606	-47
Accounts Receivable – Other, net	1,743	1,987	-244
Right-of-use asset	936	988	-53
Collateral Deposits	67	50	+17
Cash and Cash Equivalents	1,372	1,172	+200
Assets Held for Sale	517	9	+507
TOTAL ASSETS	30,047	27,493	+2,554
Share Capital + Share Premium	7,374	6,402	+973
Reserves and Retained Earnings	3,379	2,007	+1,371
Net Profit (Equity Holders of EDPR)	309	616	-307
Non-controlling Interests	1,590	1,545	+45
Total Equity	12,652	10,571	+2,082
Financial Debt	7,239	6,160	+1,080
Institutional Partnerships	1,431	1,423	+9
Rents due from lease contracts	1,005	1,040	-35
Provisions	319	270	+49
Deferred Tax Liabilities	857	638	+219
Deferred Revenues from Institutional Partnerships	757	790	-33
Other Liabilities	5,786	6,602	-817
Total Liabilities	17,394	16,922	+472
TOTAL EQUITY & LIABILITIES	30,047	27,493	+2,554

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Cash flow statement and Investment activity

Operating cash flow impacted by top line performance

In 2023, EDPR generated Cash-Flow from Operations of €1,304 million (-11% vs 2022), due to a lower top line performance. Cash-Flow from Operations is nothing more than the EBITDA net of income tax, changes in working capital, and non-cash items.

Cash flow evolution was mainly impacted by Net Expansion Investments of €2,889 million (+15% vs 2022), driven by the higher levels of Capex at €4,556 million (+32% vs 2022) and offset by lower Financial Investments of €209 million (vs €1,701 million in 2022), impacted in the previous year by the acquisition of Sunseap.

All in all, Net Debt increased €867 million during the year.

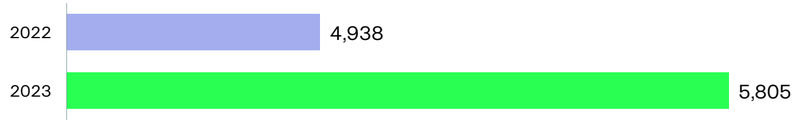
CASH FLOW	2023	2022	Δ% YoY
EBITDA	1,835	2,157	-15%
Non-cash Items	-274	-381	-28%
Income Tax Paid	-157	-57	-
Changes in working capital	-100	-249	-60%
Cash-Flow from Operations	1,304	1,470	-11%
Net Interest Paid	-175	-446	-61%
Minorities/Partnerships	-131	-219	-40%
Other	-27	-16	+65%
Organic Cash-Flow	972	788	+23%
Net Expansion Investments	-2,889	-2,512	+15%
Dividends paid to EDPR Shareholders	-21	-88	-76%
Forex	110	-206	-
Other (including one-off adjustments)	-41	14	-
Capital Increase	1,000	-	n.a
DECREASE/(INCREASE) IN NET DEBT	-867	-2,003	-57%

Net debt

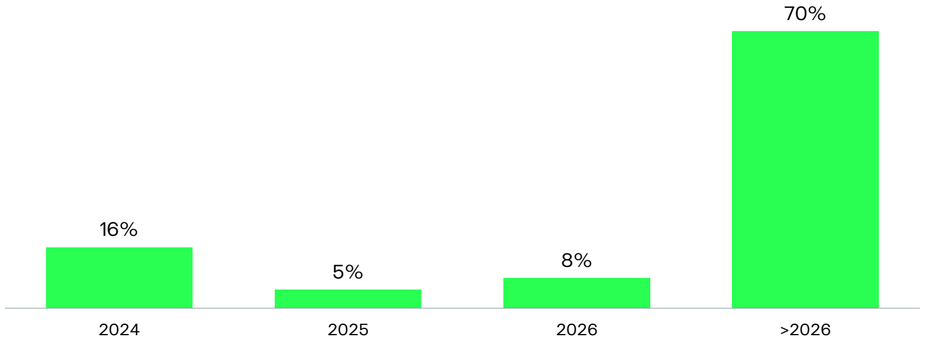
Supporting the investments that are behind the growth plan

As of December 2023, Net Debt totalled €5,805 million (vs €4,938 million in 2022) reflecting the investments made in the period with record levels of capacity under construction, and therefore Capex increasing to €4.6 billion (vs. €3.5 billion in 2022), to support the company's growth targets.

Net Debt (€m)



Debt Maturity (%)



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Income statement by region

Europe

In 2023, revenues in Europe amounted to €1,069 million (-16% vs 2022) due to lower production at 11.6 TWh (-1% vs 2022) and lower prices (-12% vs 2022 extraordinary levels). Net Operating income (Other operating income net of Operating costs) amounted to €22 million (vs -€80 million in 2022), primarily explained by the higher capital gains in the year. All in all, EBITDA in Europe totalled €1,087 million (-13% vs 2022), reflecting an EBITDA margin of 102%.

North America

In North America, revenues increased to €960 million in 2023 (+1% vs 2022) on the back higher average selling price (+8% YoY), partially offset by lower resource in the period due to the impact of El Niño weather event (-6% YoY of production despite higher MW in operation). Net Operating costs increased to €332 million, reflecting operating costs increase of +7% vs 2022 in line with higher assets under management. North America EBITDA totalled €584 million (vs €655 million in 2022), reflecting an EBITDA margin of 61%

INCOME STATEMENT	EUROPE			NORTH AMERICA		
	2023	2022	Δ% YOY	2023	2022	Δ% YOY
Revenues	1,069	1,279	-16%	960	952	+1%
Other Operating Income	459	308	+49%	43	89	-52%
Operating Costs	-437	-389	+12%	-450	-421	+7%
Supplies and Services	-230	-205	+12%	-215	-202	+6%
Personnel Costs	-65	-54	+21%	-117	-124	-6%
Other Operating Costs	-142	-130	+10%	-118	-94	+25%
Share of Profit of Associates	-5	49	-109%	30	35	-14%
EBITDA	1,087	1,248	-13%	584	655	-11%
EBITDA/Revenues	*102%*	*98%*	*+4pp*	*61%*	*69%*	*-8pp*
Provisions	-13	6	-	0.3	0.1	-
Depreciation and Amortisation	-220	-247	-11%	-459	-417	+10%
Amortisation Government Grants	1	1	+6%	17	17	-2%
EBIT	855	1,008	-15%	142	256	-45%

South America

In South America, mainly Brazil, revenues increased to €128 million (+44% vs 2022) on the back of higher renewable resource and electricity generation (+71% vs 2022). Net Operating income amounted to €27 million, due to the €70 million of other operation income registered in 2023 mainly explained by the gains generated from the Asset rotation. All in all, EBITDA in South America totalled €156 million, (vs €177 million in 2022) reflecting an EBITDA margin of 121%.

APAC

In APAC, revenues amounted to €114 million (+35% vs 2022) on the back of solar installations during the period. With Net Operating costs amounting to €50 million in the period, EBITDA in APAC totalled €68 million (vs. €35 million in 2022) reflecting an EBITDA margin of 59%.

INCOME STATEMENT	SOUTH AMERICA			APAC		
	2023	2022	Δ% YOY	2023	2022	Δ% YOY
Revenues	128	89	+44%	114	85	+35%
Other Operating Income	70	122	-43%	1	3	-52%
Operating Costs	-42	-33	+27%	-51	-52	-2%
Supplies and Services	-32	-23	+41%	-30	-30	+1%
Personnel Costs	-6	-4	+29%	-16	-21	-22%
Other Operating Costs	-5	-6	-26%	-4	-1	-
Share of Profit of Associates	-	-	-	3	-	-
EBITDA	156	177	-12%	68	35	+96%
EBITDA/Revenues	*121%*	*200%*	*-78pp*	*59%*	*41%*	*+18pp*
Provisions	-4	-	n.a	-	-	n.a
Depreciation and Amortisation	-30	-19	+60%	-60	-23	-
Amortisation Government Grants	-	-	n.a	3	1	+106%
EBIT	122	159	-23%	11	13	-13%

Note: Income statements only take into consideration countries with operating capacity

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Other reporting topics

Subsequent events

EDPR informs on Asset Rotation deal for a solar portfolio in North America

Madrid, January 4th 2024: EDP Renováveis, S.A. ("EDPR") signed a Sale and Purchase Agreement with a major energy global player to sell an 80% equity stake in a portfolio of 340 MWac from 2 operating solar projects in Ohio and 1 operating solar project in Texas.

The total consideration of the transaction corresponds to an Enterprise Value of $0.4 billion (for the 80% stake).

The transaction is subject to conditions precedent, regulatory and other usual conditions for a transaction of this nature.

With the transaction announced today, EDPR has executed and secured >25% of the €7 billion Asset rotation program for 2023-26 as announced in EDPR's Capital Markets Day in March 2023, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

EDPR secures its first PPA in Germany

Madrid, January 24th 2024: EDP Renováveis, S.A. ("EDPR") through Kronos Solar EDPR ("Kronos") has secured a 15-year Power Purchase Agreement ("PPA") with Lhyfe S.A ("Lhyfe"), a European producer and supplier of green and renewable hydrogen with whom EDPR has a partnership agreement to create value and leverage upon complementary skills and synergies in the promotion of renewable H2 projects.

The PPA entitles the sale of the renewable energy generated by a 39 MWac (55 MWdc) solar project in Germany with start of operations expected during 2025.

This PPA is the first closed by EDPR in Germany, the first one with a hydrogen company and the first materialization of the industrial agreement between the two companies. It will provide renewable power for Lhyfe's future green hydrogen production sites in the region, that will be used to mobility and industrial processes, thus consolidating its sustained growth.

EDPR entered Germany in 2022 through the acquisition of Kronos Solar EDPR and currently has a capacity of 8.5 GWdc in different stages of development in solar utility scale, including agri-PV projects. Although EDPR's business in Germany is focused on solar technology, the company has the ambition of developing wind projects in the country by the end of the decade.

Germany announced in 2022 ambitious renewables capacity targets of 360 GW of renewable capacity to be installed until 2030. To reach that target, Germany has committed to install 155 GW of solar capacity, representing close to 40% of the expected EU solar additions and making it one of the largest and fastest growing solar markets in the world.

EDPR has currently secured >55% of its total capacity out of the ~17 GW established for the 2023-26 period.

EDPR's success in securing new PPAs reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonization of the economy.

EDPR informs on PPA secured for a 250 MW portfolio in Spain

Madrid, February 7th 2024: EDP Renováveis, S.A. ("EDPR") has secured a 15-year Power Purchase Agreement ("PPA") with a global corporate client to sell the green energy produced by a 250 MW portfolio in Spain.

The portfolio consists of 4 solar projects amounting to 205 MWdc (168 MWac) and 1 wind project with 45 MW of capacity, all of them expected to enter in operation in 2025.

This pay-as-produced PPA supports EDPR's value creation thresholds, and with it EDPR has now more than 55% of the capacity secured out of the ~17 GW target additions for 2023-2026 announced in EDPR Capital Markets Day in March 2023.

EDPR's success in securing new PPAs reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonization of the economy.

EDPR informs on CfDs secured for 100 MW of onshore wind in Italian auction

Madrid, February 12th 2024: EDP Renováveis, S.A. ("EDPR") has been awarded with 20-year contracts for difference ("CfD") for 100 MW of wind renewable capacity, at the latest

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renewable auction in Italy promoted by the Gestore Servizi Energetici ("GSE"). These CfDs were attributed to 3 onshore wind projects located in the south of Italy, which are expected to enter in operation by 2026.

The auction, that has delivered 1 GW of new clean energy, achieved a clearing price of €77.6/MWh, a significant increase from last year's €66.5/MWh in the twelfth auction. CfD auctions play a pivotal role in supporting the green transition and ensuring competitive projects.

With these new contracts, EDPR has now 57% of the capacity secured out of the ~17 GW targeted additions announced in EDPR Capital Markets Day in March 2023.

EDPR's success reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonization of the economy.

EDPR informs on completion of Asset Rotation deal for a solar portfolio in North America

Madrid, February 15th 2024: Following the information released to the market on January 4th 2024, EDP Renováveis, S.A. ("EDPR") is pleased to announce the completion of a Sale and Purchase Agreement with a major energy global player, to sell an 80% equity stake in a portfolio of 340 MWac from 3 operating solar projects, 2 in Ohio and 1 in Texas, for an Enterprise Value of $0.4 billion (for the 80% stake).

With the conclusion of this agreement, EDPR has executed and signed ~35% of the €7 billion Asset rotation program for 2023-26 as announced in EDPR's Capital Markets Day in March 2023, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

EDPR informs on Asset Rotation deal for a wind project in Canada

Madrid, February 14th 2024: EDP Renováveis, S.A. ("EDPR") signed a Sale and Purchase Agreement with Connor, Clark & Lunn Infrastructure ("CC&L Infrastructure") to sell an 80% equity stake in a 297 MW operating wind project located in Alberta, Canada for an estimated Enterprise Value of C$0.6 billion (for the 80% stake).

This is EDPR's second transaction with CC&L Infrastructure, having previously sold a 560 MW portfolio of wind and solar assets in the United States. EDPR will retain a minority equity interest in the project and continue to operate and manage the asset

The transaction is subject to conditions precedent, regulatory and other usual conditions for a transaction of this nature.

This transaction comes in the context of the €7 billion Asset rotation program for 2023-26 announced in EDPR's Capital Markets Day in March 2023, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

Information on average payment terms to suppliers

In 2023, total number of invoices paid by Spanish companies within the legal payment period amounted to 36,259 invoices, 93% of total invoices, while the payments made within the legal payment period amounted to €184,710 thousand, which represents 91% of total payments. The average supplier payment period was of 33 days, below the payment period stipulated by law of 60 days.

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3.2. Human capital

People management

Our purpose

The EDP Group is committed to evolving as a global, agile, and efficient organisation with a people-centred approach that seeks to attract, develop, and retain the skills needed to meet future challenges.

For EDPR to be a truly future-proof organisation, an ambitious People and Organisation (P&O) strategy has been defined to fulfil the following in the coming years:

- Provide its people with a human and meaningful experience through a global purpose and skills and concrete measures of well-being and flexibility.
- Focus on attracting and retaining internal talent through a strong global strategy of employer branding and onboarding, as well as a customised succession and development strategy.
- Foster growth opportunities for all employees in an engaging manner, in line with a global development mindset.
- Invest in collaboration and internal mobilities as a way of sharing knowledge and individual and organisational development.
- Treat diversity, equity and inclusion as catalysts for innovation.
- Promote agility and efficiency through the improvement and digitalisation of processes to reduce decision-making time.
- Use the global tools of people analytics as instruments to support decision-making and strategic planning.

The major events of 2023 continue to transform the global labour market, reinforcing the importance of preparing EDPR for the challenges of the future whilst meeting the needs of its population:

- A total of 3,043 employees, considering the inclusion of 3 new markets, representing 3 new nationalities (57 nationalities in total).
- Increase of women in global representation (+1pp YoY, totalling 34%).
- Generations Y and Z represent around 75% of the population.
- 12% of people working outside their country of origin, in a reality where 73% of the population continues to work in a hybrid model.

In the dynamic landscape of the contemporary job market, marked by transformative phenomena such as the Great Resignation and other impactful trends, EDPR registered a voluntary turnover of 14.2%. EDPR continues to strategically navigate these challenges, recognizing the evolving nature of workforce dynamics, and prioritizing talent retention initiatives across the employee journey described throughout this section and the following pages.

Considering EDPR's global presence, the work developed in terms of people management in 2023 was based on the consolidation of a new people narrative through the integration of a global purpose in the main people management processes, strengthening the sense of belonging and pride in employees:

Our energy and heart drive a better tomorrow

Our energy

This purpose dimension represents the strength, legacy, and motivation of EDPR's people to deliver green energy continuously, leading to an increasingly empowered organisation.

Organisation

EDPR remains committed to promoting simple and agile organisational practices, supported by digital tools suitable for fulfilling its objectives.

In this sense, in 2023, EDPR continued to promote efforts to provide greater empowerment and autonomy to its people through improvements in terms of the span of control and simplification of organisational layers in different regions, making it possible to increasingly decentralise decision-making and increase accountability.

To guarantee EDPR's global alignment and the speed with which commitments are delivered, key performance indicators (KPIs) are defined annually based on EDPR's organisational performance model, which is divided into three axes of action: Attractive Returns, ESG Excellence, Future-Proof People & Organisation.

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Efficiency and decision-making

In 2023, the efficiency of the P&O and decision-making systems was also ensured with the implementation of various improvements that allowed for the reduction of more than 430 hours of work.

These improvements are related to the follow-up of the 3-year digital roadmap that aims to increase the digital maturity of people management processes which includes other achievements such as the implementation of a tool to automate and standardise the global workforce planning process, automation of the estimation of short-term incentives (STI) for all employees in Portugal, implementation of a new onboarding platform, standardisation of the recruitment process in a single tool and the construction of scorecards that allow the consolidation of employee data as a way of supporting decision-making by managers and P&O teams.

Speed and efficiency are keywords for any future-proof organisation. In 2023, a new global decision-making model was approved. The main objective of this model is to improve the agility of decision-making processes, simplifying them and empowering employees.

Collaboration

EDPR continues to discover new opportunities to bring its people together through digital collaborative tools such as virtual global communities. Currently, there are already nine global communities implemented at EDP Group level (Finance Ahead; ESG; People & Organization; Global Energy Management; Brand & Communication; Innovation; Digital; Generation; Ethics & Compliance), connecting more than 32% of the global population and providing access to content and initiatives in an innovative and customised way to each functional family.

Our heart

People are at the heart of EDPR's strategy, and this dimension of its global purpose reflects their importance and fundamental role in delivering the organisation's commitments to our partners, off-takers, communities and employees. Recent years have led EDPR to rethink its working models in favour of a more flexible and balanced working environment and to develop an active listening strategy highlighting the organisation's work in this direction.

Organisational climate

The organisational climate constitutes a fundamental, active-listening tool for monitoring different dimensions of employee experience, and the 2023 climate survey had the participation of 93% of EDPR employees.

In terms of engagement, it was found that 84% of employees feel involved with the company, where the majority show pride in working for EDPR (90%) and would recommend EDPR as a great place to work (83%). Regarding empowerment, it was also concluded that 80% of employees have a high perception of organisational support, where 85% feel they can carry out challenging work, 80% believe that their skills and abilities are well used, and 74% feel they have the authority to make decisions necessary to do their job.

Rewards and benefits

The work environment at EDPR must also create global conditions of equality and recognition. Therefore, following its implementation in 2023, EDPR's current global compensation framework was communicated to the entire population through different internal channels, contributing to a better understanding of how pay is determined, as evidenced by a 5% increase in the latest organisational climate results compared to the previous year.

This framework, aligned with the best companies in the market, defines a common strategy and language for the entire Group, allowing for global alignment and increasingly transparent communication. As well as clarifying the concepts associated with compensation through a global glossary for all markets, this model makes it possible to define a range of job grades, map all the Group's functions in a functional matrix and group them into organisational segments according to the level of responsibility, autonomy, impact on the company, level of knowledge and skills required.

EDPR globally assigns long-term incentive plans to the Top Management segment and critical positions in the Senior Management segment. The company's Management Team considers the attribution of these incentives as a tool for attracting and retaining talent, focusing on achieving results and complying with the business plan.

In 2023, this global approach was also extended to the different benefits awarded to employees in the different markets where EDPR is present, to define a common global offer complemented by local benefits. This framework was built over the year and is expected to be implemented in 2024.

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Flexibility and well-being

In 2023, the global flexibility measures already implemented were consolidated, with positive employee feedback, as evidenced by the organisational climate results: most employees claim being satisfied with the hybrid working model (87%) and the Flex Fridays measure (83%), and say they feel productive in a hybrid working environment (96%).

Throughout this year, continuity was also given to the global well-being strategy, based on five pillars (physical, social, professional, financial, and emotional). To this end, global awareness campaigns have been developed (e.g., Diversity & Well-being Moments; Mind Your Mind) to encourage the adoption of healthy behaviours, promote the accountability of the organisation's leaders, and remind all the channels and support helplines available.

EDPR believes work-life balance is fundamental to achieving more competitive companies and a fairer society based on flexibility, respect, and equal opportunities. To this end, EDPR has once again been certified by the Fundación Másfamilia as a family-responsible company (efr, in its Portuguese acronym), a recognition awarded for the first time this year to the entire Group, reinforcing the excellence of the various work-life balance measures promoted among the employees in all the markets in which the Group operates.

Diversity, equality, inclusion, and sense of belonging

By ensuring fairness and inclusion for its people, EDPR is also creating a more diverse working environment, and according to the organisational climate results, 89% believe all employees, regardless of their differences (age, gender, ethnicity, colour, disabilities, sexual orientation, religion), are treated fairly. Following the adoption of the DEIB (Diversity, Equity, Inclusion and Belonging) acronym and the revision of its global policy in the previous year, the Group continued to promote different awareness-raising initiatives on inclusion issues throughout 2023 and held the second Global Council at which the next strategic priorities were defined, with a focus on the inclusion of people with disabilities.

In 2023, efforts were made to ensure increasingly inclusive recruitment and the 2023-2024 Gender Equality Plan was launched. This plan, developed annually, presents a set of measures (policies, programmes, incentives and benefits, initiatives, or projects) framed within the following dimensions: strategy, mission statement and values, equal opportunities, awareness and training, work-life balance, and partnerships for progress.

Our drive

This dimension of EDPR's global purpose reflects its ambition and leadership in making change happen as an organisation prepared for the challenges of the future.

Talent attraction

For EDPR, it is essential to develop a strong employer branding strategy that is increasingly global and attractive, which in 2023 meant continuing to review its employee value proposition to reflect the company's global positioning, purpose, and flexible, balanced, inclusive, and development-oriented culture.

Overall, in 2023, the EDP Group impacted more than 32,000 people through more than 140 initiatives and strong positioning on its main social networks, which resulted in more than 400 people-related content. This attractiveness strategy resulted in 639 new hires and 114 internships in EDPR, through an increasingly global, standardised, and digital recruitment process, which has been characterised by a strong investment in upskilling all the stakeholders involved to ensure a competitive position in the market, particularly in the energy market.

In 2023, the Group also implemented its first-ever global onboarding experience and a new internal mobility program, demonstrating its commitment to attracting and retaining top talent. The global onboarding experience provides employees with a structured learning path that fosters a deeper understanding of EDPR's business, brand, and people narratives, while also strengthening their contact networks. Meanwhile, the new internal mobility program empowers employees to explore a wide range of temporary and permanent opportunities worldwide, aligning with their development goals and presenting exciting new possibilities, resulting in more than 196 mobilities registered in 2023.

These efforts resulted in several distinctions, such as new recognitions by the Top Employers Institute. In EDPR, this recognition results from individual certifications in nine markets where the company operates: Portugal, Spain, France, Italy, Poland, Romania, Brazil, and, for the first time, Greece, and Colombia, meaning that the company is positioned as Top Employer in Europe for the fifth consecutive year. This highlights EDPR's strong positioning with candidates and employees and its dedication and commitment to attracting and retaining the best talent.

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Talent development and management

In 2023, the first holistic assessment cycle was completed, evaluating past individual performance, current skills, and agility to face future challenges, following a global development model implemented the previous year. This cycle showed very high participation results at EDP Group level, proving its importance for the development of each employee: 86% chose peers, 88% carried out their self-assessment, 91% carried out their assessment as managers, and 95% of employees confirmed that they had their development conversation. At the end of this year, a new assessment cycle began, with an improved user experience.

Throughout 2023, efforts also continued to ensure the global development of EDPR's leadership through an approach characterised by a focus on themes related to leadership, people management, culture, digital, innovation, safety, ethics, and compliance. EDPR total training volume in 2023 resulted in more than 84,400 hours of training, reinforced by worldwide access to on-demand content via Udemy, currently with 89% coverage. According to the organisational climate results, 80% of employees believe EDPR provides learning opportunities, experiences, and tools to do their jobs in the best possible way (a significant trend up, considering the 14% increase compared to the previous year's results).

EDPR’s succession planning is also crucial to ensure the continuity of the business, acting as an important people management tool. In line with the defined criteria, 64 successors and 135 potential career moves were mapped for 24 Top Management positions, as well as 311 successors and 492 potential career moves for 133 Senior Management and Senior Consultant positions. Considering EDPR's growth, the competitiveness of the market and the shortage of talent, several customised development initiatives were also carried out throughout the year, ensuring that most (76%) of top priority successors were involved in learning and development opportunities and contributing to the retention of more than 97% of the successors and their readiness to assume future roles.

A better tomorrow

EDPR's current strategy sets out ambitious commitments for the coming years, allowing it to become a future-proof organisation focused on providing a better tomorrow for current and future generations. In this sense, EDPR's P&O strategy will continue to focus on meeting the challenges of attracting, developing, and retaining the skills needed to meet the challenges of the future, ensuring:

- A global organisational design strategy that represents our global presence.
- Enhanced digital maturity and efficiency of processes.
- Greater collaboration by strengthening our global communities.
- An inclusive and flexible working environment that promotes meritocracy.
- A strong employer branding strategy to attract the best talent.
- A learning and development-oriented culture that fosters accountability.

With people at the heart of its strategy, EDPR will continue to work towards an increasingly attractive, human, and meaningful experience for all its candidates and employees to drive a better tomorrow.

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3.3. Supply chain capital

EDPR's market leadership, based in value creation capacity, innovation and relationship with its stakeholders, is much influenced by the performance of one of its main partners, its suppliers. The Company's materiality matrix identifies the supply chain and its management as one of the most relevant aspects for EDPR, based on its importance for society and for the Company's own business.

Suppliers are a key stakeholder for the Company, and also a main partner to achieve its installed capacity growth targets and sustainability goals. Technical excellence, execution performance, economic competitiveness, together with sustainability are the basis of EDPR relationship with suppliers. These results in close collaboration, joint capacity to innovate, but also strengthen the sustainability practices and improve the quality of the Company's operations.

A close relationship with suppliers, especially with those considered core for the development of EDPR's activity, is carried out by engagement actions throughout the supplier relationship phase through specific meetings to discuss technical and ESG aspects.

Key Data

91%

local purchases at country level

+6,800

suppliers contribute to EDPR's success

Total invoice volume:

21% Suppliers in Europe

53% Suppliers in North America

24% Suppliers in South America

2% Suppliers in APAC

Note: EDPR defines local purchases as purchases from suppliers in countries where EDPR is present divided by the total volume invoiced on the Region of the Company to which the supplier / contractor supplies in 2023. In Portugal and Spain, only purchases from those specific countries (instead of region) were considered.

EDPR's supply chain

EDPR has a strong interaction, and a permanent dialogue and engagement process with its supply chain, in particular with the suppliers consider as core, those that supply the critical equipment and services to the Company, understood as WTG (Wind Turbine Generator) & Solar Panels, Inverters, Racking and Structures, PCS and Inverters, Batteries, Hydrogen, Balance of Plant (BOP) and Operation and Maintenance (O&M) contractors. During 2023, EDPR has carried out more than 25 ESG engagement actions with different core equipment suppliers, in addition to the ongoing work with construction and maintenance suppliers.

These suppliers contribute in a meaningful and visible way to the value of EDPR core activities. This close relationship allows EDPR to benefit from all the new technical solutions and innovations available on the market to maximise the value creation in the projects worldwide.

This partnership approach also helps EDPR to anticipate and mitigate supply chain disruption and to minimize impacts during the projects' execution.

Supply Chain Management Governance

First, the Board of Directors and the Company's Management Team oversee the purchasing processes and are ultimately responsible for ensuring that the Company's procurement policies and procedures are followed.

In addition, EDPR's global procurement, qualification and process teams, and market-level operational teams are responsible for managing suppliers from the bidding process through to their activities. Procurement teams have staff assigned to coordinate supplier relations with the sustainability teams and coordinate supplier relations and engagement.

Finally, the ESG and Environmental and Health and Safety teams support and are in continuous liaison with the procurement teams to ensure that the Company's ESG priorities are taken into account throughout the contractual relationship with suppliers: tenders, construction and operations.

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EDPR's Procurement Policy establishes the framework under which the Company's procurement process is developed. The Company also has a series of policies and procedures that define EDPR's sustainable procurement process. These policies and procedures are:

- The Sustainable Supply Chain Policy that establishes the principles and commitments to sustainability that are transferred to the purchasing process.
- Sustainable Procurement Protocol that defines the Company's action protocol and due diligence process in processes related to the supply chain. Including the identification of the criticality of suppliers based on their activity with EDPR.
- EDP Supplier Code of Conduct that applies also to EDPR supply chain and acting as a Code that feeds into the purchasing and contract negotiation processes with suppliers to share with them and ensure the alignment of critical suppliers with the Company's ethics and sustainability commitments.

High quality and sustainable procurement

The supply chain management process depends on the involvement of a number of departments that ensure the management of suppliers and contractors throughout their relationship with EDPR.

Risk management in the supply chain

EDPR's entire procurement process is built around an analysis of potential risks that may occur throughout the supply chain, from risks that occur in upstream processes in the manufacture of equipment, to those that could occur in EDPR's own operations and facilities.

Procurement teams implement measures to mitigate technical, operational or ESG risks at different stages. The entire procurement and due diligence process specified below is intended to avoid and mitigate supply chain risks related to:

a. Equipment efficiency risks due to poor manufacturing or maintenance
b. Lack of supply due to supply chain disruption.
c. Possible risks related to ethics and compliance of the partners EDPR works with.
d. Abolition of human rights risks such as forced labour or child labour, as well as other bad labour practices or lack of safety.
e. Environmental risks due to bad supply chain practices or lack of preparedness.
f. Other ESG and operational risks.

The risk management process is based on the EDP Group's Sustainable Procurement Protocol, being critical suppliers those with high impacts and risks and therefore those for which engagement and additional measures should be prioritized. Therefore, supplier risk is analyzed is composed of 12 categories, among which the following stand out:

- Supplier access to protected personal data
- Supplier access to reserved data
- Risks of occupational accidents from the contracted activity
- Environmental risks from the contracted activity
- Ethical, human and labor rights of the contracted activity

For more information on the criteria analysed in the criticality matrix, please refer to the Supply Chain Management section in the GRI Reporting Annex.

The traceability in EDPR's supply chain

During 2023, EDPR has taken a step forward in terms of equipment traceability. Traceability has become a fundamental element for the Company to avoid the emergence of risks in the supply chain. Traceability is seen by EDPR as a key tool to:

- Ensure a clean supply chain and avoid human and labour rights abuses;
- Be able to measure the environmental impacts generated by the transport of equipment;
- Comply with regulatory requirements, such as Uyghur Forced Labor Prevention Act, Corporate Sustainability Due Diligence Directive (CSDD), Corporate Sustainability Reporting Directive (CSRD), Carbon Border Adjustment Mechanism (CBAM), among others;
- Being able to avoid a disruption of the supply chain due to international conflicts;
- Comply and respond to stakeholders demands such as investors and offtakers.

Traceability has become a key element in the engagement that EDPR develops with the suppliers of the main equipment, becoming a tool that allows the origin of the equipment to be tracked during the phases, until the development of the final product that it is supplied.

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To tackle this challenge, the company is creating a working group that involves the key teams in this process, to ensure that all the knowledge is available for the development of a traceability tool. This group has already started developing internal traceability protocols based on international frameworks developed in the main markets in which it operates.

Therefore, traceability it is now a main part of the engagement process with suppliers when providing the company with the project traceability map and when they must comply with the specific protocols for equipment. All these topics have become a common element in the engagement and contractual negotiation with its equipment suppliers.

EDPR's supply chain due diligence process

EDPR procurement process extends to direct and indirect suppliers and allows EDPR to establish practices and procedures that ensure a high-quality relationship with its suppliers and sustainability practices through the entire supply chain. Some of these practices and procedures are:

a. Development of activities that promote the exchange of sustainability best practices in procurement processes;
b. Contribution to the growth and profitability of the business through the promotion of initiatives for the progress and continuous improvement of the supply chain;
c. Systematic monitoring of suppliers' performance and risk profile;
d. Dissemination and implementation of EDPR's ESG policies (Environmental, H&S and Human and Labour Rights policies and Code of Ethics) in the acquisition of goods and services;
e. Involvement and empowerment of all actors in the supply chain.

These practices are only possible through continuous dialogue and engagement with suppliers where the main priorities of both parties are shared at the technical, implementation and ESG levels.

The implementation of the Procurement Policy leads to a better control in the suppliers' management process, assuring EDPR values are respected, high quality standards and minimization of the risks.

EDPR has in place requirements related to ESG, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases and the due diligence process of EDPR: Registration and Qualification, Requests for Proposals and Contracting and, lastly, the Monitoring and Evaluation of the suppliers.

Registration and Qualification phase

The registration process is mandatory requirement for any company who intends to become a supplier or apply for a qualification process issued by EDPR. The Corporate System of Supplier Registration of the Company works as the support to search and select suppliers by providing detailed information, validated and updated by credible sources, in order to guarantee their accreditation through financial, technical quality and ESG criteria. EDPR has also its own Supplier Qualification Process in place since 2020 focusing in additional aspects specific to EDPR business. It aims to provide an analysis on critical issues and establishes minimum requirements to ensure that the suppliers EDPR works with are qualified: Technical capabilities & Quality Management, Financial & Risk, Compliance & Integrity, Health & Safety and Environmental Management criteria. The Company regularly reviews and reassesses the Qualification System criteria to ensure that they reflect the main market trends and regulations and that a high level of quality of the information available from suppliers is maintained.

In addition, during the Qualification Process, the Company shares for suppliers' knowledge: EDPR Code of Ethics, EDPR Integrity Policy and EDP Supplier Code of Conduct. Other policies and requirements are also shared with the suppliers depending on their activity with the Company and the phase where they are involved (manufacturing or operational services).

The qualified suppliers are then included in a Qualified Suppliers List who then are able to participate in the EDPR bidding and contracting process, during the qualification validity period. Only those suppliers who have been qualified and are included in a Suppliers Qualification List will be able to receive a subsequent award.

Request for Proposals (RFP) and Contracting phase

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

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Request for Proposals (RFP) from suppliers

In 2023, EDPR has updated its additional analysis on 5 ESG priorities in its tenders (RFP and other processes) for strategic equipment purchases, mainly solar and wind equipment: Decarbonisation, Circular Economy, Human and Labour Rights, Health and Safety, and Transparency and Biodiversity. EDPR analyses corporate policies, targets, strategies, statements, roadmaps and other corporate documents or procedures that show suppliers' alignment to EDPR's ESG priorities.

This analysis also helps the Company to identify potential ESG risks. During this phase EDPR also performs specific meetings with suppliers to understand their strategies, measures and policies regarding EDPR's ESG main priorities.

Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirements is essential to guarantee the correct performance of the contracted services and works. All these requirements are included on the EDPR Sustainability Guide, shared with suppliers in every tender and included on the final contracts. EDPR has also a Disciplinary and Sanctioning Regime that aims to commit the supplier to compliance with the Sustainability Guide.

Moreover, EDPR has a Third-Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2023, 522 Compliance analysis of suppliers were performed (+36% vs 2022) (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, its submission to the Executive Board of Directors, and the execution of additional recommendations to the inclusion of the compliance clauses in the agreements, related to corruption, conflict of interest and the inclusion on sanctions lists. These IDD allows the Company to verify public sanction lists, Political Exposed Persons lists (PEPs) and adverse media, in order to avoid any integrity risk.

Supplier Contracting and Awarding

In addition, during the contracting and awarding phase, the Company also establishes a fluent dialogue and shared of information with strategic suppliers through specific meetings. Through these meetings EDPR and its partners discuss technical and sustainability criteria that are fundamental for the fulfilment and execution of the projects.

During the year 2023 the Company has taken a step forward in the contractual negotiation with suppliers regarding to the ESG requirements requested. Depending on the type of equipment or service, the Company establishes a series of contractual requirements to address any material issues during execution. Some of the contractual clauses are the following ones:

- Traceability of critical equipment throughout the supply chain. With this action, the company intends to know both the map of potential suppliers and factories involved in the manufacture of equipment, as well as to be able to track the specific traceability of the projects.
- Alignment with the principles established in the EDP Supplier Code of Conduct and ensure that the same commitments are taken into account in the processes that are generated upstream in the value chain.
- Specific ESG audits to be able to control potential risks occurring in equipment manufacturing processes.
- Request for information for the fulfilment of the Company's objectives, such as policies, strategies, management systems or certificates. During its contracting process EDPR asks suppliers for environmental information about their equipment. As a 100% renewable company, EDPR needs this information and increasingly sustainable products to achieve its decarbonization targets, such as its recently published SBTi targets.
- Alignment with sustainability and construction guidelines always for the activity of contractors in Europe, as long as their activity is related to activity in EDPR's facilities.

In parallel, financial capacity of the suppliers and their insurance policy are evaluated according to the EDPR's Credit-in procedure that defines the requirements to ensure the compliance with EDPR's Counterparty Risk Policy and the proper follow-up of active guarantees. EDPR Counterparty Risk Policy sets the methodology and process to measure counterparty risk of new contracts, monitor counterparty risk of existing contracts, define in which moments and situations it should be used and establish guidelines and mitigation instruments to reduce counterparty risk when they exceed established limits.

Monitoring and Evaluation phase

In order to guarantee that the suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery and activity in EDPR's facilities.

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EDPR has two mechanisms to ensure that suppliers comply with its contractual obligations: passive mechanism and active mechanism.

a. The passive mechanisms are those related to suppliers' disclosure when they identify any situation, infringement, or circumstance that may affect the agreement.

b. The active mechanisms consist in:

- Physical audits of the manufacturing process and the right from EDPR to audit/request information to the supplier. EDPR could audit those factories where its components are manufactured and produced.
- Inspections that EDPR performs during the construction and operation phases, to monitor the suppliers' and contractors' performance regarding environmental and H&S aspects and to identify potential risks. In 2023, EDPR performed 6,214 inspections (+173% than in 2022) to 466 suppliers (+70% YoY) regarding EHS procedures. These inspections and audits are performed by EDPR to ensure best practices among contractors and to guarantee that these services are performed in a rigorous and standardized manner. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement.
- The management systems implemented by EDPR are certified and supervised by verified external certification bodies (third parties). The management systems based on ISO 45001 and ISO 14001 cover the correct performance of subcontractors on site, as well as their performance in terms of health and safety or management of environmental aspects in the field.
- In Europe & Latin America, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet, including H&S, environmental and ethical requirements.
- In addition, EDPR classifies suppliers according to their HSE score and risk. This performance evaluation allows to classify suppliers and then implement an action plan according to other procurement processes, since adequate compliance by all EDPR suppliers with applicable H&S and environmental requirement is essential to guarantee the correct performance of the contracted services and works.

Please refer to chapter 4. GRI Reporting for more information on EDPR's due diligence process.

EDPR's scope 3 and supply chain decarbonization

EDPR's activity inherently contributes to the achievement of global climate goals. Despite this, scope 3 has become a priority for the Company, as most of the Company's emissions are directly related to the supply chain.

For this reason, EDPR has continued to improve during 2023 the methodology that it launched last year to measure the upstream emissions of the supply chain, for which the commitment with suppliers to know the emissions linked to manufacturing and transportation of the main equipment.

EDPR has set out to expand the scope of the methodology year after year and that is why it has expanded the climate commitment with suppliers in 2023 to include other solar equipment in the methodology. Also, in line with its efforts to ensure the traceability of components, it has included the emissions corresponding to the transportation of the main equipment of most of its wind and solar parks.

Please refer to chapter 4. GRI Reporting for more information on EDPR's scope 3 emissions.

Partnerships and International Initiatives to manage Supply Chain

During 2023, EDPR has participated in sector initiatives and associations with the objective of promoting the development of knowledge in the solar and wind industry. Some of these initiatives have lines of work to promote better management and a sustainable supply chain. These initiatives include Solar Power Europe (SPE), Solar Stewardship Initiative (SSI), Solar Energy Industries Association (SEIA), among others.

Please refer to EDPR's website to learn more about the different initiatives where EDPR is involved.

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3.4. Social Capital

At EDPR, there's a commitment to integrate the social aspects in planning and decision-making and to guarantee responsible operations throughout the whole lifecycle of its business. As a result, EDPR undertakes to respect and foster due respect for these practices within the Company and in its supply chain.

Specifically, EDPR believes it is indispensable to contribute to the development of the society respecting both human and labour rights and creating value in different ways, for different people. With this in mind, the Company is guided by three key social responsibility principles: guarantee the highest health and safety standards, respect human and labour rights in the whole value chain and, lastly, support communities.

3.4.1. Guarantee the highest health & safety standards

The health and safety of those who contribute to EDPR's activities is a key value and a priority for its success. Consequently, the Company aims to promote and build on a positive safety culture in which every employee, service provider and supplier is engaged. According to its Code of Ethics, EDPR undertakes to give priority to the employees and suppliers' safety, health and wellbeing and to ensure the development of appropriate occupational health and safety management systems. The commitment to guarantee the welfare of employees and contractors is further supported by EDPR's Occupational Health and Safety Policy.

EDPR's integrated Health & Safety and Environmental Management System was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS, where synergies play a fundamental role, was implemented and jointly certified by an independent certifying organisation. The implementation of this integrated system allows for better management and prevention of accidents, with the objective of zero accidents overall. The commitment to health & safety is further supported through the ISO 45001 certification, which covers c.85% of EDPR's installed capacity by the end of 2023.

[1] Calculation based on 2022YE installed capacity (EBITDA MWs). EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2023 will be certified in 2024.

Key data

During 2023, EDPR registered 47 work-related injuries that resulted in lost workdays for employees and contractors (+21% YoY). One of these injuries was fatal and EDPR has defined an action plan with corrective measures to further mitigate these incidents, which was revised and approved by the Company's Management Team.

In 2023, the injury and the lost day rate were 2.1 work injuries per million hours worked (-15% YoY) and 65 days lost due to work accident per million hours worked (-61% YoY), respectively. The interannual variations of these ratios are mostly impacted by an increase in worked hours (+45% YoY).

2023 highlights

EDPR continuously works to improve its health & safety indicators and to bring awareness to the best practices, having implemented several initiatives throughout the year in this sense.

EDP Group launched *PlayItSafe*, a global safety program transversal to the entire Group which focuses on the continuous improvement of the Company and its procedures, with a special focus on accident prevention. This initiative seeks to sensitise all employees to the importance of adopting safe behaviours and will last for four years.

This program, and the underlying work that englobes, will be done around six priority axes, essential to achieve the objectives of accident reduction. They are:

- The commitment and involvement of our leaders in Prevention and Safety;
- The promotion of safe behaviour and learning from mistakes;
- Digitisation of processes and operations;
- Strengthening skills in the area of Prevention and Safety;
- Communication and involvement with Prevention and Safety;
- Management of the contracting chain.

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Within the framework of these axes, in 2023 the Group continued to focus on closer and more transparent communication, trying to reach all employees and reinforce its safety culture.

Specifically, a global monthly campaign was developed to talk about the main risks to which employees are subject in their professional context, and fatal accidents were communicated via an email from the CEO to all employees.

This was also the year in which the Group invested in training its team leaders and managers, reinforcing its belief in leading by example.

Lastly, as both physical and mental health were once again a global priority in 2023, EDPR also implemented several initiatives focusing on employees' general health and well-being. In this context, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other.

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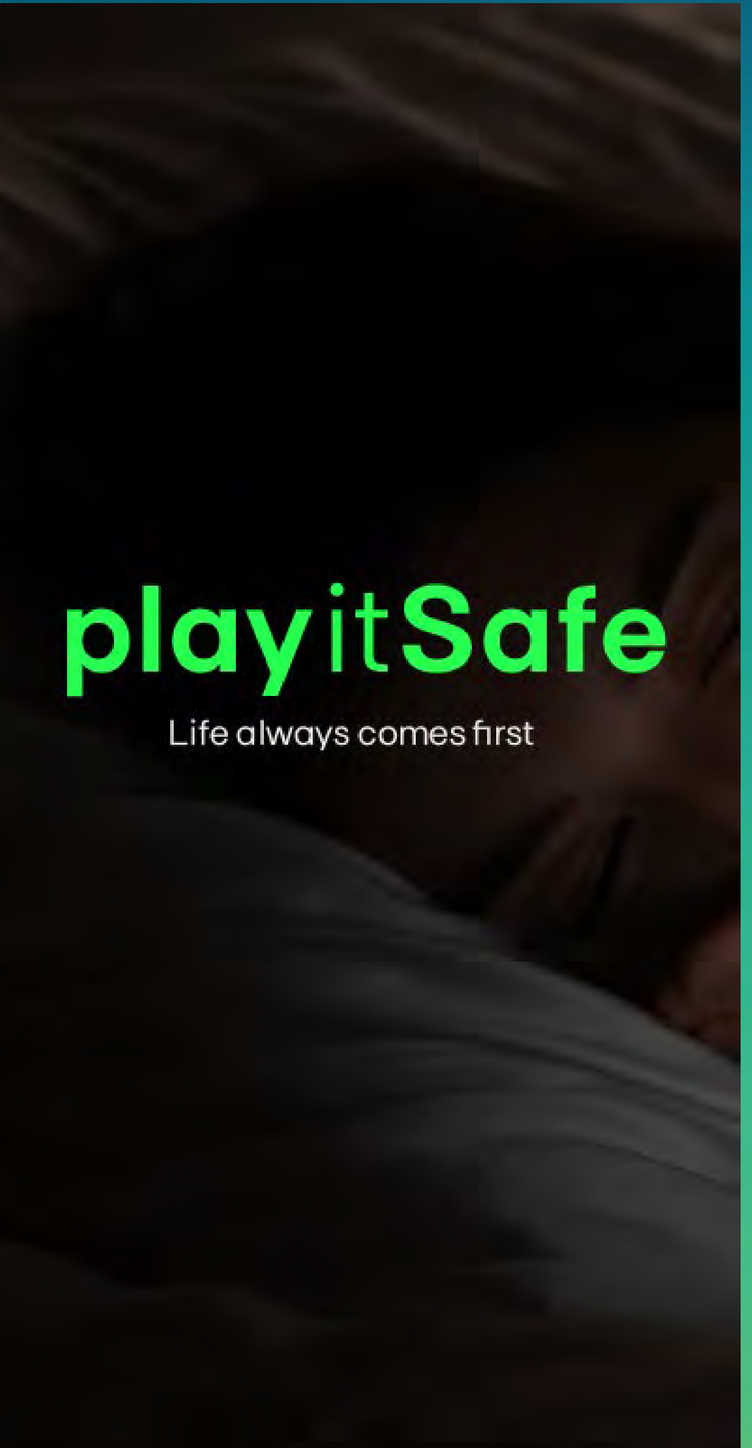

Psychosocial risks

Work-related psychosocial risks have been one of the major challenges associated with Safety and Health in the workplace, and are directly linked to problems such as stress, violence, harassment, burnout and engagement.

Our approach: The Prevention and Safety area once again signed a protocol with the Faculty of Psychology of the University of Lisbon to draw up an "Assessment of Psychosocial Risks and Well-being" across all the business units and geographies where we operate, with the exception of APAC. Between June and July 2023, employees were invited to respond online, and the response rate was very positive. The aim of the questionnaire was to identify the factors associated with the appearance of both stress and well-being, as well as to establish intervention guidelines for building a safer and healthier working environment.

Main conclusions: The results indicate stability compared to 2021, with the majority of risk and protective factors remaining unchanged. The absence of overwork, role conflict and job insecurity stand out, as does the presence of a positive social climate and support from colleagues and managers. However, around 32 per cent of employees feel that the company does not look after their well-being, highlighting the need to develop practices to promote well-being. Furthermore, the adoption of a hybrid teleworking model is well received by workers, bringing advantages for the company, team and individuals.

EDPR employees showed adequate stress and well-being when carrying out their work and can be considered to be carrying out their activity in a healthy working environment.

Differentiator factor: Until 2018, this assessment was carried out in the sphere of EDP employees in Portugal, due to the fact that it was a legal issue. In 2019, the pandemic we are experiencing challenged our routines and our people-focused corporate culture. The EDP Group therefore wanted to extend this Psychosocial Risks and Well-being assessment to all the Group's employees.

What lies ahead: In 2025 a new Psychosocial Risk Assessment will be carried out in all the Group's geographies, including APAC.

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3.4.2. Respect human and labour rights

For the Company, it is a top priority to promote human rights and fair labour practices across the entire value chain and this is reflected in the Company's materiality matrix, where the human and labour rights aspects have a great relevance both for society and the business. EDPR respects and undertakes to promote Human and Labour Rights internally, in its suppliers and the communities where it operates, namely in indigenous communities. This commitment has been reflected in EDPR's Code of Ethics since 2009. However, given the increasing relevance of this topic, EDPR's first Human and Labour Rights Policy was approved in 2022.

To guarantee compliance with human rights' internal policy, EDPR differentiates its approach among direct and indirect stakeholder groups. Direct group includes the ones closely related to the company's value chain, such as: Suppliers; Employees and Contractors; and Local and Indigenous Communities. Indirect stakeholders are those who have an influence on EDPR's activity and determine how the Company's issues and priorities are addressed. These indirect ones include: Civil Society and Governments; Investors and shareholders; and offtakers.

Once the stakeholders have been identified, EDPR carries out an identification of the priority human and labour rights for EDPR and then an analysis of the potential human and labour rights risks that may occur in the value chain. In this regard, EDPR identifies the following as priority human and labour rights for its direct and indirect activity:

- Non-discrimination.
- Integration and inclusion.
- Freedom of association and collective bargains.
- Abolition of modern slavery, forced labour and human trafficking.
- Abolition of child labour.
- Equal pay, remuneration and work environment.
- Health and safety environment.
- Rest and family life conciliation.
- Environmental protection and impact on the land.
- Data protection.

The Governance of Human and Labour Rights in EDPR

Apart from the more technical departments, the Board of Directors is the body ultimately responsible for overseeing human and labour rights at the Company level. Within the Board of Directors, it is the ESG Committee which has the highest responsibility to oversee all ESG aspects, including human and labour rights.

EDPR's Human and Labour Rights management framework

To ensure that any risks in this area are mitigated and that the demands and needs of each stakeholder group are met, EDPR has a series of policies, codes, and procedures, which are summarised below.

Human and Labour rights framework

Main stakeholders involved					
Suppliers	Employees and Contractors	Local and Indigenous Communities	Civil Society and Government	Investors and shareholders	Offtakers

Codes and Policies					
Code of Ethics	Human Rights Policy	Stakeholder Relationship Policy	Integrity Policy	Personal Data Protection Policy	Supplier Code of Conduct
H&S Policy	Environmental Policy	Diversity Policy	Training Policy	Volunteering Policy	Local Engagement Policy

Tools and Management Systems				
Speak Up System	Sustainable Procurement Protocol	Integrity Due Diligence (IDD)	Supply chain due diligence process (Screening process)	HSE Management Systems
Contractor O&M and BoP Sust. Guides	PlayitSafe	Human Capital Management Processes	Community Gatekeeper projects	

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Human and labour rights due diligence process through the entire value chain

Human and Labour Rights Management Policies and Codes

The Human and Labour Rights Policy applies to all EDPR Group companies and employees, business relationship and activities, in all its geographic locations, regardless of the local practices or level of social and economic development. In addition, it is articulated with the Code of Ethics, the Stakeholder Relationship Policy, and the Supplier's Code of Conduct, and identifies the references, norms, and international conventions to which it is submitted, establishing the principles and procedures that ensure compliance with them.

As stated in its Human and Labour Rights Policy, EDPR is committed to respecting and enforcing all internationally recognised human and labour rights, which translates into:

- Supporting the International Bill of Human Rights, subscribing to and implementing the Principles of the United Nations Global Compact and the instruments to protect vulnerable people and groups;
- Applying the ILO Declaration on Fundamental Principles and Rights at Work and related conventions and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
- Operating a human and labour rights management system that is active and present in all its activities, implementing the United Nations Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, and the Directive of the European Parliament and of the Council on Corporate Due Diligence and Corporate Accountability.

These commitments are also reflected in EDPR's Code of Ethics, which contains specific clauses regarding non-discrimination and equal opportunities in line with the Company's culture of diversity and respect for human and labour rights. The commitments in this Code are equally applicable to EDPR business partners, representatives and suppliers who are, in any way, entitle to act on behalf of EDPR.

EDPR also requires its suppliers and service providers to comply with its ethical standards. In this way, the alignment with the spirit of EDPR's Code of Ethics is required. Moreover, the Sustainable Procurement Policy references the promotion of respect for dignity and human rights, and the rejection of any form of forced labour or child labour, harassment, discrimination, abuse, or other types of physical or psychological violence.

In addition, as stated in its Code of Ethics, EDPR promotes a culture free from any sort of harassment, understanding this to be systematically undesired behaviour of a moral or sexual nature, in a verbal, non-verbal or physical form, which has the goal or effect of disturbing or embarrassing another person, or affecting their dignity or creating an intimidating, hostile, degrading, humiliating or destabilizing environment. Harassing forms of behaviour in a business context violate the victims' labour rights, and may affect their value as people and workers, causing harm that can have an impact on their self-esteem, physical and mental health, life project and family relationships. Therefore, in addition to the legal obligations to which EDPR is subject to, the Code of Ethics also states that it is the duty of all employees to prevent, confront and report all behaviour that may preclude a situation of harassment.

Please note that there are also other thematical policies that share EDPR's commitments and guidelines for action on Human and Labour Rights.

Human Rights Internal Tools and Management Systems

EDPR has in place a Speak Up Channel that is accessible to all employees, customers, suppliers, and other stakeholders that may be adversely impacted by the Company or, irrespective of this, that wish to complain, denounce, clarify, or expose any situation of ethical nature, including those related to human and labour rights. In addition, the Company has an Integrity Due Diligence (IDD) process to identify integrity-related disputes or potential human rights abuses on business partners. Please refer to the 5. Corporate Governance Chapter and the ethics and compliance disclosure in this report for more information regarding Speak Up Channel management.

In addition, the Ethics Ombudsperson, an independent third party that is behind the Speak Up Channel, receives the complaints and doubts submitted through this channel and investigates and documents the procedure for each of them. A preliminary report is then submitted to the Ethics Committee, whose main goal is to ensure compliance with the Code of Ethics within EDPR.

Finally, EDPR has in place several processes to manage potential risks and protect human and labour rights in its entire value chain. In this sense, EDPR has mechanisms and procedures in place to protect human rights in the supply chain, its own operations, and the communities in which it operates.

Along this report, the different measures implemented by EDPR can be found both at the policy level and in specific projects during 2023 and previous years. The sections and

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chapters in which human rights management is addressed are specified below, and the organisation's stakeholder engagement process can be considered as a starting point. This process is essential in order to understand the needs and expectations and to be able to manage the risks related to human rights that arise in the value chain.

3.4.3. Support communities

EDPR' social investment – strategic vision

EDPR actively contributes to the sustainable development of the communities in which it operates worldwide, through its own social investment and collaborative initiatives, donations, and volunteering. A social impact is a strategic pillar of EDPR, these initiatives aim to meet social needs in line with the EDP Group's Social Investment Strategy and core themes, namely investment in fair energy transition projects which should represent around 45% of investment by 2025.

Fair Energy Transition projects include support for energy access, projects aimed at protecting natural heritage and biodiversity, and projects promoting energy efficiency and renewable energies, contributing to decarbonisation, and combating climate change.

Culture is also an important area of intervention for EDP Group, with the mission of promoting access to culture, stimulating art, and protecting cultural heritage. Cultural projects are projected to represent around 30% of investment by 2025. Most of the projects under this thematic focus are executed or supported by EDP's foundations – in Portugal, Spain, and Brazil.

In parallel and recognizing the need to continue supporting projects that respond to other social needs of local communities, part of the annual budget is earmarked for investment in various topics such as training, health, social inclusion and response to emergency situations.

In this context, and as an integral part of the communities where it operates, EDPR undertakes to maintain a relationship of proximity with the local communities engaging in regular and open dialogue, seeking to know their needs, respecting their cultural integrity, and looking to contribute to improve the living conditions of local population, taking measures to consider and respect the community interests. Therefore, in line with the EDP Group' Social Investment Policy and the communities' needs and expectations, EDPR has defined a Catalogue of Activities that works as a tool for defining the social investment made in local communities.

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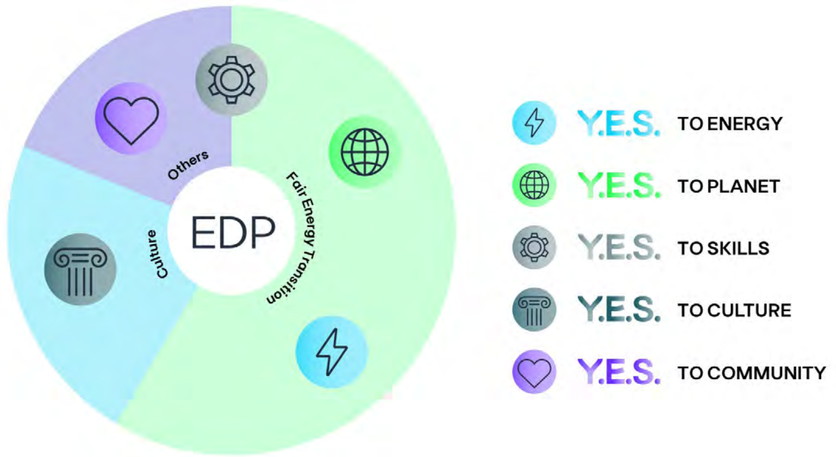
THEMATIC FOCUSES OF SOCIAL INVESTMENT	EDPR INVESTMENT 2023 (M€)	%	EDP GROUP TARGET 2025 (%)
Fair Energy Transition	1.2	49%	45%
Culture	0.2	8%	30%
Other projects	1.0	43%	25%
Total	2.4	100%	100%

Social investment projects developed in the countries where EDPR is present are communicated to the various stakeholders through the EDP Y.E.S - You Empower Society brand, ensuring an integrated narrative about EDPR's social investment. The projects are classified into five main Pillars: Energy, Planet, Skills, Culture and Community, which are framed within the thematic focuses of EDP Group's social investment strategy.

For more information on the social investment projects that are part of each EDP Y.E.S pillar and the respective social investment focused, please see the website edp.com/edp-yes where you can find information about projects supported by EDPR around the world, articles related to the Y.E.S pillars and even a dedicated form where entities can submit requests for EDPR support for projects within the scope of social investment.



Voluntary contributions – application of the B4SI methodology

EDPR uses the international methodology B4SI - Business for Societal Impact to characterise and assess its **voluntary investment in the community**. This model promotes alignment between the purpose of companies and social needs, facilitating the structuring of priorities and reflecting on their results and benefits for the communities.

In 2023, according to the B4SI methodology, voluntary investment in the EDPR's communities was **1.9 million euros** (80% of total investment in the community), supporting the projects of **120 entities**, resulting in **21.9 thousand direct beneficiaries**.

Of the total amount of voluntary investment, 94% was classified as community investment and 6% as charitable gifts. Cash contributions were the main form of contribution (88%), followed by time contributions (11%) and in-kind contributions (1%). Time contributions, equivalent to 212 thousand euros, correspond to EDPR volunteering initiatives carried out during working hours.

Investment in **Education** was primarily directed at skills development projects, namely training (upskilling and requalification) in renewable energies to respond to future labour needs. An example is the **Keep it Local program**, which in 2023 took place in Italy and Spain. This is a program aimed at young people from rural communities with low employability and at risk of labour exclusion. With the aim of contributing to quality green employment in depopulated areas, this program allows them to work in the sector of renewable energy, namely the installation of solar panels and wind energy.

Investment in **Health** was directed at supporting health institutions and health professionals (equipment, support for health research, among others). Investment in **Emergency Relief** was mostly aimed at supporting local organizations that aim to guarantee the safety of populations in the event of emergencies, as is the case with EDPR's **Safe4Sure program.** This program helps make communities safer and more resilient by supporting local emergency relief organizations such as firefighters and first responders, including funding ambulances and firefighting equipment.

Investment in **Economic Development** gave priority to projects for entrepreneurship and job creation projects. In Brazil, the **EDPR Rural program** aims to support rural producers in communities neighbouring wind farms, with initiatives to support family farming through technical assistance, training focused on rural entrepreneurship and the adoption of new social technologies.

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Projects for social inclusion and fighting energy poverty contributed to the investment in **Social Welfare**, promoting the improvement of thermal comfort and living conditions for several families. An example is the **Closer2You program** that provides families near EDPR parks with more dignified conditions according to their needs such as electricity, running water, new walls and roof or even demolishing their house and building a new one.

Voluntary investment in **Environment** was carried out through projects to promote biodiversity, decarbonisation, and climate change awareness-raising. For example, in 2023, several EDPR volunteer employees got involved in environmental actions, such as reforestation and tree planting initiatives in Spain and Chile or cleaning beaches and coastal areas in Singapore and Greece. Another example is the support of the **KidWind Challenge** in the USA, which is a wind energy learning experience for students as they discover the potential of wind energy technology by designing and building a working wind turbine while participating in healthy competition.

In turn, investment in **Arts and Culture** gave priority to projects that contribute to the protection and promotion of communities' cultural heritage, local traditions and access to culture and art, contributing to a more vibrant and creative society, as is example the **EDPR Powering Culture program.**

NATURE OF THE CONTRIBUTION (B4SI)	EDPR VOLUNTARY CONTRIBUTIONS (€k)	%
Education	379	19.5%
Health	30	1.5%
Economic development	373	19.2%
Environment	180	9.3%
Arts and culture	96	4.9%
Social welfare	646	33.2%
Emergency relief	10	0.5%
Other	232	11.9%
Total	1,946	100%
Management costs	2	-
Total with management costs	1,948	-

Mandatory contributions

In addition to voluntary contributions, EDPR also invests in the communities in which it operates through **mandatory contributions**. These types of contributions correspond to support for projects resulting from counterparts, commercial/legal impositions, or compensatory measures.

In 2023, the mandatory investment in the communities of the EDPR was **492 thousand euros** (20% of total investment in the community), supporting **8 entities**.

In this context, projects were financed in local communities in the USA, Canada, and Brazil, supporting public facilities, infrastructure, community events and public recreational programs, as well as educational and professional training activities related to sustainability or renewable energy.

These projects contribute to improving the living conditions of residents living in the company's area of influence, reinforcing EDPR's presence in communities, contributing to obtaining the social license to operate in these locations.

Although with less weight than voluntary contributions and not recognised by the B4SI methodology as social investment, these contributions promote the sustainable development of the communities where EDPR operates and, at the same time, are an important instrument to obtain the social license to operate in territories where new EDPR infrastructure is to be built or new markets where EDPR begins to operate.

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Contribution to the SDGs

In addition to contributions through its operations/business, EDPR also contributes to the Sustainable Development Goals (SDGs) through its social investment programmes, prioritising goals 5, 7, 8, 9, 11, 12, 13, 15 and 17, in accordance with the Social Investment Policy. EDPR reports its contribution to the SDGs not only at the level of the SDG objectives and targets, but also at the level of the indicators set by the United Nations.

In 2023, of all the voluntary contributions recognised by the B4SI methodology, EDPR supported projects that contributed to the SDGs with an investment of 1.6 million euros (84 % of total voluntary contributions) supporting projects of 91 entities. In turn, through mandatory contributions, EDPR supported projects that contributed to SDGs with an investment of 400 thousand euros (81% of total mandatory contributions). For more information on the methodology used by EDP Group for the compliance with the SDGs, see the EDP Group Social Investment Report.

CONTRIBUTION OF SOCIAL INVESTMENT TO THE SDGS	VOLUNTARY CONTRIBUTIONS (€k)	%	MANDATORY CONTRIBUTIONS (€k)	%
SDG 5: Gender equality	7	0.4%	-	-
SDG7: Renewable and affordable energy	-	-	-	-
SDG 8: Decent work and economic growth	693	35.6%	22	4.5%
SDG 9: Industry, innovation and infrastructure	-	-	-	-
SDG 11: Sustainable cities and communities	648	33.3%	305	62.0%
SDG 12: Sustainable production and consumption	-	-	-	-
SDG 13: Climate Action	117	6%	18	3.7
SDG 15: Protecting terrestrial life	16	0.8%	-	-
SDG 17: Partnerships for the implementation of the objectives	7	0.4%	-	-
SDG 4[1]: Quality education	60	3.1%	11	2.2
SDG 10[1]: Reducing inequality	79	4.1%	44	9.0
Total SDG	1,628	83.7%	400	81.4
Total social investment	1,948	100%	492	100

[1] Non-priority SDGs for EDP.

EDPR Volunteering

EDPR Volunteering program is a fundamental pillar of the company's relationship with communities and, at the same time, contributes to the development of employees, expanding the purpose and meaning of their activity.

The Volunteering Program's areas of intervention are aligned with the EDP group's Social Investment Policy and focus on social inclusion, empowerment, energy inclusion, biodiversity, and climate action.

Over the years, the Volunteering Program has attracted a growing number of participants, because it allows the allocation of working hours to the various initiatives, reinforcing the important role of volunteering for the EDPR, as well as its visible impact on everyone involved.

In 2023, 1,339 employees (27% of EDPR's employees) participated in all the different actions and projects promoted throughout the year, contributing 5,153 hours during working hours and 70 hours outside working hours, making a total of 5,223 volunteer hours.

The main focus of the Volunteering Program in 2023 was to strengthen training projects, in particular with children and young people, volunteers and leaders and social organizations, while continuing to provide an effective response to the main challenges identified in the volunteering strategy defined for 2022-2025. In particular, communication, recognition of volunteers and raising awareness among leaders on the subject of volunteering, as well as working towards increasingly involving different stakeholders in the initiatives promoted and working on empowering communities.

Additionally, and following the trend of recent years, skills volunteering has been gaining more and more relevance, putting employees' talents and know-how at the service of the community and, in 2023, topics such as fair energy transition, social entrepreneurship and ESG themes began to gain more prominence in this field. In 2023, there were 1,625 hours in skills-based volunteering projects (31% of total volunteer hours) carried out by EDPR employees, of which 1,555 hours took place during working hours.

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2023 was also a year of great achievements regarding the Volunteer Program as a global initiative throughout the markets where EDPR is present.

On May 25th, during the Energy Campaign, the first Global Volunteer Action was launched under the motto “Move your heart for a greener planet”. The campaign included several actions such as beach cleaning, walks and solidarity runs, which contributed to the global organisations Plant for the Planet and Make-a-Wish Portugal, along with some local organizations, depending on the initiatives promoted. EDPR volunteers participated in various countries: Portugal, Singapore, Spain, the United States, Brazil, Greece, Italy, Poland, Romania, Hungary and the United Kingdom.

On the other hand, a new global campaign was launched – “Go green” – challenging teams from several countries, between September 15th and October 15th, to carry out environmental initiatives. In this new campaign, EDPR volunteers from Brazil, Singapore, Chile, Portugal and Spain were involved, promoting environmental volunteering actions that marked this period and contributed to a greener planet.

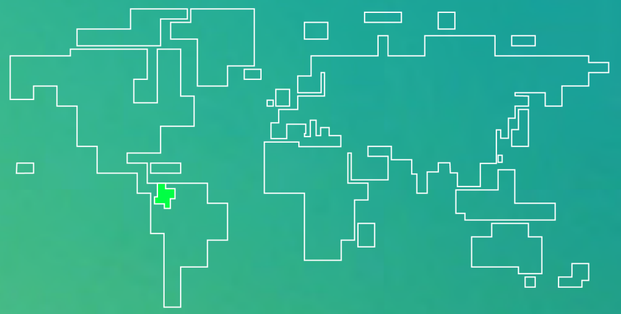
All in all, EDPR believes that volunteering can make a difference on the planet, contributing to the development and transformation of the communities where we operate, while also involving our employees, leveraging on their interests, talents and skills to multiply the purpose and meaning of what we do.

PUBLIC

Reinforce dialogue with communities

A mechanism that guarantees the listening and free participation of the communities in Colombia.

Our approach: Prior consultation is a fundamental right of indigenous peoples and other ethnic groups before deciding on actions that affect the self-determination of peoples, either by legislative and/or administrative measures or the implementation of projects, works or activities within their territories. The parameters for prior consultations were defined by Ruling SU-039/97 and they seek to protect the cultural, social and economic integrity of these communities and guarantee their right to participation. In the Sierra Nevada de Santa Marta, EDPR considered the specific governance system and environmental conservation values of the four settlements in the local communities. They initiated a prior consultation with these communities, which is estimated to last three months. The engagement between EDPR and these communities has been positive, and there are plans for meetings and tours to be held. In La Guajira, Colombia, EDPR conducted environmental education workshops with the ethnic communities in the area of influence of the Beta wind farm. These workshops facilitated outreach with the communities, allowed for the exchange of knowledge, and helped EDPR to better understand how the communities perceive the project, ultimately identifying opportunities for improvement.



Country: Colombia

EDPR considers prior consultation to be a mechanism that assists in listening to the needs and realities of local communities, as well as guaranteeing their right to participation.

Differentiator factor: With that in mind, the field teams have sought to think ahead and strengthen their relationship with the communities through educational activities in which they can combine their ancestral knowledge with the opportunities that come with working alongside the private sector. One such example of this are the educational spaces and workshops on environmental issues that have been implemented in La Guarija.

What lies ahead: The company will continue to ensure that best practices in prior consultation are carried out to promote the path towards intercultural understanding and to recognize a human and ethnic right.

PUBLIC

3.5. Natural Capital

Wind and solar power are among the most environmentally friendly methods of energy production, contributing to global climate objectives and the decarbonization of the economy. Despite the positive environmental impact of EDPR's operations, the company continues to implement processes and measures to address ESG issues and actively safeguard the natural capital and ecosystems in which it operates. As a result of this commitment, EDPR incorporates ESG considerations into its decision-making, with sustainability playing a pivotal role in the company's Business Plan 2023-26. Specifically, environmental concerns are among the specific ESG targets outlined in the plan.

EDPR's Environmental Policy outlines the company's specific commitments to contribute to climate change mitigation, promote the circular economy, and protect biodiversity. The policy reflects EDPR's approach to complement its strategy through responsible and proactive management of environmental aspects across its entire value chain. EDPR implements measures to prevent, mitigate, rehabilitate, and compensate/offset any environmental impacts, establishing a set of targets to ensure the effective implementation and maintenance of an Environmental Management System at its facilities.

The Health & Safety and Environmental Management System, developed and certified according to the international standards ISO 45001:2018 and ISO 14001:2015, allows EDPR to embrace a global approach to environmental and safety efficiency. This system standardizes processes and enables the company to effectively manage potential risks. Following implementation, the management system is certified by an independent certification organization. As of the end of 2023, ISO 14001 certification encompasses 96%[1] of EDPR's installed capacity.

With an expected life span of 30 years, EDPR's wind farms will pay back their life-cycle energy consumption in less than one year[2], meaning that for the remaining 29 years of their life cycle they will be producing clean energy.

1 Calculation based on 2022YE installed capacity EBITDA. EDPR certifies the facilites the year after the COD (commercial operating date). Thus, the facilites that have entered into operation in 2023 will be certified in 2024;
2 According to the life cycle assessments of our main turbine suppliers.

PUBLIC

2023-26
Business Plan
Targets

1. Development

2. Construction

Climate Change

17 GW
Gross additions

EDPR promotes the development of new renewable energy projects that contribute to achieving global decarbonization goals and fight against climate change.

During the development phase, the Company's highly experienced and qualified EDPR promotion teams locate the best sites for renewable energy generation, based on the necessary resources (wind and sun) and with nearby transmission lines.

EDPR aims to be a reference in the industry for building the most cost competitive, safe and efficient wind farms and solar plants in order to generate clean energy and help protect the climate.

The Procurement, Engineering and Construction teams from EDPR are well equipped to select the best wind turbines and solar panel systems based on each project's specifics. The Company also uses in-house expertise to design the best sites and assure top-class engineering and construction standards.

Circular Economy

85%
Recovery rate for waste generated in the whole value chain

During the development phase, EDPR takes into account circular opportunities when designing the facilities. The search for circular solutions in this phase allows the Company to design facilities that are as circular as possible, taking advantage of rainfall resources and taking into consideration future waste treatment and collection.

EDPR, through its sustainability guides and its engagement with suppliers during the RFPs, shares with them the recyclability and end-of-life solutions for materials as one of the Company's priorities.

The construction phase is essential to the circularity of the Company and its operations by romoting the efficient use of natural resources and maximizing the recovery of waste and resources, as well as their reintroduction into the economy as by-products. An example of this is the Company's use of earthworks to backfill and level the facilities.

In addition, the environmental monitoring and surveillance of the construction works ensures a sustainable use of resources, as well as the correct management of the waste generated

Biodiversity

100%
Projects with Net Gain Biodiversity tracking system worldwide

In order to identify constraints and select optimal project locations, EDPR conducts environmental viability studies. Through environmental impact assessment studies, EDPR strives to avoid sensitive locations whenever possible by applying the mitigation hierarchy principle. Potential impacts are assessed, avoided, and mitigation actions are proposed at the project level. These studies, conducted by external experts, enhance the company's understanding of the local environment, and enable more efficient management of potential impacts on flora and fauna. When necessary, compensatory actions are proposed. In 2023, EDPR allocated 7.4 million euros to environmental studies for its projects.

The construction phase is closely supervised. Locally, there are commonly adjustments to the project modifying the physical design of the project in order to reduce risk or mitigate impact. Adequate restoration work to repair areas of temporary project footprint is then undertaken once the works are completed.

In addition, whenever significant impacts occurred, compensation measures start to be implemented and wildlife monitoring procedures, mainly birds and bats, allows the company to be er address and manage potential impacts and to implement the necessary corrective measures. EDPR implements actions to restore areas affected by nonpermanent infrastructure during the construction phase.

PUBLIC

2023-26
Business Plan
Targets

3. Operation

4. Dismantling / Repowering

Climate Change

17 GW
Gross additions

EDPR produces renewable energy, which inherently involves contribution to the fight against climate change and the reduction of GHG emissions. Both wind and solar energy are emission-free and do not produce harmful SO_x, NO_x or mercury emissions, thus protecting air and water resources.

During 2023, EDPR's operations allowed the Company to avoid the emission of 20.4 million tons of CO_2. In addition, CO_2 emissions related to EDPR's activities (including its upstream emissions) represent only 12% of total emissions avoided.

The efficiency of wind turbines and solar panels, as well as their end of life, are evaluated by the Company for their replacement or dismantling. The repowering of wind farms has been one of the solutions applied by EDPR, which consists of reducing the number of wind turbines and replacing them with more efficient models. The new modern models allow the Company to increase installed capacity, CO_2 avoided, and clean energy generated, while reducing the land area per MW.

Circular Economy

85%
Recovery rate for waste generated in the whole value chain

EDPR is committed to promoting sustainable and rational resource usage, along with encouraging the reuse of components whenever feasible. In 2023, the company successfully recovered 72% of the total waste generat-ed in its operations, and 92% of the hazardous waste. The majority of this waste is associated with essential asset maintenance during their opera-tional phase, while the remaining portion originates from office activities.

Currently, EDPR's operations do not entail significant water consumption. Nevertheless, the company diligently analyzes this variable to ensure its proper management.

In the context of EDPR's dismantling and repowering activities, circular economy principles are being applied to optimize resource use and minimize waste generation. Through careful planning and execution, components from decommissioned assets are being repurposed, recycled, or reintegrated into new projects, contributing to a more sustainable approach to wind farm lifecycle management.

This approach not only reduces environmental impact but also aligns with EDPR's commitment to promoting a circular economy and minimizing the use of virgin resources in its operations.

Biodiversity

100%
Projects with Net Gain Biodiversity tracking system worldwide

During the operation and maintenance phase, all assets have in place an environmental management system, certified in accordance with ISO 14001:2015. Environmental monitoring of biodiversity may vary between 1 to 3 years after operation starts, depending on the results. Locally, inspections are a core control to guarantee proper monitoring of environmental performance, mostly conducted by external contractors. In 2023, EDPR performed 1,512 inspections to 205 contractors on their environmental procedures during the construction and operation of the Company's projects.

The Company is committed to cleaning and rehabilitating the land to return it to its initial state, as well as minimizing any potential impact generated.

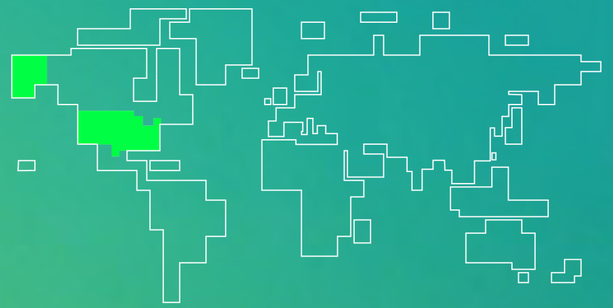
EDPR has a total provision for dismantling and decommissioning of its assets, including the restauration of the site on which they were located. These provisions totalized €294,730 thousand Euros as at 31 December 2023.

PUBLIC

Close the loop program

Tackling the end of life cycle of solar panels.

Our approach: EDP Renewables North America launched Close the Loop, a company-wide recycling program. This program supports EDPR's circular economy goal by building structured partnerships with various stakeholders, promoting efficiency in the product life cycle, optimizing resource use while minimizing waste, and ensuring transparent communication throughout the company. Among 19 qualified waste management organizations to cover various materials recycling including solar modules, wind turbine generator components, batteries metals, oils and lubricants, as well as packaging material, EDPR NA's engaged with a key partner: SOLARCYCLE, an advanced technology-based solar recycling company. Founded in 2022, SOLARCYCLE offers tailored recycling solutions, reverse logistics, rapid testing, low-cost and eco-friendly recycling, and advanced environmental reporting for solar panels. The process aims to return those materials back into supply chains to help grow the domestic solar manufacturing industry.



Country: US

SOLARCYCLE's patented recycling process extracts more than 95% of the value in a panel, including aluminum, silver, silicon, and glass.

Differentiator factor: One of the key differentiators of the Close the Loop program is its focus on the entire lifecycle of both solar and wind renewable energy projects, including waste from construction to operations and maintenance, to repowering and decommissioning. EDP Renewables is committed to innovative approaches towards sustainability and responsible resource use throughout the project lifecycle.

What lies ahead: EDPR NA is supporting the advancement of U.S. renewable energy supply chains tied to a vibrant secondary market for recycled materials through the establishment of specific ESG targets. Globally, EDP Renewables has set a target of 85% waste recovery by 2026, with an ambition to take that figure to 90% total waste recovered by 2030.

PUBLIC

3.6. Digital capital

3.6.1. Transforming our Business

DGU's mission for Business Transformation

The Digital Global Unit (DGU) has the mission to shape a global technological strategy and vision for the Group, transforming how the business delivers value by seamlessly integrating digital technology.

DGU plays a key role in managing the complexities of energy systems, focusing on three priorities to accelerate digital and technology adoption: (1) consolidate business proximity for a global digital operation, (2) enhanced data and digital ambition, ensuring a group-wide digital strategy and increasing digital maturity, and (3) ensure a high-quality and secure digital ecosystem.

In 2023, DGU concentrated on strengthening data fundamentals and adopting emerging technologies, contributing to EDPR's digital ambition by democratizing AI adoption and advancing data analytics. These efforts set a strong foundation for furthering EDPR's digital goals, promoting disruption, maximizing value, accelerating Data & AI adoption, and expanding digital practices across the organisation.

Digital Strategy as driver to Energy Transition

The digital strategy is paramount in partnering with the business to tackle key challenges and generate value. Digital transformation is an enabler and accelerator for EDPR to lead the energy transition across all its operations.

Building on the ambitious goals outlined in the 2021-25 strategic plan, EDPR has set even more ambitious digital KPI's for the 2023-26 period. This decision is driven by positive forecasts and the significance of measuring the Digital contribution.

As of 2023, certain Digital KPI's are heading well towards the targets set for 2026, as per:

KPI	Target 2026	Value 2023
Energy Assets with Advanced Analytics	**85%**	82%
Digitalized Processes	**95%**	83.7%
Zero trust security	**≥740**	800

DGU and Digital transformation

To accelerate digital transformation, EDPR has invested a total of ~€60 million Digital TOTEX in 2023 to meet the 2026 expected targets:

- 85% energy assets with advanced analytics,
- 95% processes digitalized.

EDPR's digital transformation extends across all businesses and geographies, to digitize processes, tools, and the ecosystem for enhanced agility and efficiency. This inclusive journey involves active participation not only from EDPR's people but also from partners and suppliers, all contributing significantly to the desired digital acceleration at EDPR.

EDPR's digital transformation journey is powered by four strategic priorities:

- A Global DGU, closer to business
- Focus on a people-centric organisation
- Push on digital-first culture
- Excel in delivery and cyber

During the year, ~60 digital and technology projects were managed with cross-business and geographies impact.

PUBLIC

Global DGU, closer to Business

DGU continued its journey to become a truly global team, with global functions, hubs, and teams to deliver value and increase proximity across the value chain.

In 2023, several strategic projects were implemented to improve communication between digital and business teams, pursuing high business-value solutions with increased synergies and simplification:

- **DGU Now:** Initiated a program to reshape DGU's organisational model. This involves redefining DGU's operating model, governance mechanisms, operational models for hubs, and people strategy. The goal being to enhance alignment across Global functions, platforms, and hubs, strategically positioning digital at the core of EDPR's overall strategy.
- **Digital Roadmap:** A Digital Roadmap from 2023 to 2026 was created seeking to have an aligned digital vision, focused on higher business value and engaging the organisation toward the digital transformation.
- **Reference Architectures:** defined a set of reference architectures to allow the business to have higher flexibility and faster development in adding new products/services and introducing innovations, with reduced costs and lower architecture disruption. In 2023, the focus was on Client Solutions, Data & AI Strategy and Governance, Generative AI, Integration, Master Data Management and Monitorization reference architectures.

Focus on a people-centric organisation

EDPR's vision is to create a global human-centred organisation and acquire and train talent with new and upgraded skills for critical roles.

To enable the organisation's readiness to adopt a more digital mindset, EDPR has taken action to place people at the heart of the transformation, by investing in the development of digital skills of its people at all professional levels:

- **GenAI workshops:** held of a series of workshop sessions to push GenAI democratization across the group, reaching EDPR's Top Management and the Digital Global Community (~80 participants)
- **Leadership Training:** DGU launched a training program for leaders to cascade down through their teams at all levels, to introduce the DGU new operating model and ways of working, aligned with the Group's Global People Development Strategy

Push on digital-first culture

EDPR invested in creating a digital organisational culture and mindset, both by (1) promoting digital awareness and maturity across the company's leadership, with immersive training programs including top management involvement, and (2) developing and improving the key data & AI foundations to accelerate digital impact, with the implementation of new data lakes/hubs and new analytics solutions.

In 2023, the main highlights were:

- **Digital2Leaders:** boosted digital culture across top management, by pushing digital awareness and establishing a common lexicon.
- **Digital Global Community:** virtual community that promotes collaboration and knowledge on digital technologies and methodologies (e.g.: Agile, Blockchain, Cybersecurity, Data & AI, High Tech...), currently with almost ~300 members.
- **IoT Platform:** significant push of IoT Use Cases implementation and cross-pollination, with 3 global references in production.
- **Data & AI Governance:** defined a global strategy to guardrail AI ramp-up at EDPR and implement data governance across geographies and platforms.
- **GenAI Program:** defined the golden rules for deployment of Generative AI solutions and created a pipeline of priority use cases to implement in 2023-24, with 1 initiative completed, 1 initiative planned to start on the first quarter of 2024 and 6 initiatives planned.

Excel in delivery and cyber

In 2023, EDPR has made significant progress in ensuring that its landscape is future-proof, through the implementation of (1) a multi-cloud strategy, with the gradual migration of apps to cloud, (2) parallel initiatives to optimize cloud storage, and (3) a secure ecosystem, with a robust response system to block or resolve any cyber threats.

PUBLIC

Main highlights in 2023 include:

- **Strategic Tech Partnerships:** consolidated partnerships with a pool of tier-1 global strategic tech partners to build cutting-edge solutions, to power tech evolution and modernization of the application landscape.
- **All Cloud Program:** continued the journey to achieve a future-proof multi-cloud architecture and generate flexibility, scalability and application management autonomy. By the end of 2023, EDPR had migrated all the eligible apps to the cloud.
- **All Cyber – Defend EDP as one:** building a cybersecure organisation ensuring a global and robust threat monitoring and response processes. The program has acted on three domains: (1) definition of cybersecurity organisational model (i.e., roles, processes, governance), (2) creation of a framework to ensure documentation and information security, and (3) establishment of global cybersecurity metrics and KPIs.

3.6.2. Information security

The EDP Group's Information Security Policy, updated in 2023, establishes information security as a competitive factor, generating confidence in its stakeholders, but also as a critical responsibility in a social context, due to its role as an operator of critical infrastructures and manager of large volumes of personal data on customers and employees.

The governance of information security in the EDP Group underwent an evolution during 2023, with the Executive Cybersecurity Committee now taking place every quarter to:

- Set guidelines for the strategic planning of information security.
- Assess the company's cybersecurity risks.
- Monitor scenarios of serious incidents in the energy sector and the organisation's cybersecurity risk profile.

The EDP Group's cybersecurity risk is presented annually to the members of the General and Supervisory Board.

Cybersecurity in 2023

The global cybersecurity landscape has become more challenging, with increased geopolitical tensions posing greater threats to critical infrastructures and with the energy sector remaining a prime target for attackers. Despite this context, the EDP Group's cybersecurity teams were able to:

- Approve of the evolution of the Group's cybersecurity governance model.
- Expand the global SOC (Security Operations Centre).
- Eliminate legacy communication protocols vulnerable to cyberattacks.

Despite the increase in cyber threats and incidents compared to the previous year - largely due to the expansion of the attack surface resulting from the expansion of the organisation's operations –, no incidents with a significant impact on either the EDPR Group's image or its operations were registered.

Cybersecurity activities and indicators

The Cybersecurity rating adopted – defined as the group's KPI for this area –, observes the EDP Group's behaviour in cyberspace. During 2023, the rating remained at the advanced level, with an average of 800 points, well above the average for the sector.

To support the challenge of secure operations in EDP Group's energy networks and facilities, a "Zero Trust" strategy for cybersecurity was adopted, comprising a plan of initiatives for the years 2021-23, both in the domain of networks and IT systems and in the OT domain. These plans are currently being executed.

Regarding face-to-face training, highlights include the EDP Cyber Range, providing a learning model based on gamification. In 2023, more than 1,600 hours on online courses or presential sessions were completed.

The EDP Group continues to position itself as reference in the use of best practices in the area of information security by participating in several national and international work/study groups, as well as European projects with other European counterparts, academia and governmental organisations.

PUBLIC

3.7. Innovation Capital

Overview

Innovation has long been a traditional investment priority for the EDP Group. EDP's innovation operating model is based on a fast adopter logic with a well-defined purpose of accelerating new businesses with impact and promoting the rapid adoption of innovative solutions to lead the energy transition. It seeks to solve the energy transition problems through the integration of new technologies, processes, and products, as well as innovative business models in EDP Group's business to enhance competitiveness and create value for stakeholders.

EDP Innovation (EDPI) follows an Open Innovation philosophy that engages and promotes adoption through three innovation paths that act in parallel and complementary to one another, fed by a transversal sourcing process, namely: internal delivery (innovation portfolio developed internally), external partnerships through the open innovation ecosystem (start-ups, corporates, universities, among others), and external investments through EDP Ventures. These innovation avenues are supported by the right funding and investment, coordination, and expertise development to ensure EDP Group is at the forefront of market trends and innovation. EDPI also ensures the development and management of the infrastructure to disseminate innovation culture and best practices across the organization, fostering both entrepreneurship and intrapreneurship.

EDPI focuses on seven (+one) innovation domains aligned with corporate strategy and market trends, with EDPR focusing on two of these domains:

- Renewable energies, their integration and flexibility, to help the Group achieve its renewable energy targets.
- Green hydrogen to support the energy transition in sectors whose activity is preponderantly dependent on carbon-emitting solutions.

2023 highlights

Internal Incubation

In 2023, four new business opportunities related to RES and H2 were submitted to the global innovation decision committee for evaluation. Below are some of the projects in the funnel:

- In the validation phase: the Scale up O&M project aims to automate the operation and maintenance processes of solar parks, particularly in activities such as aerial inspections, vegetation cutting, and panel cleaning. The main goal is to improve overall solar production and reduce the OPEX of solar plants.
- In the build phase: the Automating PVs Installation project, which has the objective to incorporate advanced solutions to automate critical construction tasks of utility-scale solar PV power plants. Relevant cost savings can be achieved by a mindset shift of the installation process from construction to manufacturing.

Open Ecosystem

During 2023, the Energy Starter program was restructured according to the recent innovation and business strategy model of EDPI, with a vertical dedicated to Renewables and Green Hydrogen.

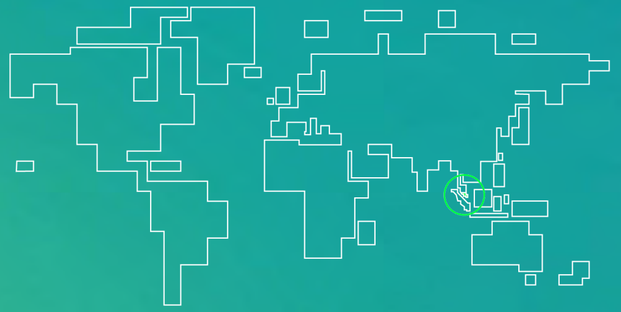
Among the seven pilot projects related to Renewables and Green Hydrogen, the Power to Hydrogen project stands out, with a reversible fuel cell technology solution; the second pilot project to highlight is with Granular Energy, winner of Free Electrons, for managing guarantees of origin for 24/7 energy matching.

PUBLIC

Pulau Ubin Green Micro-grid

Transitioning from diesel reliance to clean, renewable solar energy.

Our approach: EDP Renewables APAC, with the support of Singapore's Energy Market Authority and National Parks Board, has enhanced the micro-grid on Pulau Ubin island in Singapore. The enhanced micro-grid now includes a Solar Green Roof with a 328 kilowatt-peak (kWp) solar photovoltaic system together with a 1 Megawatt-hour (MWh) Vanadium Redox Flow Battery (VRB) Energy Storage System (ESS). More than 30 households and businesses will benefit from this enhanced micro-grid.



Country: Singapore

The island's reliance on diesel will also be reduced by nearly 100,000 liters per annum, avoiding 268,000 kg of CO_2 emissions.

Differentiating factors: Vanadium flow batteries are ideal for this application of long duration energy storage as they can operate continuously for over 20 years without degradation. It is also a significantly safer technology compared to lithium-ion batteries as they are not flammable, making them ideal for remote applications such as on islands like Pulau Ubin. These unique features of the VRB ESS set it apart from other battery storage systems.

The Solar Green Roof helps to regulate the ambient temperature surrounding the solar panels, optimising the efficiency of the panels by up to 4%.

The Future: There are potential plans to extend this micro-grid solution to areas outside of Pulau Ubin's Main Village. This could have a significant impact on the sustainability of other areas in Singapore and contribute to the broader national goal of environmental stewardship and energy security. The learnings from the Pulau Ubin Green Micro-grid project can also be applied across other hard-to-electrify areas in the APAC region. The project marks another landmark for Singapore to be a reference for energy transition in the region —what EDPR seeks to lead— while contributing to EDPR's solar and storage capacity as well as net zero targets.

PUBLIC

Ventures

Increasingly focused on strategic investments to meet the renewable energy generation objectives of the EDP Group. The EDP Ventures portfolio consists of 38 startups, including six in the field of Renewables and one in green hydrogen. In 2023, Terabase was added to the Renewables portfolio, a startup that developed Terafab, the world's first automated field factory for large-scale solar construction.

Research and development

Overview

EDP NEW - Centre for NEW Energy Technologies is EDP's Research and Development (R&D) Centre, fully dedicated to the development and implementation of innovative R&D projects in different areas of the energy sector.

NEW adopts a collaborative approach to innovation, partnering with EDP's business units and multiple European institutions, companies and universities to develop large R&D projects leveraged by public competitive funding for Research and Innovation – like the European Commission's Horizon 2020 and Horizon Europe programs. EDP NEW's current project portfolio comprises around 40 ongoing projects covering all the domains of EDP's innovation model. These projects focus on developing, testing, validating and exploiting innovative concepts, technologies and business models that contribute to EDP's objectives and to the global decarbonization targets. This development is carried out in a collaborative manner with NEW's wide network of 700+ top tier partners across Europe.

Due to the nature of its collaborative, impact-oriented R&D activity, NEW maintains strong links with EDP's business units as well as with EDP Innovation, and thus is in constant contact with all areas at EDP to share initiatives and explore future opportunities of mutual interest.

With EDP Renewables, collaboration and contacts with EDP NEW are frequent and are currently materialized either through 1. Direct joint participation of both NEW and EDPR in funded projects or 2. Through interaction between the parties on progress and results of projects implemented at EDP NEW on topics of interest to EDP Renewables.

2023 Highlights – Projects

Throughout 2023 several R&D projects have been implemented at EDP NEW on topics of interest to EDP Renewables. Below is a summary of some of these projects:

Project TALOS

Project TALOS aims to address some of the key challenges in deploying and scaling-up PV plants by developing robotics solutions for different scenarios, including floating PV and AgriPV settings. The project seeks to lower operation and maintenance costs and enhance plant performance through autonomous robotic systems, also exploring human-robot and robot-robot collaboration, making PV energy safer and more efficient. The project is coordinated by EDP NEW and has initiated in 2023, lasting till 2026.

1. Source: SolarCleano

Project AI4PV

AI4PV's main goal was the performance optimization of PV farms, both on operational efficiency and economic performance, using digital and predictive tools. The project developed a set of tools – digital twins, AI solutions, etc. – that provide high precision in detecting faults and diagnosing anomalies. An example is a tool that estimated the impact of soiling over PV modules on their energy yield. EDP NEW coordinated this project, which was concluded in 2023.

2. Source: project AI4PV

PUBLIC

Smart4RES

Smart4RES focused on improving short-term forecasting of renewable energy sources production. It brought performance improvements to the whole model and value chain in RES forecasting, with EDP NEW's particular emphasis placed on optimizing synergies with storage and to support power system operation and participation in electricity markets. The project was concluded in 2023.

Other topics of future collaboration on R&D for NEW and EDP Renewables – already planned to initiate in 2024 – include recycling of PV panels, innovative PV cell technologies and digital twins of renewable energy sources.

Pulau Ubin

"Since 2013, the Pulau Ubin micro-grid has provided more than 30 of the island's residents and businesses with a more reliable, cleaner and affordable electricity supply, while also being a living lab for innovative, clean energy solutions.

Through a research and development grant, the Energy Market Authority (EMA) of Singapore has supported the enhancement of the Pulau Ubin micro-grid with a Solar Green Roof and Energy Storage System. These enhancements could potentially help the micro-grid meet 90% of the daily electricity demand in the main village using solar power, while regulating ambient temperatures and increasing the efficiency of rooftop solar deployments.

The test-bedding of these innovations in a micro-grid will provide useful learnings for mainland applications and support Singapore's journey towards a more sustainable energy future."

Violet Chen, Director (Industry Ecosystem Development), Energy Market Authority of Singapore

PUBLIC

3.8. Sustainable Development Goals

EDPR supplies affordable & clean energy while mitigating the climate change...

EDPR is a global leader in the sector of renewable energy and one of the world's largest wind energy producer, ending the year with 16.6 GW of total installed capacity. In 2023, the company generated 34.6 TWh of clean energy, a cost-effective way to fight climate change.

Wind and solar power are two of the most environmentally friendly ways of producing energy. EDPR's business inherently implies the reduction of GHG emissions and therefore has a pos-itive impact on the environment. In 2023, EDPR's activities avoided the emission of 20 million tons of CO_2.

...impacting positively on communities & fostering innovative infrastructures & circular economy...

EDPR works to promote the well-being and development of the society. In 2023, EDPR invested €2.4 million in supporting communities as a result of activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities.

Innovation is part of EDPR's day-to-day reality. The company is focused on the more disruptive technologies of the industry and is committed to foster innovative solutions throughout its entire value chain. In 2023, EDPR centred on promoting digital skills and ~60 digital and technology projects were managed with cross-business and geographies impact.

Even though EDPR is in the renewable energy business, it goes beyond its commitment with sustainability by fostering a culture of responsible operations and circular economy. In 2023, EDPR recovered 72% of total waste generated and 92% of hazardous waste generated.

...ensuring decent work, gender equality & preservation of the environment.

EDPR continuously works to provide excellent conditions for its employees, grow and develop talent at all levels and optimise its employment policies and labour practises. As a result, EDPR has been recognised as a Top Employer in Europe for the fifth consecutive year and in Greece and Colombia for the first time, and as a Top Workplace in the US.

In 2023, EDPR was featured for the fourth consecutive year in the Bloomberg Gender- Equality Index. The Company's inclusion in this index highlights EDPR's work to promote equal opportunities for women through development, representation and transparency policies.

EDPR's business is its best contribution to reduce biodiversity loss. Nevertheless, the Company's commitment to contribute to the protection of biodiversity leads to an active role in the conservation of wildlife surrounding its facilities. In this context, in 2023 EDPR allocated €7.4 million to environmental studies for its projects.

PUBLIC

Why we choose wind onshore

Livadi Wind Farm, Greece

PUBLIC

Because We Choose Earth

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PUBLIC

4.1. Materiality assessment

Background and objectives

The macro-economic context, where the challenges of sustainability are increasing, summing up with the diversity of EDPR's stakeholders, results in a large and complex list of important issues, which must be prioritised according to its relevance and significance.

In this context, EDPR's material issues were identified, and the results achieved supported the preparation of this Annual Report, as reflected in the Company's management strategy and, in particular, in its agenda for sustainability.

An issue is considered material when it influences the decision, the action and the performance of an organisation and its stakeholders.

Methodology

The methodology adopted is based on the Accountability Standards and the information is collected corporately and within each business units as well.

Materiality is acquired by the interception of the issues identified by stakeholders with the importance given internally by the business. The topics identified by the Company are prioritised according to the frequency with which they appear in the different categories analysed.

Relevance for society

The relevance for society is determined by the importance/impact of a specific theme from an external perspective to the Company, designated as society perspective. Therefore, the society vision reflects the vision idea/concept of the several stakeholder groups that have influence on or are influenced by EDPR's activities. This vision must be achieved through sources that ensure independence from the Company to collect, on most cases, external data.

In parallel, the establishment of a society perspective is also supported by documents, analysis and international/national specific studies that allow a broad outlook on the emerging trends in the sustainability area. Consequently, the Company considers that the vision of the several stakeholders reflects the vision of society, thus allowing the assessment of the expectations outside EDPR.

Relevance for business

The vision of the business is obtained through the evaluation of the importance/impact of a specific theme from an internal perspective to the Company. This vision is originated from the analysis of the defined business strategic goals as these depict the current positioning and concerns of EDPR and reflect the future vision of the business. In 2019, EDPR defined a new strategic plan until 2022 and, thus, the material issues for the Company in which this assessment was based were updated accordingly.

Results

The materiality matrix describes visually and promptly the most sensitive and impacting themes by comparing the relevance to society with the relevance to the business. The critical and sensitive themes for EDPR, obtained from the analysis of the materiality matrix, allows the Company to drive the strategy and support the decision-making process as well as to focus the report of information based on shared interests between EDPR and stakeholders, facilitating the relationship between them.

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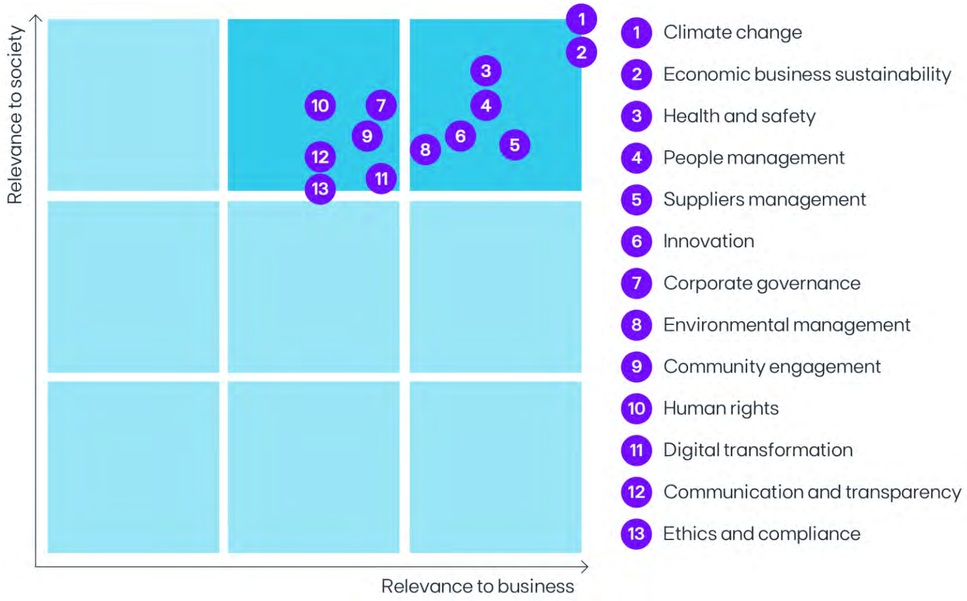
Materiality matrix



Note 1: Environmental management includes biodiversity, waste management and spills.
Note 2: EDPR reports environmental indicators from EBITDA sites the year after their inclusion in operational data. Thus, the environmental indicators of sites that have started operation in 2023 will be included in the 2024 report.

EDPR did not identify the following topics as material:

- Water: Generation from wind energy does not consume water in its operational processes. The water is consumed mainly for human use.
- Light pollution: EDPR activities do not have a material impact in light pollution.
- Raw materials: EDPR core business does not consume raw materials.
- Food waste: EDPR activities do not have a material impact in food waste.

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4.2. Climate change

For information regarding GRI 3-3 – Management of material topics, please refer to section Growth of the chapter Strategy and to section Operational Performance of the chapter Performance.

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

INSTALLED CAPACITY	UN	2023	2022	Δ YoY
Europe	MW	5,997	5,656	+342
Spain	MW	2,162	2,322	(160)
Portugal	MW	1,444	1,199	+245
Rest of Europe	MW	2,392	2,135	+257
North America	MW	8,405	7,242	+1,163
US	MW	7,482	6,617	+866
Canada	MW	427	130	+297
Mexico	MW	496	496	-
South America	MW	1,248	1,114	+134
Brazil	MW	1,165	1,114	+51
Chile	MW	83	0	+83
APAC	MW	905	726	+179
Vietnam	MW	402	405	(2)
Singapore	MW	315	230	+85
Rest of APAC	MW	188	92	+96
TOTAL	MW	16,555	14,738	+1,817

Note: The reported data includes EBITDA and Equity MWs.

With a top-quality portfolio, EDPR has a strong track record and proven capability to execute superior projects and deliver on targets. The installed asset base of 16.5 GW is not only young, on average 10 years, it is also mostly certified in terms of environmental and health and safety standards. As of 2023, EDPR had 5,997 MW installed in Europe, 8,405 MW in North America, 1,248 MW in South America and 905 MW in APAC. In terms of technology, EDPR continued its effort to diversify its portfolio, which translates into 12,985 MW of wind onshore, 322 MW of wind offshore (through Ocean Winds, a 50% joint venture with Engie), and 3,232 MW of solar technology, that includes both solar PV utility-scale and solar DG, and 16 MW in Storage.

During 2023, EDPR added a total of 2,524 MW. More specifically, EDPR added 958 MW of wind onshore, corresponding to 277 MW in Europe, namely 65 MW in Spain, 12 MW in Poland, 117 MW in Italy, 26 MW in France, 35 WM in Greece and 22 MW in Portugal. In North America, 499 MW were installed, namely 297 MW in Canada and 202 MW in the US. Lastly, in South America, EDPR added 182 MW of wind onshore, with 99 MW in Brazil and 83 MW in Chile. In terms of solar capacity, EDPR added 1,551 MW. Of those, 497 MW were added Europe, namely, 66 MW in Spain, 223 MW in Portugal, 195 MW in Poland, 4 MW in France and 9 MW in the Netherlands. In North America 651 MW were installed in the US. In South America EDPR added 212 MW in Brazil. And lastly, EDPR added 191 MW in APAC. Of those, 9 MW in Vietnam, 85 MW in Singapore, and the remaining 97 MW in the rest of APAC.

Pursuing its asset rotation strategy, EDPR successfully concluded several asset rotation deals that amounted to 0.7 GW of capacity. In detail, EDPR sold a 100% stake in a 142 MW wind portfolio in Poland, a 256 MW wind portfolio in Spain and a 260 MW wind portfolio in Brazil. All in all, in 2023, EDPR consolidated portfolio net variation was of +1.8 GW.

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GRI EU2 – Net energy output broken down by primary energy source and by regulatory regime

ELECTRICITY GENERATED	UN	2023	2022	Δ % YoY
Europe	GWh	11,619	11,778	(1%)
Spain	GWh	4,491	4,885	(8%)
Portugal	GWh	2,701	2,715	(1%)
Rest of Europe	GWh	4,427	4,178	+6%
North America	GWh	17,306	18,362	(6%)
US	GWh	15,428	17,029	(9%)
Canada	GWh	394	360	+9%
Mexico	GWh	1,484	973	+53%
South America	GWh	4,483	2,625	+71%
Brazil	GWh	4,483	2,625	+71%
APAC	GWh	1,184	636	+86%
Vietnam	GWh	743	393	+89%
Singapore	GWh	296	184	+61%
Rest of APAC	GWh	145	59	+146%
TOTAL	GWh	34,593	33,401	+4%

EDPR produced 34.6 TWh (+4% YoY) of clean energy in 2023. The YoY evolution comes in line with a higher installed capacity in the period and a better renewable resource. In 2023, EDPR achieved a 29% load factor (vs 30% in 2022) reflecting 98% of P50 long term average GCF, following a recovery of the renewable resource, especially in the first half of the year, mainly driven by North America. EDPR achieved a 94% technical availability in 2023, with the company continuing to leverage on its competitive advantages to maximise the projects' output and also on its diversified portfolio across different geographies to minimise the renewable resource volatility risk.

GRI 201-2 – Financial implications and other risks and opportunities for the organisation's activities due to climate change

Climate change and its consequences – global warming, more frequent and intense drought, storms, heat waves, rising sea levels, melting glaciers and warming ocean – are one of the biggest challenges the world is facing. Over the last century, the burning of fossil fuels like coal, oil and gas has increased the concentration of atmospheric carbon dioxide (CO_2) as well as other greenhouse gases (GHG) such as methane (CH4) and nitrous oxide (N2O), leading to the rise of the earth's mean surface temperature.

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and seamless execution, supported by core competences that yield superior profitability, all embedded within a distinctive and self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate changing business and economic environments, EDPR remains today as a leading company in the renewable energy industry.

As reflected in its 2023-26 Business Plan, EDPR plans to add 17 GW gross capacity in the 2023-2026 period, ~60% of which are already secured. In the coming future, EDPR will continue diversifying its portfolio at geographical and technology levels, developing more wind onshore, solar, wind offshore, green hydrogen and storage technology projects. Considering the 17 GW gross additions and 5 GW from the asset rotation strategy, we reach a global portfolio of 27 GW by end of 2026. Through its activities in renewables, EDPR will contribute decisively to the main strategic objectives of the EDP Group: to be coal free by 2025, all green by 2030 and carbon neutral by 2040.

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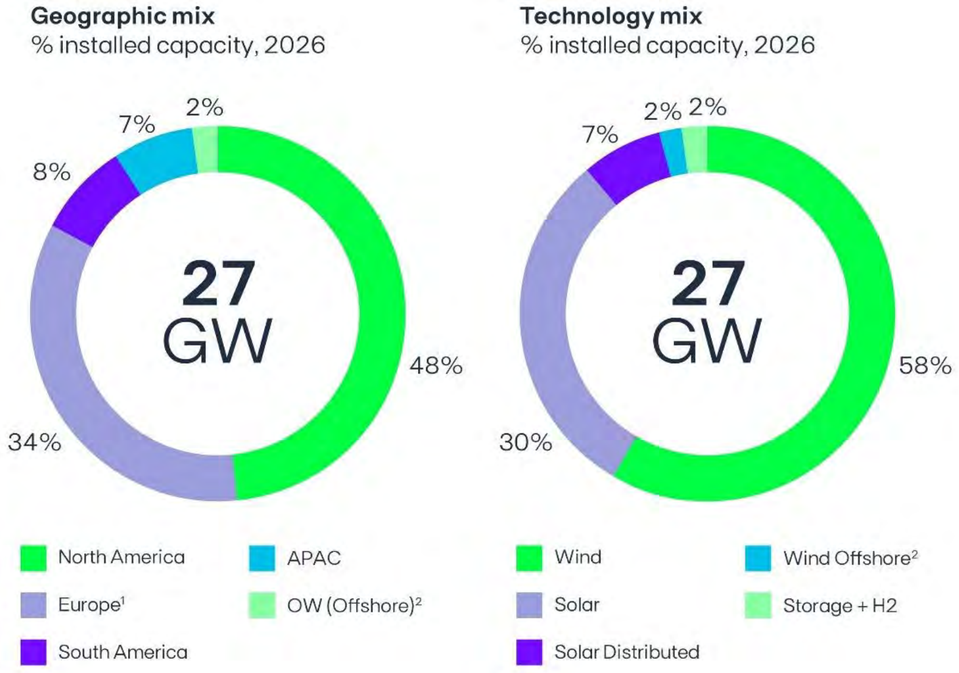

During 2023, EDPR added a total of 2,524 MW. The Company has successfully generated 34.6 TWh of renewable energy, avoiding the emissions of 20.4 million tons of CO_2[3], +3% YoY with the increase in production (+4% YoY), impacted by higher net installed capacity (+1.8 GW YoY). Capital expenditures and financial investments with capacity additions, ongoing construction and development works during the year totalled €4,556 million. However, EDPR faces climate change not only as a business opportunity, but also as an opportunity to innovate. EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

[1] Including H2 installed net capacity of 124 MW.
[2] Considering EDPR's net installed capacity.
[3] According to the calculation methodology described in GRI 305-5.

On the risk side, increasingly intense and frequent extreme weather events may pose a risk for EDPR's activities and results since they occur in areas of the planet that are being affected by climate change.

Since future estimations of wind and solar production are usually based on analysis of historical measurements for more than 20 years, relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data. Thus, when evaluating a new investment, EDPR considers potential changes in the production forecasted but, even so, the size of the potential deviation in the case of relevant meteorological changes is uncertain.

Moreover, renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc., which depend on the location of assets. At EDPR, all plants are insured from the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident, will also be partially insured to revenue losses due to the event. Thus, no material impacts are identified in the EDPR's consolidated financial statements as a consequence of climate change.

As a sector leader, EDPR is aware of the urgency to fight climate change and even though its business inherently implies a positive impact on the environment, the Company continues to work on a daily basis to hold itself to a higher standard and to incorporate innovation in its value chain in order to further contribute to the protection of the climate.

Given the relevance of climate-related risks and opportunities for the resilience of companies, EDPR has taken a step forward since 2022 to manage these aspects and integrate them into its decision-making process.

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EDPR's TCFD Alignment

The measures carried out by the Company to integrate climate-related risks and opportunities management and decision-making processes, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), are summarised below, as well as in Annex I - TCFD Alignment.

GRI 302-1 – Energy consumption within the organisation

Wind turbines and solar panels require a small amount of electricity to operate. This energy consumption is generally self-consumed. Given the intermittency of wind generation, sometimes wind turbines need to consume electricity from the grid to start operating. The table below summarises the energy consumption broken down by category and compares with the previous year figures.

ENERGY CONSUMPTION	UN	2023	2022	Δ% YOY
Wind farms and solar plants	GJ	340,820	329,839	+3%
Electricity consumption	GJ	340,820	329,839	+3%
Offices	GJ	23,932	19,543	+22%
Electricity consumption	GJ	20,799	16,467	+26%
Gas	GJ	3,133	3,076	+2%
Fleet	GJ	35,723	30,834	+16%
Petrol consumption	GJ	30,280	26,921	+12%
Diesel consumption	GJ	5,444	3,804	+43%
Bioethanol consumption	GJ	0	108	(100%)
TOTAL	GJ	400,476	380,216	+5%

Note 1: Gas conversion factor according to Agência Portuguesa de Ambiente.
Note 2: Fleet energy consumption refers to O&M fleet.

GRI 302-4 – Reduction of energy consumption

EDPR's activity is based on clean energy generation, and it produces about 350 times the energy it consumes. Although the business expansion implies higher energy consumption in our wind and solar assets, the company is conscious about promoting a culture of rational use of resources and promotes many internal campaigns to encourage sustainable behaviors. In this context, EDPR is promoting the transition of its fleet to electric and hybrid vehicles. As of December 2023, 39% of EDPR's service fleet is hybrid or electric.

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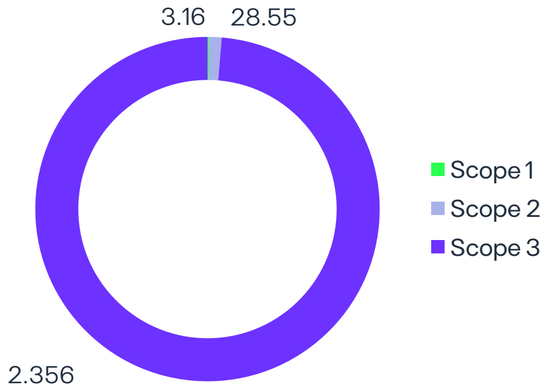
Total 2023 CO_2 emissions

EDPR follows the GHG Protocol Corporate Standards to assess its carbon footprint. In 2023, EDPR's emissions were 2,387,692 tons of CO_2eq., breakdown by scopes as shown below. Given its activity focused on renewable generation, scopes 1 and 2 emissions represent a low percentage when compared to the indirect emissions generated in the Company's value chain. Within scope 3 emissions, the supply chain and emissions generated in the upstream component manufacturing and construction processes are the most relevant, accounting for around 99% of the Company's total emissions. Detail of emissions in the different scopes are presented below.

Thousand tons of CO_2



GRI 305-1 – Direct (scope 1) GHG emissions

EDPR's Scope 1 emissions represent 3,159 tons of CO_2 equivalent, +32% vs 2022. 2,639 tons are emitted by EDPR's own fleet, 154 tons by gas consumption in the Company's offices and the rest of it is related to fugitive emissions (SF_6).

Part of the equipment used for electricity generation purposes contains SF_6 gasses and during 2023, EDPR registered emissions of 15.6 kg of this gas, which is equivalent to 366 tons of CO_2 eq (Global Warming Potential of SF_6 = 23,500).

Note 1: Emissions were estimated according to GHG protocol (including official sources such as IPCC or the US department of energy).

GRI 305-2 – Indirect (scope 2) greenhouse gas (GHG) emissions

EDPR's CO_2 indirect emissions (scope 2) represent 28,548 tons, -5% vs 2022. Of the 2023 scope 2 emissions, 26,848 tons are driven by electricity consumption at wind farms and solar plants and 1,700 tons by electricity consumption in offices.

Note 1: The emission factors used are based on the following sources: Portugal - EDP, Redes Energéticas Nacionai (REN), and Entidade Reguladora dos Serviços Energéticos (ERSE); Spain - Red Eléctrica de España (REE); Brazil - Ministry of Science and Technology – SIN (national interconnected system); Other countries - IHS Markit.
Note 2: Electricity consumption emissions were calculated with the global emission factors of each country and state within the US.

GRI 305-3 – Other indirect (scope 3) greenhouse gas (GHG) emissions

EDPR's CO_2 indirect emissions (scope 3) in 2023 were 2,355,985 tons, which represent c.99% of the Company's global emissions. EDPR's scope 3 is divided into those related to the activity of its employees and those related to the supply chain and its activity linked to the Company.

Scope 3 emissions from employees' activity

EDPR's work requires employees to travel and commute. Based on the estimates, employees' business travels (GHG Protocol Category 6) accounted for a total of 5,209 tons of CO_2 emissions, +55% vs 2022. In relation to employees' commuting (GHG Protocol Category 7), the emissions generated in 2023 were 2,444 tons of CO_2, +13%.

Note 1: Emissions were estimated according to GHG protocol, by following the Defra standard.
Note 2: Employee commuting emissions were calculated from data collected in a survey to all employees, taking into account the remote work model implemented since 2020).

Scope 3 emissions from EDPR's supply chain

EDPR's biggest contribution to decarbonisation is its core business, since it inherently implies the reduction of GHG emissions, contributing to the world's fight against climate change and its impacts. Even though, the Company is conscious about its practices regarding emissions and the importance of aligning its supply chain with the Company's climate ambition. As a 100% renewable company, EDPR has identified the supply chain (scope 3) and its climate performance as the main area of action to reduce its global emissions.

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Following the GHG Protocol and SBTi recommendations, EDPR not only accounts for the emissions of new parks that are consolidated as EBITDA, but also for parks that were built in the reporting year as Equity or for build-and-transfer projects. This follows SBTi's recommendation to also include in the Scope 3 inventory all emissions from projects that are developed on behalf of third parties, and that EDPR built but does not own or operate.

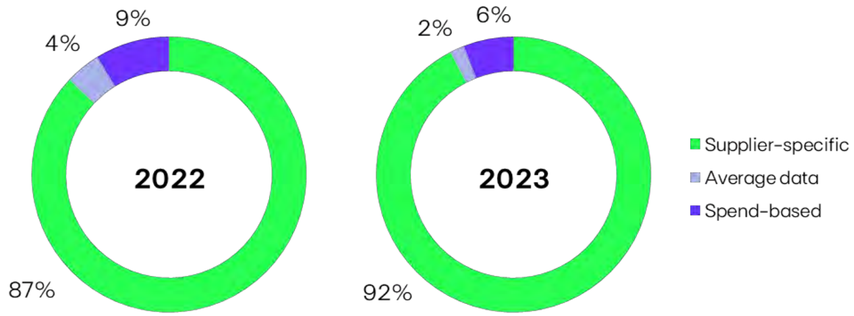
EDPR has been working since 2022 on a methodology to account and disclose its upstream emissions. Following the GHG Protocol, the Company has assessed its suppliers' emissions when providing the Company with services and capital goods, such as PV modules, wind turbines and other components and materials for the construction of its wind farms and solar plants. EDPR includes information on the major sources of emissions generated in the development of the main materials for its facilities, including information from manufacturing to the construction of its wind farms, as well as emissions generated by the transportation of components and materials.

Emissions from the supply chain correspond to the following GHG Protocol categories:

- **Category 1. Purchased Goods and Services:** This category includes all emissions linked to purchases classified as operational expenditure (Opex) and all emissions generated by suppliers during the operation and maintenance phase of wind farms and solar plants.
- **Category 2. Capital Goods:** This category includes all emissions linked to purchases classified as capital expenditure (Capex) and those from the main components of the Company's wind farms and solar plants (turbines, modules, inverters and trackers/racking). For this exercise, EDPR has carried out an engagement with suppliers in order to have information on the emissions generated upstream for each of the models (LCAs, EPDs and other environmental declarations).
- **Category 3. Fuel and Energy related activities:** This category, although immaterial, includes upstream emissions from both electricity and natural gas used in EDPR's facilities.
- **Category 4. Upstream Transportation and Distribution:** With the expansion of the work done with suppliers resulting in more detailed and product specific emissions data, it's possible to disaggregate the specific emissions from the equipment transportation from the suppliers' facilities to the project sites. In 2023, this scope of work was extended to the main components of the Company's wind farms and solar plants (turbines, modules, inverters and trackers/racking).
- **Category 5. Waste Generated in operations:** This category includes emissions generated by non-recovered waste from the Company's operating phase.
- **Other emissions,** such as business travel and employee commuting, are also included in this scope 3 disclosure.

Total emissions generated by EDPR's supply chain are 2,348,332 tons of CO_2, 14% less than in 2022. EDPR is aware of the importance of its supply chain to achieve its climate objectives and therefore engages with the suppliers of critical equipment in order to communicate its priorities in this regard. The graph bellow shows how EDPR's work on data quality improvement reflects on overall Scope 3 emissions and the methodologies used in emissions calculations.

Non-commodity supply chain Scope 3 data quality evolution



Note 1: Emissions have been calculated based on the specific emission factors of the turbine and module models. For the rest of the materials and purchases, publicly available sources of information have been used: DEFRA, EPA or NREL.
Note 2: Scope 3 emissions related to the supply chain include all emissions generated from cradle to gate.
Note 3: The calculation of emissions related to transport does not include emissions related to solar DG projects nor for the Monte Verde project, for lack of project specific information. Because there was no specific and necessary information available from logistics, it also doesn't include emissions related to racking/structures of 8 parks (Berkelland I, Budzyn Solar, Cruz del hierro, Villacastín, Garcimuñoz, Rocío, Cattlemen, Crooked Lake, Misenheimer) nor the emissions related to PCS/Inverter of 5 parks (Cattlemen, Crooked Lake, Misenheimer, Timber Road and Blue Harvest).

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GRI 305-5 — Reduction of greenhouse gas (GHG) emissions

EDPR's core business activity inherently implies the reduction GHG emissions. Wind and solar energy have zero carbon emissions during operation, contributing to the world's fight against climate change and do not produce harmful SOx, NOx, or mercury emissions, protecting valuable air and water resources. It is estimated that the Company's activities during 2023 avoided the emission of 20.4 million tons of CO_2.

The Company's emissions – including all the scopes – represent 12% of the total amount of emissions avoided, and c.99% of the total emissions are from our supply chain. Even though EDPR's activity is based on clean energy generation, it is conscious about promoting a culture of rational use of resources and, in this context, the transition of its fleet to electric and hybrid vehicles is a measure that not only saves energy, but also reduces emissions.

Note 1: To calculate the emissions avoidance, the energy generation has been multiplied by the CO_2 eq. emission factors of each country and state within the US. EDPR only considers the emission factor of fossil fuel energy, as it is considered that by increasing the generation of renewable energy, there is a displacing of these technologies, while other renewable technologies and nuclear plants will continue with its quota of generation. The most relevant emissions factors used were — USA: 681.1 tCO_2/GWh; Portugal: 503.1 tCO_2/GWh; Spain: 403.3 tCO_2/GWh.
Note 2: The emission factors used are based on the following sources: Portugal – EDP, Redes Energéticas Nacionais (REN), and Entidade Reguladora dos Serviços Energéticos (ERSE); Spain – Red Eléctrica de España (REE); Brazil – Ministry of Science and Technology — SIN (national interconnected system); USA – emissions & generation resource integrated database (EGRID) for each state emission factor; other countries – IHS Markit.
Note 3: EDPR is not offsetting any of its emissions through carbon offsets from the Voluntary Carbon Market, and neither are any emissions reductions being achieved through these mechanisms. Furthermore, none of EDPR's renewable energy projects are generating carbon offsets for the Voluntary Carbon Markets.

Internal carbon pricing

At Group level, a carbon price is used company-wide to assess the impact of current and future carbon regulation and carbon taxes on energy prices, energy volumes, and existing assets' value, as well as to evaluate capital investments in building or acquiring new electricity generation assets across the globe. Meaningful carbon prices strongly benefit EDP's business strategy, fully align with the Paris Agreement, and contribute decisively to its commitment to be carbon neutral by 2040.

GHG-related regulation considered the European Union Emissions Trading System (EU-ETS), which applies to our thermal power generation assets in Europe (Portugal and Spain), as well as in possible future markets in the only other geography where we currently own thermal power plants (Brazil).

Science-based target commitments

In April 2023, EDPR set its commitment with the Science Based Target initiative, submitting in June 2023 a set of targets aligned with the new Net-Zero standard. The validation process began in October 2023 and the targets are currently under validation.

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4.3. Economic business sustainability

For information regarding GRI 3-3 – Management of material topics, please refer to section Financial Performance of the chapter Performance.

GRI 201-1 – Direct economic value generated and distributed

ECONOMIC VALUE GENERATED AND DISTRIBUTED	UN	2023	2022
Economic value generated	€m	3,514	3,757
Revenues	€m	2,008	2,138
Other Income	€m	814	760
Share of profit in associates	€m	14	179
Financial Income	€m	678	681
Economic value distributed	€m	2,103	2,438
Supplies and services	€m	475	439
Other costs	€m	283	240
Personnel costs	€m	244	241
Financial expenses	€m	992	1,130
Current tax	€m	44	234
Dividends	€m	66	155
ECONOMIC VALUE ACCUMULATED	€m	1,411	1,320

PROFIT BEFORE INCOME TAX	UN	2023	2022
Spain	€m	377	362
Portugal	€m	135	139
France & Belgium	€m	-3	-5
Poland	€m	271	122
Romania	€m	66	-18
Italy	€m	51	322
Greece	€m	-7	-5
UK	€m	-7	-7
Brazil	€m	89	127
Colombia	€m	-252	-107
Chile	€m	-11	-4
US	€m	-6	81
Canada	€m	-3	5
Mexico	€m	25	21
Singapore	€m	-19	-9
Vietnam	€m	-5	-7
Others	€m	-140	-56
TOTAL	€m	561	962

Note: This table was prepared considering the business segments described in note 44. Operating segments report included in the Consolidated Annual Accounts.

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Value creation

In a context in which climate change is one of the great challenges that society faces, and under the implementation of an integrated risk model, EDPR promotes clean energy through the development, construction and operation of wind farms and solar plants. Throughout its business model, EDPR transforms its industrial, financial, human, social, natural and intellectual capital, generating a competitive return for its shareholders, generating quality employment, promoting the development of the communities where it operates, having a positive impact on the environment and generating business and innovation together with the supply chain.

All the components of value creation are included in different chapters throughout the Annual Report:

- **Context** – Challenges and Opportunities: Chapter 2. Strategic approach (General context)
- **Risks:** Chapter 2. Strategic approach (Risk management)
- **Business Model:** Chapter 1. The company (Business description)
- **Capitals:** Chapter 3. Performance (Financial Capital, including Industrial Capital in the section Operational Performance; Human Capital; Social Capital, in the subchapters Social Capital and Supply Chain Capital; Natural Capital; and Intellectual Capital in the Innovation Capital and Digital Capital subchapters).
- **Key stakeholders return:** Chapter 3. Performance (Financial Capital, Human Capital, Social Capital, Natural Capital and Supply Chain Capital).

EU Taxonomy Regulation

The European Commission's Sustainable Finance Taxonomy Regulation has been considered as one of the main elements to move capital flows towards a more sustainable economy. It is a key classification system to promote climate neutrality by identifying those activities considered as environmentally sustainable.

In accordance with the EU Taxonomy and what it establishes, EDPR has disclosed since 2021 on the three KPIs requested: the proportion of its turnover, capital expenditure (Capex), and operational expenditure (Opex). EPDR has been reporting its eligible economic activities associated to one of the environmental objectives, the climate change mitigation and assessed the requirements in accordance with the main requirements for that environmental objective.

Considering that its core business is the planning, construction and operation of electricity generating power stations using renewable energy sources (mainly wind and solar), EDPR assigned the Taxonomy-eligible economic activities to the electricity generation from wind and solar power utility scale (economic activities 4.1 and 4.3) and the economic activity of installation, maintenance and repair of renewable energy technologies (7.6) when it refers to EDPR's distributed generation activity– in accordance with Annex I of the Climate Delegated Act (EU 2021/2139). The economic activities in this category could be associated mainly with NACE codes D35.11 and F42.22, in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

The different EDPR technologies and the economic activity identified by the taxonomy are the following ones: Solar Utility Scale Energy (Solar PV) as "*Electricity generation using solar photovoltaic technology (4.1)*"; Wind Energy as "*Electricity generation from wind power (4.3)*"; and Solar Distributed Solar Energy (DG) as "*Installation, maintenance and repair of renewable energy technologies (7.6)*". In order to disaggregate, under Article 8º of the EU Taxonomy Regulation (EU) 2021/2178 of 6 July 2021, the Turnover, Capex and Opex volume for each of the economic activity mentioned above (4.1, 4.3 and 7.6), EDPR has used:

- the proportion of each technology on generation to distribute revenues;
- EDP's method for distributing CAPEX was determined by multiplying the proportion of capacity under construction for each technology by the installed cost per MW. This approach enables a more precise allocation of CAPEX based on the distinct installed costs of each technology. The total installed cost for each technology was estimated using the installed cost per MW data from IRENA, a dependable source for cost estimation in the renewable energy sector.
- EDP utilized IRENA's "O&M costs" statistics, measured in installed kW per year, to enhance the accuracy of estimating the "OpEx" linked to the operational MW, categorized by technology type. This data was then applied to the installed capacity EBITDA for determining the proportion of OPeX by technology.

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Scope of the disclosure for the three financial environmental indicators

This Scope refers to the compliance with the EU Taxonomy requirements for the "control entities", the assets where EDPR exercises control as of 31 December 2023. These entities have their revenues consolidated in the EDPR's total revenues (note 7 "Revenues" in the notes to the consolidated financial statements of the 2023 Consolidated Annual Accounts in EDPR Annual Report 2023).

The investments in joint ventures and associates are included in the consolidated financial statements under the equity method from the date the Group acquires joint control/ and has significant influence, to the date it ceases. These entities do not have their revenues consolidated in the EDPR's revenues, only the changes in the company's value (note 20 "Investments in Joint Ventures and Associates" in the notes to the consolidated financial statements of the 2023 Consolidated Annual Accounts in EDPR Annual Report 2023). Consequently, and according to Taxonomy regulation, this type of revenues, as they are not consolidated in the EDPR's revenues, are not accounted for when calculating the turnover KPI.

For changes in the consolidation perimeter, please refer to Annual Report 2023, 2023 Consolidated Annual Accounts, Notes to the consolidated annual accounts: note 6 "Consolidation perimeter".

Alignment with sustainability strategy

The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and execution, supported by core competences that yield superior profitability, all embedded within a distinctive and self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate changing business and economic environments, EDPR remains today as a leading company in the renewable energy industry.

As reflected in its 2023-26 Business Plan, EDPR plans to add 17 GW gross capacity in the 2023-2026 period, ~60% of which are already secured. In the coming future, EDPR will continue diversifying its portfolio at geographical and technology levels, developing more wind onshore, solar, wind offshore, green hydrogen and storage technology projects along with the entrance in new markets, in order to achieve 27 GW net capacity by 2026, considering 5 GW from the asset rotation strategy. Through its activities in renewables, EDPR will contribute decisively to the main strategic objectives of the EDP Group: to be coal free by 2025, all green by 2030 and carbon neutral by 2040.

Approach to double counting

- EDPR's eligibles activities contribute substantially for the climate change mitigation. Thus, the taxonomy alignment was assessed in this context. It was not necessary to distinguish for the three indicators the amounts allotted to the different environmental objectives because EDPR does not have eligible activities that are simultaneously contributing to other environmental objectives. It should be emphasised that EDPR has not made a differentiation between CAPeX related to eligible activities that contributes substantially to Climate Change Mitigation to which that are CAPeX associated with climate change adaption initiatives.
- The calculations of those financial environmental indicators follow the accounting policies which are described in the Annual Report 2023, 2023 Consolidated Annual Accounts, Notes to the consolidated annual accounts: note 2 "Accounting policies" and note 3 "Recent accounting standards and interpretations issued". As a result, double counting (mainly related with intragroup transactions eliminations) is avoided.

Disclose information about the three financial environmental indicators

Eligible and Aligned Turnover in 2023

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL ELIGIBLE TURNOVER (€M)	PROPORTION OF TAXONOMY ELIGIBLE TURNOVER (%)	PROPORTION OF TAXONOMY ALIGNED TURNOVER (%)
Electricity generation using solar photovoltaic technology (4.1)	€ 143	6.2%	6.2%
Electricity generation from wind power (4.3)	€ 2,107	91.4%	91.4%
Installation, maintenance and repair of renewable energy technologies (7.6)	€ 51	2.2%	2.2%
Total	€ 2,302	99.8%	99.8%

Note: Refer to Annex II for more information related to taxonomy and how EDPR meets alignment requirements.

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Content of KPI related to Turnover

The proportion of Taxonomy-eligible and aligned turnover was calculated as the portion of the turnover derived from products and services associated with electricity generation from wind and solar in the reporting period and those related to sales such as RECs and renewable energy guarantees of origin (numerator) divided by the total turnover in the reporting period (denominator).

The numerator of the KPI is defined as the net turnover derived from electricity sales, from advisory and management services provided to third parties, from other goods and materials sales such as guarantees of origin and RECs and financial guarantees of subsidiaries for the development of their activity. The third parties include entities to whom EDPR sold assets in the context of its Asset Rotation strategy, and partners in EDPR controlled entities. EDPR deducts from the net turnover the revenues that are not essential for the eligible activities, in particular the item "Electricity Services".

The denominator of the turnover KPI is based on the Company's consolidated revenues in accordance with IAS 1.82(a). Refer to the item Revenues (2,008M€) in the "Consolidated income statement for the year ended 31 December 2023 and 2022" of the EDP R Annual Report 2023, Consolidated Annual Accounts added to the cost of consumed electricity (242M€) and changes in inventories and cost of raw materials and consumables used (52M€).

Eligible and Aligned Capex in 2023

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL ELIGIBLE CAPEX (€M)	PROPORTION OF TAXONOMY ELIGIBLE CAPEX (%)	PROPORTION OF TAXONOMY ALIGNED CAPEX (%)
Electricity generation using solar photovoltaic technology (4.1)	€ 3,313	65.4%	65.4%
Electricity generation from wind power (4.3)	€ 1,638	32.3%	32.3%
Installation, maintenance and repair of renewable energy technologies (7.6)	€104	2.1%	2.1%
Total	€ 5,056	99.8%	99.8%

Note: Refer to Annex II for more information related to taxonomy and how EDPR meets alignment requirements.

Content related to CAPeX

The proportion of Taxonomy-eligible and aligned Capex was calculated as the portion of the total Capex derived from products and services associated with electricity generation from wind and solar power in the reporting period (numerator) divided by the total Capex in the reporting period (denominator).

The numerator consists of the Capex related to assets or processes associated with electricity generation from wind and solar power (considered as components necessary to execute the activity). Consequently, all Capex invested into planning, construction, operation and maintenance of wind farms and solar plants are considered in the numerator of the Capex KPI. EDP Renewables also includes the amount related to intangible projects, such as essential hardware communications and software licenses for the operation of eligible activities. Additionally, EDP Renewables deducts from its total CAPeX the amount that is not essential for the eligible activities, specifically office equipment and tools.

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). Additions resulting from business combinations are also included. Goodwill is not included in Capex, as it is not defined as an intangible asset in accordance with IAS 38. Refer to notes 16 "Property, plant and equipment", note 17 "Right of use assets" and 18 "Intangible assets" of the EDPR Annual Report 2023, Consolidated Annual Accounts.

Additionally, considering the concept of CAPEX and what is considered by the Taxonomy regulation, EDPR has chosen to exclude from the additions of tangible fixed assets the costs for future decommissioning, since it is not linked to an expenditure (CAPEX) incurred in the period.

DENOMINATOR CAPEX (€m)	TANGIBLE FIXED ASSETS	INTANGIBLE ASSETS	RIGHTS OF USE	TOTAL
Additions [1]	€ 4,561	€ 19	€ 114	€ 4,694
Decommisioning costs	€ -24	-	-	€ -24
Consolidation perimeter entries	€ 287	€ 93	€ 5	€ 385
Total	€ 4,824	€ 112	€ 120	€ 5,056

[1] Note 16 Property, plant and equipment, Note 17 Right of use assets, Note 18 Intangible assets.

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Eligible and Aligned Opex in 2023

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL ELIGIBLE OPEX (€M)	PROPORTION OF TAXONOMY ELIGIBLE OPEX (%)	PROPORTION OF TAXONOMY ALIGNED OPEX (%)
Electricity generation using solar photovoltaic technology (4.1)	€ 11	4.1%	4.1%
Electricity generation from wind power (4.3)	€ 257	92.0%	92.0%
Installation, maintenance and repair of renewable energy technologies (7.6)	€ 4	1.4%	1.4%
Total	€ 272	97.6%	97.6%

Note: Refer to Annex II for more information related to taxonomy and how EDPR meets alignment requirements.

Content related to OPeX

The proportion of Taxonomy-eligible and aligned Opex is defined as the Opex considered sustainable in the reporting period (numerator) divided by the Company's total Opex (denominator).

The numerator consists of the Opex related to maintenance of assets or processes associated with electricity generation from wind and solar power (considered as components necessary to execute the activity). This Opex also include non-capitalised costs related to leases and rents activities. Consequently, all Opex related to the maintenance of wind farms and solar plants are considered in the numerator of the Opex KPI. The mentioned costs correspond to the items "Rents and leases" and "Maintenance and repairs" and part of the items "Consumables and communications" and "specialized works" of the note 10. Supplies and services in the notes to the consolidated financial statements of the 2023 Consolidated Annual Accounts (EDP R Annual Report 2023).The denominator, total Opex, consists of direct non-capitalised costs that relate to leases and rents, and maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This value cannot be directly cross-referenced with the Company's consolidated financial statements, as it only includes the maintenance and repair and other direct expenditures relating to day-to-day servicing of assets of property, plant and equipment as allocated to the Company's internal cost centres for maintenance and repairs and non-capitalised costs for leases. In 2023, the denominator did not include costs for training and other human resources adaptation needs and did not yet include direct non-capitalised costs for research and development.

EU taxonomy eligibility & alignment

During this 2023 exercise, all activity disclosed by EDPR as eligible in all three indicators of the taxonomy (Turnover, Capex and Opex) have met the alignment criteria. Compared to the 2022 eligibility exercise, there have been no significant changes for turnover which has slightly increased in eligibility (+0.3pp YoY), while CAPeX increases in eligibility +2pp YoY and Opex slightly decreases (-0.6pp YoY). The increase was attributed to the developing of solar projects and the rise in maintenance costs of wind projects.

Please refer to Annex II for more information on the EDPR EU taxonomy alignment process and its compliance with the requirements related to Do No Significant Harm and Minimum Safeguards.

Note: Eligible Capex in 2022 restated to consider the same denominator criteria than in 2023.

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4.4. Health and Safety

For information regarding GRI 3-3 – Management of material topics, please refer to section Health & Safety of the chapter Performance.

GRI 403-1 – Occupational health and safety management system

The management of all issues related to health and safety is collected and described in the integrated Health & Safety and Environment Management System (HSEMS), which covers all employees and operations of the Company. The processes and procedures regulated in the management system are developed to comply with the legal requirements of each country, the ISO 45001 standard, and the requirements that have been considered appropriate by EDPR to carry out a correct management of the related issues with the H&S of all workers.

GRI 403-2 – Hazard identification, risk assessment and incident investigation

The process to identify hazards and assess the H&S risks arising from the Company's activity and facilities is developed according to the Hazards Identification and Risks Assessment procedure of the HSEMS, in which responsibilities and methodologies are defined to ensure risks are reduced and, if possible, avoided. The Risk Assessment of each job position is reviewed and updated as applicable, pursuant to the Company's commitment to continuous improvement. The preparation of these risk assessments is carried out by senior H&S technicians. The risk assessments, as well as the risk assessment procedure itself, are audited every year with an internal audit and the external audit of ISO 45001 certification. All the findings, conclusions, and recommendations that emerge from the audits, monitoring and other reviews are managed according to the Findings Management procedure of the HSEMS, and an action plan is drawn. The results of this action plan are reviewed in subsequent audits.

In addition, the Communication, Consultation & Participation procedure of the HSEMS includes information on hazards communication management. The process of risks communication is an effective tool to establish an active information channel, fast and effective among employees, managers and the top management, to act in the fastest way possible and avoid risks that may arise. To promote the participation and commitment of the entire Company, any employee may report anomalies or detected risks on H&S and environmental issues. When an unsafe act or condition is detected, the employee may report it in an internal tool, specifying whether an immediate action is required. EDPR's commitment not to retaliate against any worker who expresses a concern about safety issues or who has intervened in any incident is included in the Company's Health & Safety Policy. The Policy also indicates that workers should remove themselves from work situations that they believe could cause injury or ill health, as no situation can justify endangering someone's life.

To know how to report, investigate and follow-up on an incident, the Incidents Management procedure is available in the HSEMS. The purpose of this procedure is to define the process to identify, respond, report, analyse and investigate incidents and respond to emergency situations, as well as to take the necessary actions to prevent and/or mitigate them.

GRI 403-3 – Occupational health services

EDPR ensures that medical examinations are provided to the employees according to the legal requirements of each country, to determine whether employees are medically fit to carry out their specific duties. EDPR has external medical services for all employees for the medical follow-up, whose management is carried out directly by the medical service of the joint prevention service of the EDP Spain company. The detailed results of the medical examinations are confidential but shared with the employee, as EDPR receives only the conclusion of the examination: apt, not apt or apt with restrictions, indicating the restrictions.

GRI 403-4 – Worker participation, consultation, and communication on occupational health and safety

A significant part of the Company plays a fundamental role in the implementation of its Health & Safety Policy. In this context, EDPR created health and safety committees that collect information from different operational levels.

In addition, the H&S Policy, Management System and its procedures, as well as other H&S aspects are communicated to employees using a multi-tier approach. The Policy is

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published on EDPR's website and intranet, and is also printed and posted at each facility, as the HSEMS and its documented procedures are automatically available in every employee's computer desktop for easy access. Moreover, the Company shares monthly H&S reports with its employees.

GRI 403-5 — Worker training on occupational health and safety

The Company's commitment to ensure high safety standards for employees and contractors make EDPR an increasingly safe place to work, prioritising the safety and wellbeing of all stakeholders with the objective of zero accidents overall. In order to achieve this goal, EDPR provides training to both its employees and its contractors regarding both generic occupational health & safety aspects as well as training on specific work-related hazards.

In 2023, EDPR provided more than 31,200 hours of training on H&S topics to its employees (+60% YoY), which corresponds to over 10 hours of training per employee on average.

GRI 403-6 — Promotion of worker health

During 2023, both physical and mental health were once again a global priority. In this context, EDPR has several initiatives focusing on employees' health and wellbeing to ensure the continuity of care, providing employees with different tools and services such as access to online medical consultations, TelePharmacy, physiotherapy and psychological therapy sessions.

To raise awareness on mental health in particular, EDPR launched the Mind Your Mind campaign in October, which promoted educational talks with specialists, employees and other key stakeholders on how to approach the topic, especially in the current social context. In addition, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other.

GRI 403-7 — Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

To guarantee that the suppliers comply with EDPR's requirements regarding sustainability in the supply chain, EDPR monitors strategic suppliers during their services delivery. EDPR performs internal inspections during the construction and operation phases to monitor the suppliers' performance regarding environmental and H&S aspects and to identify and consequently mitigate potential risks. In 2023, EDPR performed EDPR performed 4,702 audits/inspections (+114% than in 2022) to 261 suppliers (+2% YoY) regarding health and safety procedures. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement.

Moreover, to prevent possible H&S risks to workers from other companies, EDPR provides a risk guide for the facility to all contractors before starting their work on the facility. In addition, the Company requires that the contractors participate in drills that are carried out at the facilities, so that everyone knows how to act in the event of an emergency. EDPR also has established, through the HSEMS's Safety Alerts Management technical instruction, the communication to contractors of any safety alert that may be applicable to the facility or the contractors.

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GRI 403-9 – Work-related injuries

RECORDABLE WORK-RELATED INJURIES	UN	2023			2022		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Fatal work-related injuries	**#**	**0**	**1**	**1**	**0**	**1**	**1**
Europe	#	0	0	0	0	0	0
North America	#	0	0	0	0	0	0
South America	#	0	1	1	0	1	1
APAC	#	0	0	0	0	0	0
High-consequence work-related injuries [1]	**#**	**0**	**1**	**1**	**0**	**2**	**2**
Europe	#	0	1	1	0	2	2
North America	#	0	0	0	0	0	0
South America	#	0	0	0	0	0	0
APAC	#	0	0	0	0	0	0
Work-related injuries with lost workdays [2]	**#**	**4**	**42**	**46**	**9**	**27**	**36**
Europe	#	0	22	22	1	17	18
North America	#	2	0	2	0	0	0
South America	#	0	17	17	1	10	11
APAC	#	2	3	5	7	0	7
Work-related injuries that result in fatalities and lost workdays	#	4	43	47	9	30	39
Europe	#	0	22	22	1	19	20
North America	#	2	0	2	0	0	0
Soth America	#	0	18	18	1	11	12
APAC	#	2	3	5	7	0	7
TOTAL RECORDABLE WORK-RELATED INJURIES [3]	#	18	68	86	17	45	62
Europe	#	2	28	30	2	25	27
North America	#	14	18	32	7	9	16
South America	#	0	19	19	1	11	12
APAC	#	2	3	5	7	0	7

[1] Excludes fatalities. Refers to work-related injuries that result in more than 6 months of lost workdays.
[2] Excludes high-consequence injuries.
[3] Commuting incidents are not included. There were 2 commuting accidents with EDPR workers in 2023, none of which resulted in lost days. In 2022, there were 5 commuting accidents of EDPR employees, of which 3 resulted in lost workdays.

Note: The 4 employees impacted by work-related injuries with lost workdays in 2023 were male. Even though EDPR does not register H&S indicators by gender for contractors, normally the majority of contractors working on EDPR sites are men.

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WORKED HOURS	UN	2023			2022		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	#	1,486,110	3,607,449	5,093,558	2,154,302	2,389,723	4,544,025
North America	#	2,056,217	6,218,093	8,274,310	1,744,415	2,933,039	4,677,454
South America	#	369,300	5,455,811	5,825,111	311,301	3,687,020	3,998,321
APAC	#	1,349,589	1,566,489	2,916,078	1,455,986	619,556	2,075,542
TOTAL	#	5,261,215	16,847,842	22,109,057	5,666,004	9,629,338	15,295,342

LOST WORKDAYS DUE TO WORK-RELATED INJURIES	UN	2023			2022		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	#	0	772	772	1	1,254	1,255
North America	#	156	0	156	210	0	210
South America	#	0	209	209	7	1,003	1,010
APAC	#	12	287	299	69	0	69
TOTAL	#	168	1,268	1,436	287	2,257	2,544

Note: The number of lost days is calculated as the number of calendar days starting the day after the accident.

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FREQUENCY RATE OF WORK-RELATED INJURIES	UN	2023			2022		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Rate of fatal work-related injuries	**x**	**0.0**	**0.1**	**0.05**	**0.0**	**0.1**	**0.1**
Europe	x	0.0	0.0	0.0	0.0	0.0	0.0
North America	x	0.0	0.0	0.0	0.0	0.0	0.0
South America	x	0.0	0.2	0.2	0.0	0.3	0.3
APAC	x	0.0	0.0	0.0	0.0	0.0	0.0
Rate of high-consequence work-related injuries [1]	**x**	**0.0**	**0.1**	**0.05**	**0.0**	**0.2**	**0.1**
Europe	x	0.0	0.3	0.2	0.0	0.8	0.4
North America	x	0.0	0.0	0.0	0.0	0.0	0.0
South America	x	0.0	0.0	0.0	0.0	0.0	0.0
APAC	x	0.0	0.0	0.0	0.0	0.0	0.0
Rate of work-related injuries that result in fatalities and lost workdays	x	0.8	2.6	2.1	1.6	3.1	2.5
Europe	x	0.0	6.1	4.3	0.5	8.0	4.4
North America	x	1.0	0.0	0.2	0.0	0.0	0.0
South America	x	0.0	3.3	3.1	3.2	3.0	3.0
APAC	x	1.5	1.9	1.7	4.8	0.0	3.4
RATE OF TOTAL RECORDABLE WORK-RELATED [2]	x	3.4	4.0	3.9	3.0	4.7	4.1
Europe	x	1.3	7.8	5.9	0.9	10.5	5.9
North America	x	6.8	2.9	3.9	4.0	3.1	3.4
South America	x	0.0	3.5	3.3	3.2	3.0	3.0
APAC	x	1.5	1.9	1.7	4.8	0.0	3.4

[1] Excludes fatalities. Refers to work-related injuries that result in more than 6 months of lost workdays.
[2] Commuting incidents are not included. There were 2 commuting accidents with EDPR workers in 2023, none of which resulted in lost days. In 2022, there were 5 commuting accidents of EDPR employees, of which 3 resulted in lost workdays.

Note: Frequency rate calculated as [# of work-related injuries/Hours worked * 1,000,000].

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SEVERITY RATE OF WORK-RELATED INJURIES	UN	2023			2022		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	x	0	214	152	0	525	276
North America	x	76	0	19	120	0	45
South America	x	0	38	36	22	272	253
APAC	x	9	183	103	47	0	33
TOTAL	x	32	75	65	51	234	166

Note 1: Severity rate calculated as [# of Lost workdays/Hours worked*1,000,000].

During 2023, EDPR registered 47 work-related injuries that resulted in lost workdays for employees and contractors (+21% YoY). One of the injuries with a contractor in Brazil was fatal and EDPR has defined an action plan with corrective measures to further mitigate these incidents, which was revised and approved by the Company's Management Team.

In 2023, the injury and the lost day rate were 2.1 work injuries per million hours worked (-15% YoY) and 65 days lost due to work accident per million hours worked (-61% YoY), respectively. The interannual variations of these ratios are mostly impacted by an increase in worked hours (+45% YoY).

However, EDPR continuously works to improve these ratios and to bring awareness to the best H&S practices. This is reinforced by the integrated Health & Safety and Environmental Management System, developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS, where synergies play a fundamental role, was implemented and jointly certified by an independent certifying organisation. The implementation of this integrated system allows for better management and prevention of accidents, with the objective of zero accidents overall. The commitment to health & safety is further supported through the ISO 45001 certification, which covers c.85%[1] of EDPR's installed capacity by the end of 2023.

1 Calculation based on 2022YE installed capacity (EBITDA MWs). EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2023 will be certified in 2024.

GRI 403-10 — Work-related ill-health

EDPR has no knowledge of any cases of occupational diseases in the company. EDPR is working to systematise the registration of this type of diseases, if detected.

GRI EU17 — Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities

Contractors involved in construction, operation and maintenance activities worked an average of 2,105,980 days during 2023, which represents an increase of 75% when compared to the previous year.

GRI EU25 — Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases

EDPR has no knowledge of any legal judgments, settlements and pending legal cases of diseases in 2023, neither in 2022.

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Absenteeism

ABSENTEEISM BY COUNTRY	2023	2022
	HOURS (#)	HOURS (#)
Europe	28,780	19,357
Spain	20,915	13,853
Portugal	1,110	759
France & Belgium	3,556	1,062
Italy	559	756
Poland	1,664	2,528
Romania	400	376
Greece	64	0
Hungary	112	24
United Kingdom	400	0
North America	28,504	28,563
North America	28,504	28,563
South America	776	1,094
Brazil	552	568
Colombia	152	288
Chile	72	238
APAC	16,868	26,308
Singapore	16,868	26,308
TOTAL	74,928	75,322

Note 1: EDPR defines absenteeism as total of non-worked hours in workable periods. including absence hours due to accidents, absence hours due to diseases and absence hours due to other not justified motives.

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4.5. People management

For information regarding GRI 3-3 – Management of material topics, please refer to section People Management of the chapter Performance. Moreover, please find other people management related topics at the end of this section.

Please note that there are 51 employees who do not disclose their gender, as they are located in the United States where it is not mandatory to provide this information.

GRI 2-7 – Employees

EDPR had 3,043 employees in 2023, -1% when compared to the previous year.

In the table below, the number of full-time/part-time employees in 2023 is disclosed by age group, gender, and professional category.

By the end of 2023, 100% of EDPR's employees worked full-time (vs 99% in 2022).

FULL-TIME / PART-TIME EMPLOYEES	UN	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD			TOTAL
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	
Full-time	#	214	367	14	702	1,313	34	121	275	3	3,043
Senior managers	#	0	0	0	30	71	0	7	40	0	148
Managers	#	3	5	0	91	202	3	22	71	0	397
Specialists	#	199	237	5	533	851	16	66	136	1	2,044
Technicians	#	12	125	9	48	189	15	26	28	2	454
Part-time	#	0	0	0	0	0	0	0	0	0	0
Senior managers	#	0	0	0	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0	0	0	0
Specialists	#	0	0	0	0	0	0	0	0	0	0
Technicians	#	0	0	0	0	0	0	0	0	0	0
TOTAL	#	214	367	14	702	1,313	34	121	275	3	3,043

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In the table below, the number of full-time / part-time employees in 2022 is disclosed by age group, gender and professional category.

FULL-TIME / PART-TIME EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Full-time	#	259	494	622	1,343	90	238	3,046
Senior managers	#	1	3	75	210	15	73	377
Managers	#	10	21	83	158	10	30	312
Specialists	#	220	274	415	758	47	121	1,835
Technicians	#	28	196	49	217	18	14	522
Part-time	#	1	0	29	2	6	2	40
Senior managers	#	0	0	2	0	1	1	4
Managers	#	0	0	2	0	0	0	2
Specialists	#	1	0	21	2	5	0	29
Technicians	#	0	0	4	0	0	1	5
TOTAL	#	260	494	651	1,345	96	240	3,086

PUBLIC

EDPR fosters quality employment with 98% (vs 98% in 2022) of permanent contracts throughout the year (based on the proportion of permanent and temporary contracts at the end of each month). Temporary employees represent 2% of EDPR's team throughout the year, and therefore, the company does not report the average contracts.

In the table below, the number of permanent / temporary employees in 2023 is disclosed by age group, gender and professional category.

PERMANENT / TEMPORARY EMPLOYEES	UN	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD			TOTAL
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	
Permanent	#	212	361	14	693	1,295	34	110	254	3	2,976
Senior managers	#	0	0	0	30	71	0	7	40	0	148
Managers	#	3	5	0	91	202	3	22	71	0	397
Specialists	#	197	231	5	528	833	16	64	116	1	1,991
Technicians	#	12	125	9	44	189	15	17	27	2	440
Temporary	#	2	6	0	9	18	0	11	21	0	67
Senior managers	#	0	0	0	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0	0	0	0
Specialists	#	2	6	0	5	18	0	2	20	0	53
Technicians	#	0	0	0	4	0	0	9	1	0	14
TOTAL	#	214	367	14	702	1,313	34	121	275	3	3,043

Note 1: EDPR keeps a constant number of employees throughout the year, which makes the difference between the final number of employees and the average not significant. In 2022, this difference (13%) is slightly higher than previous years due to the incorporation of Sunseap.
Note 2: 92% of the temporary employees are located in North America, 7% in Europe and 1% in Asia-Pacific.

The average number of contractors during 2023 was 1,833 in Europe, 3,147 in North America, 2,761 in South America and 798 in APAC.

PUBLIC

In the table below, the number of permanent/temporary employees in 2022 is disclosed by age group, gender, and professional category.

PERMANENT / TEMPORARY EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Permanent	#	252	486	639	1,329	89	216	3,011
Senior managers	#	1	3	77	210	16	74	381
Managers	#	10	21	85	158	10	29	313
Specialists	#	219	267	431	744	52	99	1,812
Technicians	#	22	195	46	217	11	14	505
Temporary	#	8	8	12	16	7	24	75
Senior managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	1	1
Specialists	#	2	7	5	16	0	22	52
Technicians	#	6	1	7	0	7	1	22
TOTAL	#	260	494	651	1,345	96	240	3,086

PUBLIC

In the table below, the number of employees in 2023 is disclosed by age group, gender, region, and professional category.

EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD			TOTAL
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	
Spain	#	59	75	0	231	326	0	33	86	0	810
Senior managers	#	0	0	0	11	18	0	3	22	0	54
Managers	#	0	0	0	34	48	0	6	19	0	107
Specialists	#	59	74	0	182	249	0	21	39	0	624
Technicians	#	0	1	0	4	11	0	3	6	0	25
Portugal	#	6	13	0	26	85	0	8	20	0	158
Senior managers	#	0	0	0	2	2	0	0	2	0	6
Managers	#	0	0	0	1	14	0	0	7	0	22
Specialists	#	6	12	0	22	50	0	7	9	0	106
Technicians	#	0	1	0	1	19	0	1	2	0	24
Rest of Europe	#	32	51	0	103	189	0	10	37	0	422
Senior managers	#	0	0	0	0	5	0	0	1	0	6
Managers	#	1	1	0	14	33	0	4	11	0	64
Specialists	#	29	47	0	87	136	0	4	25	0	328
Technicians	#	2	3	0	2	15	0	2	0	0	24
USA	#	73	164	13	180	430	34	57	104	3	1,058
Senior managers	#	0	0	0	10	26	0	4	9	0	49
Managers	#	2	4	0	25	65	3	8	26	0	133
Specialists	#	65	68	5	111	259	16	25	54	1	604
Technicians	#	6	92	8	34	80	15	20	15	2	272
Rest of North America	#	0	1	1	3	8	0	0	2	0	15
Senior managers	#	0	0	0	0	0	0	0	0	0	0
Managers	#	0	0	0	1	2	0	0	1	0	4
Specialists	#	0	1	0	1	6	0	0	1	0	9
Technicians	#	0	0	1	1	0	0	0	0	0	2

PUBLIC

EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD			TOTAL
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	
South America	#	17	10	0	51	89	0	7	6	0	180
Senior managers	#	0	0	0	1	3	0	0	1	0	5
Managers	#	0	0	0	3	14	0	1	2	0	20
Specialists	#	17	10	0	47	66	0	6	2	0	148
Technicians	#	0	0	0	0	6	0	0	1	0	7
Singapore	#	20	47	0	67	138	0	5	14	0	291
Senior managers	#	0	0	0	5	12	0	0	4	0	21
Managers	#	0	0	0	9	22	0	2	3	0	36
Specialists	#	18	19	0	52	48	0	3	3	0	143
Technicians	#	2	28	0	1	56	0	0	4	0	91
Rest of APAC	#	7	6	0	41	48	0	1	6	0	109
Senior managers	#	0	0	0	1	5	0	0	1	0	7
Managers	#	0	0	0	4	4	0	1	2	0	11
Specialists	#	5	6	0	31	37	0	0	3	0	82
Technicians	#	2	0	0	5	2	0	0	0	0	9
TOTAL	#	214	367	14	702	1,313	34	121	275	3	3,043

PUBLIC

In the table below, the number of permanent/temporary employees in 2022 is disclosed by age group, gender, and professional category.

EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Spain	#	74	89	204	304	23	65	759
Senior managers	#	1	1	34	55	6	31	128
Managers	#	1	4	23	35	2	4	69
Specialists	#	71	83	143	212	14	30	553
Technicians	#	1	1	4	2	1	0	9
Portugal	#	9	13	20	84	4	21	151
Senior managers	#	0	0	2	11	0	8	21
Managers	#	0	0	0	7	0	2	9
Specialists	#	9	13	17	66	3	11	119
Technicians	#	0	0	1	0	1	0	2
Rest of Europe	#	33	51	91	181	7	18	381
Senior managers	#	0	0	7	20	1	5	33
Managers	#	1	5	8	22	3	3	42
Specialists	#	28	38	72	136	2	10	286
Technicians	#	4	8	4	3	1	0	20
USA	#	92	209	187	426	53	99	1,066
Senior managers	#	0	2	28	90	7	26	153
Managers	#	6	9	21	45	3	13	97
Specialists	#	71	96	100	206	28	47	548
Technicians	#	15	102	38	85	15	13	268
Rest of North America	#	3	2	2	16	0	5	28
Senior managers	#	0	0	0	4	0	0	4
Managers	#	0	0	0	1	0	2	3
Specialists	#	2	2	0	10	0	3	17
Technicians	#	1	0	2	1	0	0	4

PUBLIC

EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
South America	#	15	8	45	85	5	5	163
Senior managers	#	0	0	1	10	1	2	14
Managers	#	0	0	8	10	1	0	19
Specialists	#	15	8	36	65	3	3	130
Technicians	#	0	0	0	0	0	0	0
Singapore	#	28	114	66	213	4	22	447
Senior managers	#	0	0	5	15	1	2	23
Managers	#	1	2	17	30	1	3	54
Specialists	#	23	27	43	45	2	15	155
Technicians	#	4	85	1	123	0	2	215
Rest of APAC	#	6	8	36	36	0	5	91
Senior managers	#	0	0	0	5	0	0	5
Managers	#	1	1	8	8	0	3	21
Specialists	#	2	7	25	20	0	2	56
Technicians	#	3	0	3	3	0	0	9
TOTAL	#	260	494	651	1,345	96	240	3,086

PUBLIC

GRI 2-30 – Collective bargaining agreements

According to its Code of Ethics, EDPR undertakes to respect freedom of trade union association and recognise the right to collective bargaining.

At EDPR, from 3,043 employees, 14% were covered by collective bargaining agreements in 2023 (+2.6pp YoY). Collective bargaining agreements include different topics such as career development, mobility, salaries, health & safety etc. and apply to all employees working under an employment relationship with some companies of EDPR group, regardless of the type of contract, the professional group into which they are classified, their occupation or job. However, matters relating to the corporate organisation itself, the laws of each country or even usage and custom in each country result in certain groups being expressly excluded from the scope of collective bargaining agreements.

The collective bargaining agreements that are applied at EDPR are usually negotiated at the state level or regional level, and EDPR may be just one of the players among other leading sectorial companies in the negotiation with employees' representatives and, in some cases, governmental representatives. In Portugal and Brazil, EDP negotiates its own agreements with employees, and those apply to any employee working for companies of the Group, including EDPR.

During the last years, EDPR has performed different benchmark analyses of the benefits stated in the different collective bargaining agreements that apply to its employees, comparing them against the benefits offered by the company and, in general terms, the company offers a more competitive benefits package compared to what is stated in the collective bargaining agreement.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS	UN	2023	2022	UN	2023	2022
Europe	#	321	295	%	23%	23%
Spain	#	0	41	%	0%	5%
Portugal	#	158	135	%	100%	89%
Rest of Europe	#	163	119	%	39%	31%
North America	#	0	0	%	0%	0%
US	#	0	0	%	0%	0%
Rest of North America	#	0	0	%	0%	0%
South America	#	115	67	%	64%	41%
Brazil	#	115	66	%	97%	62%
Rest of South America	#	0	1	%	0%	2%
APAC	#	0	0	%	0%	0%
TOTAL	#	436	362	%	14.3%	11.7%

PUBLIC

GRI 401-1 – New employee hires and employee turnover

Throughout the year EDPR hired 639 employees.

NEW HIRES	UN	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD			TOTAL
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	
Europe	#	47	67	0	58	93	0	6	11	0	282
North America	#	9	31	62	6	38	86	0	7	8	247
South America	#	7	4	0	6	11	0	0	0	0	28
APAC	#	10	11	0	25	33	0	1	2	0	82
TOTAL	#	73	113	62	95	175	86	7	20	8	639

In 2022, EDPR hired 1,217 employees.

NEW HIRES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	#	52	75	49	108	5	8	297
North America	#	36	99	48	95	9	14	301
South America	#	7	2	18	25	2	2	56
APAC	#	37	137	104	254	6	25	563
TOTAL	#	132	313	219	482	22	49	1,217

PUBLIC

During 2023, 628 employees left the Company, resulting in a turnover ratio of 20.6%.

TURNOVER	UN	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD			TOTAL
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	
Europe	%	19%	24%	-	12%	12%	-	6%	9%	-	13%
North America	%	18%	32%	29%	19%	22%	9%	9%	14%	-	21%
South America	%	6%	-	-	4%	7%	-	-	-	-	5%
APAC	%	30%	77%	-	22%	68%	-	33%	65%	-	54%
TOTAL	%	19%	35%	29%	15%	23%	9%	8%	15%	-	21%

During 2022, 399 employees left the Company, resulting in a turnover ratio of 13%.

TURNOVER	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	%	9%	14%	8%	11%	0%	3%	9%
North America	%	13%	22%	15%	23%	19%	13%	19%
South America	%	20%	38%	7%	8%	0%	40%	11%
APAC	%	15%	11%	6%	7%	50%	4%	9%
TOTAL	%	12%	17%	10%	14%	13%	8%	13%

Note: Turnover calculated as departures / YE headcount.

PUBLIC

Of the 628 departures registered in 2023, 19.6% were dismissals.

DISMISSALS	UN	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD			TOTAL
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	
Senior managers	#	0	0	0	0	1	0	0	0	0	1
Managers	#	0	0	0	2	0	1	0	3	0	6
Specialists	#	4	8	0	7	11	0	1	0	0	31
Technicians	#	2	26	2	2	51	0	1	1	0	85
TOTAL	#	6	34	2	11	63	1	2	4	0	123

Of the 399 departures registered in 2022, 8% were dismissals.

DISMISSALS	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0
Specialists	#	1	4	1	7	1	2	16
Technicians	#	1	4	0	8	1	0	14
TOTAL	#	2	8	1	15	2	2	30

The interannual variation is mainly impacted by the Technicians category.

PUBLIC

GRI 401-2 – Benefits provided to full-time employees that are not provided to temporary or part-time employees

As a responsible employer, a quality employment that can be balanced with personal life is a priority for EDPR. In this sense, the package of benefits provided to full-time employees does not differ from that offered to part-time employees. This benefits package, depending on the country, includes medical insurance, life insurance, pension plan and conciliation measures.

GRI 402-1– Minimum notice periods regarding operational changes

In EDPR, it is customary to communicate significant events and organisational changes to the affected groups in advance.

As an employer in the United States, EDPR complies with the Worker Adjustment and Retraining Notification (WARN) Act Guide to Advance Notice of Closings and Layoffs.

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

In 2023, EDPR invested more than €2.6 million in training.

The total number of training hours increased +1% vs 2022, +11% YoY for women employees and -2% YoY for male employees.

AVERAGE TRAINING HOURS	UN	2023			2022		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Senior managers	#	25	17	18	29	27	27
Managers	#	23	25	23	26	46	40
Specialists	#	25	28	25	24	30	28
Technicians	#	22	66	56	17	52	45
TOTAL	#	24	34	29	24	36	32

Note: Average training hours are calculated as total training hours / YE headcount.

TOTAL TRAINING HOURS	UN	2023			2022		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Europe	#	12,964	27,345	40,309	13,726	31,904	45,630
Senior managers	#	695	1,080	1,775	1,895	4,645	6,540
Managers	#	1,396	3,834	5,230	1,338	6,012	7,350
Specialists	#	10,520	18,533	29,053	10,215	21,087	31,303
Technicians	#	352	3,898	4,251	277	160	437
North America	#	6,572	30,118	36,690	3,750	18,701	22,451
Senior managers	#	117	477	594	423	1,580	2,003
Managers	#	802	1,757	2,558	444	1,128	1,572
Specialists	#	4,232	9,521	13,753	1,971	4,276	6,247
Technicians	#	1,421	18,363	19,784	912	11,717	12,629
South America	#	1,441	2,561	4,002	1,185	4,952	6,136
Senior managers	#	7	21	29	2	253	255
Managers	#	37	258	295	144	485	628
Specialists	#	1,397	2,203	3,600	1,040	4,214	5,254
Technicians	#	0	78	78	-	-	-
APAC	#	2,439	4,997	7,436	2,359	10,611	12,970
Senior managers	#	92	199	291	217	489	706
Managers	#	337	821	1,158	364	822	1,186
Specialists	#	1,868	2,620	4,488	1,596	2,016	3,613
Technicians	#	142	1,358	1,500	182	7,284	7,466
TOTAL	#	23,416	65,020	88,436	21,020	66,167	87,187

PUBLIC

GRI 404-2 — Programs for upgrading employee skills and transition assistance programs

To address the need to reinforce a one-company mindset, EDPR must continue fostering an impactful development environment that translates into a holistic assessment that integrates an individual's past performance, present skills, and future agility, addressing business and people needs. This ongoing cycle is supported by development conversations and a new learning experience and culture that is flexible and led by everyone, according to their needs.

In this sense, EDPR is committed to developing its employees, offering them an attractive professional career, and aligning their capabilities and skills with the current and future needs of the company. The growth and development of the company's business lead EDPR to invest in the employees by discovering, improving, and emphasizing the potential of each, mainly through internal mobility, training, and development actions.

EDPR offers job-specific ongoing learning opportunities to contribute to the self-development of employees according to the new learning model as part of the Global Development Mindset. Regular and continuous development conversations with the manager contribute to identify learning needs along the year in close relationship with strategic goals and the main business challenges, so they are anticipated and prioritised. This approach implies a fluid learning process that happens in the pace of work, anytime, anywhere, anyhow.

A mature learning culture requires a proper environment that stimulates curiosity, autonomy and share of learning among employees, not only through formal but also through informal ways. The offer has evolved to a more on-demand approach where employees have online learning contents and resources to personalise the learning experience. The Udemy's portfolio with over 11,000 online courses, Campus Online open contents, workshops and global talks or shared contents in EDPR's Global Communities online are part of this diversified learning experience.

The annual Training Plan also includes business specific programs (technical, management, behavioural), digital training focused on the digital upskill roadmap, mandatory topics addressed (safety, ethics, compliance, cybersecurity) aligned with the Company's challenges and new markets or technologies to ensure the sustainability of EDPR's business.

During 2023, EDPR delivered a total of 88,436 training hours throughout 2,998 training actions that included 57,928 participants. This translates into an average of 28 hours of training per employee and results in 84% of EDPR's team receiving training.

EDPR also considers functional and geographical mobility as a tool that contributes to organisational development by stimulating employees' motivation, skills, productivity, and personal fulfilment and fostering the share of best practices. The mobility processes within EDPR aim to respond to the different challenges and needs of the company, considering the characteristics of the different geographies. In 2023 there were 196 mobility processes, 130 of them functional (intra and inter-company), 29 geographical and 37 temporary.

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

Through the Holistic Assessment annual process, which includes the performance assessment, which covers all employees entitled to variable remuneration, all EDPR employees, regardless of their professional category, are evaluated to determine their development potential by providing the most suitable training. EDPR creates tailored development plan to address specific needs.

PUBLIC

GRI 405-1 – Diversity of governance bodies and employees

In the table below, the proportion of members of the Board of Directors by the end of 2023 is disclosed by age group and gender.

BOARD OF DIRECTORS	UN	UNDER 30 YEARS OLD	BETWEEN 30 AND 50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Female	%	0%	18%	18%	36%
Male	%	0%	9%	55%	64%
TOTAL	%	0%	27%	73%	100%

In the table below, the proportion of members of the Board of Directors by the end of 2022 is disclosed by age group and gender.

BOARD OF DIRECTORS	UN	UNDER 30 YEARS OLD	BETWEEN 30 AND 50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Female	%	0%	17%	17%	33%
Male	%	0%	17%	50%	67%
TOTAL	%	0%	33%	67%	100%

Following the best Corporate Governance practices, at the meeting of 24 October 2023, there were analysed and reviewed the possible criteria applicable in the selection of the new members of its Governing Bodies.

For these purposes, the criteria and requirements to be met by future Board Members, depending on their role, have been defined beforehand. The market trends, the Recommendation II.2.1. and the specific needs of EDPR were taken into account by profiling a blueprint of the professional competences of the current Members, in order to ensure the suitability of the roles, the contribution of the new profiles to a better performance, and the aim of ensuring a balanced composition in the bodies of the Company.

As a conclusion of this reflection, the Appointments and Remunerations Committee agreed to consider as a reference certain standards and requirements in accordance with the following:

- **Individual attributes**: education, competence, integrity, availability, and experience that were particularized into:
  - Core industry, Strategy & Business Development, Financial Acumen, Accounting, Auditing and Control, International Experience, M&A and Capital Markets, Legal, Governance, Environmental and Sustainability, Health and Safety, People Management, IT/Cybersecurity, Digital Transformation, Technology, Procurement, Operations, Communications and Public Affairs, Regulation, amongst others.
- **Diversity:** to be considered as a wide criteria, analysed in accordance with the nature and complexity of the businesses developed, as well as according to the social and environmental context from time to time, and that will include, among others, gender, age and culture or geographical origin.

It was expressly stated that this list should not be considered as an exhaustive nor limiting reference, and that in any case, depending on the needs and competences required, other criteria may be taken into account.

Based on the above criteria, after the previous advice of the Appointments and Remunerations Committee, the Board of Directors submits the related proposals to the General Shareholders' Meeting (including for sake of clarity, the curriculum vitae of the candidates, and the justifying report, which shall be publicly disclosed with the other supporting documents of the meeting).

PUBLIC

In the table below, the proportion of employees in 2023 is disclosed by age group, gender, and professional category.

EMPLOYEES	UN	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD			TOTAL
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	
Senior managers	%	0%	0%	0%	1%	2%	0%	0%	1%	0%	5%
Managers	%	0%	0%	0%	3%	7%	0%	1%	2%	0%	13%
Specialists	%	7%	8%	0%	18%	28%	1%	2%	4%	0%	67%
Technicians	%	0%	4%	0%	2%	6%	0%	1%	1%	0%	15%
TOTAL	%	7%	12%	0%	23%	43%	1%	4%	9%	0%	100%

In the table below, the proportion of employees in 2022 is disclosed by age group, gender, and professional category.

EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior managers	%	0%	0%	2%	7%	1%	2%	12%
Managers	%	0%	1%	3%	5%	0%	1%	10%
Specialists	%	7%	9%	14%	25%	2%	4%	60%
Technicians	%	1%	6%	2%	7%	1%	0%	17%
TOTAL	%	8%	16%	21%	44%	3%	8%	100%

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GRI 405-2 – Ratio of basic salary and remuneration of women to men

Note 1: The wage gap is calculated based on GRI methodology (female/male remuneration). The calculation considers the employees' working hours.
Note 2: The tables below refer to average remuneration. 2023 values do not include 3% of total employees, and 2022 values do not include 4% of the employees.

In the table below, the average remuneration of employees in 2023 and 2022 is disclosed by age group, gender and professional category.

REMUNERATION	UN	2023			2022			Δ% YoY		
		FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER	FEMALE	MALE	DECLINE TO ANSWER
Under 30 years old										
Senior managers	€	-	-	-	80,683	165,281	-	-	-	-
Managers	€	148,961	138,015	-	105,944	104,338	-	+41%	+32%	-
Specialists	€	55,129	53,780	64,512	51,908	54,122	-	+6%	(1%)	-
Technicians	€	36,142	44,777	33,357	41,824	39,708	-	(14%)	+13%	-
Between 30 and 50 years old										
Senior managers	€	258,551	227,982	-	147,688	161,043	-	+75%	+42%	-
Managers	€	109,197	121,631	83,423	84,142	88,739	-	+30%	+37%	-
Specialists	€	63,743	74,197	89,634	61,163	65,603	-	+4%	+13%	-
Technicians	€	47,701	42,410	39,219	52,137	38,091	-	(9%)	+11%	-
Over 50 years old										
Senior managers	€	322,177	255,824	-	165,004	161,903	-	+95%	+58%	-
Managers	€	133,590	131,058	-	82,381	103,801	-	+62%	+26%	-
Specialists	€	81,532	93,871	103,751	84,537	84,780	-	(4%)	+11%	-
Technicians	€	54,913	50,512	31,471	59,240	54,073	-	(7%)	(7%)	-

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In the table below, the average total remuneration of employees in 2023 and 2022 is disclosed by region, gender and professional category. The total remuneration also includes remuneration supplements not consolidated during the year, variable remuneration and other monetary benefits.

WAGE GAP - TOTAL REMUNERATION	UN	2023				2022			
		FEMALE	MALE	DECLINE TO ANSWER	F/M	FEMALE	DECLINE TO ANSWER	MALE	F/M
Europe									
Senior managers	€	211,759	205,296	-	103%	122,902	-	128,456	96%
Managers	€	88,818	93,480	-	95%	68,727	-	73,961	93%
Specialists	€	52,924	57,176	-	93%	47,853	-	49,953	96%
Technicians	€	31,517	38,845	-	81%	32,566	-	24,822	131%
North America									
Senior managers	€	371,086	320,029	-	116%	200,563	-	203,251	99%
Managers	€	168,444	176,297	83,423	96%	119,813	-	120,573	99%
Specialists	€	98,615	105,175	84,566	94%	97,509	-	100,496	97%
Technicians	€	58,298	58,535	36,594	100%	57,452	-	58,325	99%
South America									
Senior managers	€	156,981	223,370	-	70%	109,353	-	105,139	104%
Managers	€	111,822	114,871	-	97%	51,942	-	51,563	101%
Specialists	€	48,303	63,224	-	76%	31,101	-	41,157	76%
Technicians	€		39,003	-	-	-	-	-	-
APAC									
Senior managers	€	211,909	182,496	-	116%	151,161	-	186,016	81%
Managers	€	84,822	84,978	-	100%	82,789	-	82,490	100%
Specialists	€	43,304	48,340	-	90%	39,970	-	40,102	100%
Technicians	€	12,217	17,277	-	71%	21,593	-	21,607	100%

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In the table below, the average base salary of employees in 2023 is disclosed by region, gender and professional category.

WAGE GAP - BASE SALARY	UN	2023			
		FEMALE	MALE	DECLINE TO ANSWER	F/M
Europe					
Senior managers	€	147,921	151,446	-	98%
Managers	€	71,429	77,125	-	93%
Specialists	€	45,814	49,647	-	92%
Technicians	€	28,516	33,294	-	86%
North America					
Senior managers	€	283,343	243,114	-	117%
Managers	€	135,928	144,143	83,423	94%
Specialists	€	88,425	94,628	84,566	93%
Technicians	€	55,281	55,488	36,594	100%
South America					
Senior managers	€	156,981	206,115	-	76%
Managers	€	98,572	103,166	-	96%
Specialists	€	43,612	56,671	-	77%
Technicians	€	-	35,446	-	0%
APAC					
Senior managers	€	211,909	182,496	-	116%
Managers	€	84,822	84,565	-	100%
Specialists	€	43,304	48,340	-	90%
Technicians	€	12,217	17,277	-	71%

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GRI 2-21 – Annual total compensation ratio

The ratio presented below represents of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees.

ANNUAL TOTAL COMPENSATION RATIO	UN	2023	2022	Δ% YoY
Spain	x	8.4	8.4	-
Portugal	x	4.8	6.6	(27%)
US	x	7.3	8.7	(16%)

GRI EU15 – Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region

EMPLOYEES ELIGIBLE TO RETIRE	UN	2023		2022	
		IN 10 YEARS	IN 5 YEARS	IN 10 YEARS	IN 5 YEARS
By employment category					
Senior managers	%	11%	3%	9%	6%
Managers	%	13%	9%	4%	2%
Specialists	%	8%	5%	4%	2%
Technicians	%	6%	4%	3%	3%
By region					
Europe	**%**	**10%**	**7%**	**5%**	**3%**
Spain	%	5%	2%	4%	2%
Portugal	%	11%	7%	14%	10%
Rest of Europe	%	20%	18%	2%	1%
North America	**%**	**6%**	**3%**	**6%**	**4%**
US	%	6%	3%	6%	4%
Rest of North America	%	7%	0%	7%	4%
South America	**%**	**6%**	**2%**	**1%**	**1%**
Brazil	%	3%	0%	0%	0%
Rest of South America	%	13%	5%	4%	2%
APAC	**%**	**7%**	**5%**	**3%**	**1%**
TOTAL	%	8%	5%	5%	3%

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Other people management related topics:

Communication with employees

EDPR's global presence with employees from different regions, nationalities and generations requires the company to listen and provide feedback on various ambitions, motivations, and prospects. In this regard, EDPR launches a Climate Survey annually to support its active listening strategy and draws up an integrated action plan based on real current data.

Just as important as getting to know our people is ensuring that they have all the relevant information at their disposal, from onboarding through to the company's business and strategy. To this end, there is a range of internal communication and engagement channels that complement each other and are reinventing themselves to meet the EDPR's needs following its exponential, multicultural growth over recent years: Intranet, Viva Engage, edpON Renew magazine, edpON TV, edpON app, Global newsletter, HR App, and virtual Global Communities.

EDPR also holds regular global meetings for each platform, so employees can streamline their long-distance communication; furthermore, these meetings promote networking and proximity to leaders to share, first-hand, the business goals set by the management team for the near future, all to meet the overall objective of leading the energy transition.

Other global events also take place throughout the year, but in an online format, many of them hosted by our CEO to discuss and/or present relevant topics, make first-hand.

Employees with disabilities

In the companies in Spain where there is a legal obligation to have people with disabilities in the workforce to comply with the LISMI due to the number of employees, EDPR has opted for the exceptionality measures provided by the Law. The Company is able to comply with the quota that legally applies to it through contracts of goods or services with companies that promote the hiring of disabled people and also through donations. EDPR's companies under this obligation are covered with the exceptionality measures since February 2018 and for a period of three years. For the rest of EDPR countries, the approach is the same. Recently, as part of EDPR's global strategy, a Diversity, Equity, Inclusion and Belonging (DEIB) Global Council has been set up at EDP group level with the participation of the Management Team, whose objective is to integrate the commitment to this issue within the company. One of the objectives of this Council is focused on the group of people with disabilities as one of the most important topics to be developed. Please note that by the end of 2023, 1.4% of the company's employees had disabilities.

Work organisation and implementation of "right to disconnect" policies

For EDPR, it is a priority to foster time efficiency of employees' daily tasks to balance their professional and personal life, while still delivering excellent results. In this context, the company has been implementing several initiatives that contribute to achieve this, and even though currently EDPR does not have policies regarding the right of people to disconnect from work during non-work hours, messages of work organisation and disconnection will continue to be conveyed.

Flexibility and well-being

In 2023, EDP Group's global flexibility measures already implemented were consolidated, such as the hybrid working model and the Flex Fridays measure.

Throughout this year, continuity was also given to the Group's global well-being strategy, based on five pillars (physical, social, professional, financial, and emotional). To this end, global awareness campaigns have been developed (e.g., Diversity & Well-being Moments; Mind Your Mind) to encourage the adoption of healthy behaviours, promote the accountability of the organisation's leaders, and remind all the channels and support helplines available.

EDPR believes work-life balance is fundamental to achieving more competitive companies and a fairer society based on flexibility, respect, and equal opportunities. To this end, EDPR has once again been certified by the Fundación Másfamilia as a family-responsible company, a recognition awarded for the first time this year to the entire EDP Group, reinforcing the excellence of the various work-life balance measures that the EDP Group promotes among its employees in all the markets in which it operates.

Furthermore, EDPR has a volunteer program addressed to its employees in order to promote social responsibility, giving them the opportunity to grow not only at work but also personally while also contributing to the society.

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Adopted measures to promote employment related to equality

EDPR continues to evolve its organisation and is dedicated to fostering a culture of human equality and valuing the strengths of our differences, as it builds a more inclusive, sustainable environment for future generations. The company wants to lead by example to create an equal, sustainable future. EDPR's goal is to contribute to improving the quality of life of its employees, removing professional barriers, and promoting gender equality, to ensure a transparent workplace environment where mutual respect and equal opportunities prevail. In accordance, there is a DEIB Global Council at EDP Group level to promote its commitment to these fundamental principles. The main objectives of the Council are to reflect the Group's strategy on diversity, equity, and inclusion, including the definition and development of initiatives that contribute to a global action plan and local action plans, and to foster the exchange of knowledge and best practices.

As a result of its commitment and practices, EDPR was recognised again in the Bloomberg Gender-Equality Index (GEI) in 2023, a benchmark index that selects the listed companies most involved in the development of gender equality in the world. EDPR's inclusion in this index highlights the company's work to promote equal opportunities for women through development, representation, and transparency policies.

Sexual harassment protocol

Currently, EDPR does not have a specific sexual harassment protocol. Nevertheless, as stated in its Code of Ethics, EDPR promotes a culture free from any sort of harassment, understanding this to be systematically undesired behaviour of a moral or sexual nature, in a verbal, non-verbal or physical form, which has the goal or effect of disturbing or embarrassing another person, or affecting their dignity or creating an intimidating, hostile, degrading, humiliating or destabilising environment.

Harassing forms of behaviour in a business context violate the victims' labour rights, and may affect their value as people and workers, causing harm that can have an impact on their self-esteem, physical and mental health, life project and family relationships. Therefore, in addition to the legal obligations to which EDPR is subject to, the Code of Ethics also states that it is the duty of all employees to prevent, confront and report any and all behaviour that may preclude a situation of harassment. In this regard, the Code of Ethics has its own regulation that defines a process and channel, open to all stakeholders, to report any potential claim or doubt on the application of the Code.

Universal accessibility

Most of the offices in which EDPR has its operations are not owned by the company. Therefore, EDPR is limited in implementing accessibility measures in its offices. However, in other topics in which EDPR has decision-making power, such as the creation of its website, the company took measures to comply with the accessibility specifications that help blind people to use it.

Long-term incentive plans

EDPR globally assigns long-term incentive plans to the Top Management segment and critical positions in the Senior Management segment. The company's Management Team considers the attribution of these incentives as a tool for attracting and retaining talent, focusing on achieving results and complying with the business plan.

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4.6. Suppliers management

EDPR's risk mitigation and supply chain management

EDPR's supply chain risk and impact management processes are summarized below. Please also refer to 3.5 Supply Chain Capital section for more information about the due diligence process.

EDPR makes it a priority to implement procedures and measures to ensure the absence of governance, environmental, social and human rights and labour rights risks in its supply chain. To this end, the Company is committed to taking action and improving its supply chain management on a daily basis.

During 2023, EDPR has performed ESG evaluations to more than 75% of its critical suppliers. Both in this section of Suppliers Management and in section 3.5 of Supply Chain Capital, the different ESG analyses implemented are specified.

EPDR supply chain management policies and procedures

EDPR's due diligence process begins with its public commitments and policies that apply to the Company's activity, its suppliers, and its contractors. In this regard, the Company has a Supplier Code of Conduct and a Human and Labour Rights Policy, implementing the principles of set in the Code of Ethics. EDPR also makes available to anyone a Speak Up channel, to give voice to any complaint from any person or organisation.

The Company's due diligence process is triggered for all shortlist purchases >25,000 euros.

A supplier screening due diligence process to identify potential risks

EDPR performs a public information analysis prior to any tender process, screening scouting counterparts' compliance and integrity. By this first due diligence layer, the Company can identify any negative information and decide if the counterpart achieves EDPR's ethical standards.

The Suppliers integrity due diligence process is based on a combined analysis between:

a. Specific criteria that derive from information on the Third Party and the transaction under analysis and the weighting of each criterion, are quantitatively established in an overall risk rating for the Third Party. These criteria include:

- Country(ies) of head offices, operational and payment location. Taking into special consideration the tax havens.
- Identification of the Third Party and the economic group to which it belongs
- Activity sector (including state-owned enterprises "SOEs")
- Legal form and legal status of the entity
- Reputational Risk – ESG including human rights
- Representational and influential ability of the Third Party

b. Verification and analysis of potential risk factors / red flags identified by the IDD support platform, taking into account the following aspects:

- References in sanctions lists
- Identification of Third Parties as PEPs (Politically Exposed Persons) / former PEPs, close family members or persons recognized as closely associated
- Reference to adverse news or lawsuits

(*) The carrying out of complementary analyses can also be considered, customized on a case-by-case basis to the Third Party/Transaction under analysis.

According to the Compliance analysis, a rating is assigned to the third party and this is documented in the Integrity Due Diligence report, with the report, the Procurement team is able to verify if the counterpart profile stands for the purchase risk and goals.

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EDPR's Criticality Matrix to identify and assess risks in the supply chain

The next step to identify risks in the supply chain is the Company's criticality matrix. This matrix, that is independent of the supplier, includes the mapping of different supply categories, analysing the relevance of each purchase in relation to its activity for EDPR's business, the duration of its relationship with the Company and the potential environmental and social risks arising from its activity. The Company then carries out a qualification process of critical suppliers, in order to know the measures it has in place to manage any potential risk within the supply chain.

The EDPR criticality matrix standardises the procurement risks according to each purchase category. The matrix drives the suppliers' scouting process, setting the minimum ESG thresholds and the development of the tender terms and negotiation, to ensure risks mitigation and monitoring obligations. During the contractual relationship, the matrix is the map that guides the supplier assessment and helps defining priorities. Annually, all critical suppliers are evaluated against the matrix criteria and the company can analyse suppliers' performance and drive improvements.

Engagement process to prevent and mitigate potential impacts

Next, through the Request for Proposal (RFP) process, EDPR conducts a screening process of module and turbine suppliers, in order to assess their commitments, measures and targets, and also to identify potential ESG risks. EDPR has implemented an additional measure of traceability meetings and share of information, in order to avoid any potential risk areas in its upstream processes. Through continuous dialogue with suppliers, EDPR is able to anticipate and take action on potential risks in the supply chain. During this phase, the Company also establishes contractual clauses to ensure the necessary measures in case a potential risk arises.

Sector level specific risk map

EDPR develops renewable energy facilities and, therefore, the core of its activity is the licensing, construction, and operation of facilities. Procurement is aimed at local companies that provide services to facilities and, upstream, at technological equipment for the power sector. EDPR acquires market available power technology and doesn't design technical equipment for manufacturing, therefore the Procurement is directed towards wholesale and brands.

SALIENT RISKS	DIRECT TIER 1 (SCOPE 1+2)	INDIREC/TIER 2 + N (SCOPE 3)	PROCUREMENT SPEND 2023
Electrical/Industrial technology	-	ESG upstream footprint	656,878,046 €
Corporate Services and IT	Data Privacy, Cybersecurity, Integrity	-	845,127,752 €
Technical Services and Construction	Waste, Safety, Subcontracting, local impact	ESG upstream footprint	3,472,579,631 €
TOTAL			4,974,585,429 €

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GRI 204-1 – Proportion of spending on local suppliers

At EDPR, there is no specific policy or in-house procedure for preferring locally based suppliers. Nevertheless, under equal commercial terms, EDPR chooses local suppliers in order to enhance the socio-economic sustainability of the markets where it is present. In this regard, the Company refers to a local supplier as one that originates in one of the markets in which the Company operates and supplies directly to the different platforms of EDPR (Europe and South America, North America or APAC).

In this way, 91% of vendor spending in 2023 was sourced from local suppliers.

Moreover, during the construction of the Company's projects, the local community can see an influx of temporary local construction workers and suppliers that provide a positive impact on the local economy.

Note: EDPR defines local purchases as purchases from suppliers in countries where EDPR is present divided by the total volume invoiced on the Region of the Company to which the supplier / contractor supplies in 2023. In Portugal and Spain, only purchases from those specific countries (instead of region) were considered.

GRI 308-2 – Negative environmental impacts in the supply chain and actions taken

EDPR's procurement process extends to direct and indirect suppliers and allows EDPR to establish practices and procedures that ensure a high-quality relationship with its suppliers and sustainability practices through the entire supply chain. In addition, EDPR's Procurement Policy establishes the framework under which the Company's procurement process is developed. The Company also has a series of policies and procedures that define EDPR's sustainable procurement process. These policies and procedures are:

- The Sustainable Supply Chain Policy that establishes the principles and commitments to sustainability that are transferred to the purchasing process.
- Sustainable Procurement Protocol that defines the Company's action protocol and due diligence process in processes related to the supply chain. Including the identification of the criticality of suppliers based on their activity with EDPR.
- EDP Supplier Code of Conduct that applies also to EDPR supply chain and acting as a Code that feeds into the purchasing and contract negotiation processes with suppliers to share with them and ensure the alignment of critical suppliers with the Company's ethics and sustainability commitments.

EDPR Procurement teams implement measures to mitigate technical, operational or ESG risks at different stages. The entire procurement and due diligence process aims to avoid and mitigate supply chain risks and impacts related to:

a. Equipment efficiency risks due to poor manufacturing or maintenance.
b. Lack of supply due to supply chain disruption.
c. Possible risks related to ethics and compliance of the partners EDPR works with.
d. Abolition of human rights risks such as forced labour or child labour, as well as other bad labour practices or lack of safety.
e. Environmental risks due to supply chain practices or lack of preparedness.
f. Other ESG and operational risks.

In addition, the risk management process is based on the EDP Group's Sustainable Procurement Protocol, being critical suppliers those with high impacts and risks and therefore those for which engagement and additional measures should be prioritized. Therefore, supplier risk is analysed is composed of 12 categories, among which the following stand out:

- Supplier access to protected personal data
- Supplier access to reserved data
- Risks of occupational accidents from the contracted activity
- Environmental risks from the contracted activity
- Ethical, human and labour rights of the contracted activity

Please refer to the ESG Criticality Matrix subsection below for more information on the criteria that is analysed in the EDP Group's Sustainable Procurement Protocol.

The implementation of the Procurement Policy leads to a better control in the suppliers' management process, assuring EDPR values are respected, high quality standards and minimization of the potential risks. In addition, EDPR has in place requirements related to ESG, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases and the due diligence process of EDPR: Registration and Qualification, Requests for Proposals and Contracting and, lastly, the Monitoring and Evaluation of the suppliers.

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Please refer to the EDPR's Due Diligence Process subsection below for more information on the procurement process and the different phases. Also refer to EDPR's 3.3 Supply Chain Capital section.

Regarding to the management of environmental aspects and the analysis of potential risks and impacts in the supply chain (suppliers and contractors), EDPR analyses and evaluates suppliers throughout the different phases of EDPR's Due Diligence Process mentioned in the 3.3 Supply Chain Capital chapter. The management and analysis of EDPR's social risks during the different phases of the due diligence process is detailed below:

- Registration and Qualification phase: analysing the environmental aspects and the existence of environmental management systems by suppliers and contractors to ensure that they are able to provide a service to EDPR and manage environmental risks. In this regard, more than 60% of critical suppliers have in place environmental management systems, at corporate level or to provide specific services.
- Request for Proposals (RFP) from suppliers: including environmental criteria in the RFPs of equipment suppliers to determine their level of performance and maturity in terms of decarbonization, circular economy and waste management, as well as others measures, policies and targets.
- Contracting and awarding phase: the Company also establishes a fluent dialogue and shared of information with strategic suppliers requests and meetings, engaging with suppliers and including environmental and climate clauses within the main contracts.
- Monitoring and evaluation phase: Assessing the performance of suppliers through environmental inspections for those suppliers that work in the facilities whenever their activity represents a risk. During 2023, EDPR has performed 1,512 inspections (+6% YoY to 205 contractors (-4% YoY) that work in EDPR's facilities. These suppliers correspond to those who work at EDPR's facilities and who perform construction and maintenance work. The Company has in place an integrated Health and Safety and Environmental Management System, developed and externally certified according to international standards ISO 14001:2015.

Please also refer to EDPR's 3.5 Supply Chain Capital section to learn more about the Company's due diligence process and how it manages environmental impacts and risks in the supply chain.

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

EDPR's procurement process extends to direct and indirect suppliers and allows EDPR to establish practices and procedures that ensure a high-quality relationship with its suppliers and sustainability practices through the entire supply chain. In addition, EDPR's Procurement Policy establishes the framework under which the Company's procurement process is developed. The Company also has a series of policies and procedures that define EDPR's sustainable procurement process. These policies and procedures are:

- The Sustainable Supply Chain Policy that establishes the principles and commitments to sustainability that are transferred to the purchasing process.
- Sustainable Procurement Protocol that defines the Company's action protocol and due diligence process in processes related to the supply chain. Including the identification of the criticality of suppliers based on their activity with EDPR.
- EDP Supplier Code of Conduct that applies also to EDPR supply chain and acting as a Code that feeds into the purchasing and contract negotiation processes with suppliers to share with them and ensure the alignment of critical suppliers with the Company's ethics and sustainability commitments.

EDPR Procurement teams implement measures to mitigate technical, operational or ESG risks at different stages. The entire procurement and due diligence process aims to avoid and mitigate supply chain risks and impacts related to:

- Equipment efficiency risks due to poor manufacturing or maintenance
- Lack of supply due to supply chain disruption.
- Possible risks related to ethics and compliance of the partners EDPR works with.
- Abolition of human rights risks such as forced labour or child labour, as well as other bad labour practices or lack of safety.
- Environmental risks due to supply chain practices or lack of preparedness.
- Other ESG and operational risks.

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In addition, the risk management process is based on the EDP Group's Sustainable Procurement Protocol, being critical suppliers those with high impacts and risks and therefore those for which engagement and additional measures should be prioritized. Therefore, supplier risk is analysed is composed of 12 categories, among which the following stand out:

- Supplier access to protected personal data
- Supplier access to reserved data
- Risks of occupational accidents from the contracted activity
- Environmental risks from the contracted activity
- Ethical, human and labour rights of the contracted activity

Please refer to the ESG Criticality Matrix subsection below for more information on the criteria that is analysed in the EDP Group's Sustainable Procurement Protocol.

The implementation of the Procurement Policy leads to a better control in the suppliers' management process, assuring EDPR values are respected, high quality standards and minimization of the potential risks. In addition, EDPR has in place requirements related to ESG, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases and the due diligence process of EDPR: Registration and Qualification, Requests for Proposals and Contracting and, lastly, the Monitoring and Evaluation of the suppliers.

Please refer to the EDPR's Due Diligence Process Briefing subsection below for more information on the procurement process and the different phases. Also refer to EDPR's 3.3 Supply Chain Capital section.

Regarding to the management of social aspects and the analysis of potential risks and impacts in the supply chain (suppliers and contractors), EDPR analyses and evaluates suppliers throughout the different phases of EDPR's Due Diligence Process mentioned in the 3.5 Supply Chain Capital section. The management and analysis of EDPR's social risks during the different phases of the due diligence process is detailed below:

- Registration and Qualification phase: analysing the environmental aspects and the existence of health and safety management systems by suppliers and contractors to ensure that they are able to provide a service to EDPR and manage social risks. In this regard, around 60% of critical suppliers have in place health and safety management systems, at corporate level or to provide specific services.
- Request for Proposals (RFP) from suppliers: including social criteria in the RFPs of equipment suppliers to determine their level of performance and maturity in terms of human and labour rights, supply chain management, supply chain traceability and health and safety measures, policies and targets. In addition, the Company has a Third-Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. During 2023, 522 Compliance analysis of suppliers were performed (+36% vs 2022) (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, its submission to the Executive Board of Directors, and the execution of additional recommendations to the inclusion of the compliance clauses in the agreements, related to corruption, conflict of interest and the inclusion on sanctions lists. These IDD allows the Company to verify public sanction lists, Political Exposed Persons lists (PEPs) and adverse media, in order to avoid any integrity risk.
- Contracting and awarding phase: the Company also establishes a fluent dialogue and shared of information with strategic suppliers requests and meetings, engaging with suppliers and including social and human and labour rights within the main contracts. The Company has established the traceability as a key part of the equipment contracts and negotiation process
- Monitoring and evaluation phase: Assessing the performance of suppliers through environmental inspections for those suppliers that work in the facilities whenever their activity represents a risk. During 2023, EDPR has performed 4,702 H&S inspections (+114% YoY) to more than 261 contractors (+2% YoY) that work in EDPR's facilities. These suppliers correspond to those who work at EDPR's facilities and who perform construction and maintenance work. In addition, the Company has in place an integrated Health and Safety and Environmental Management System, developed and externally certified according to international standards ISO 45001:2018.

Please also refer to EDPR's 3.5 Supply Chain Capital section to learn more about the Company's due diligence process and how EDPR manages social and human and labour rights impacts and risks in the supply chain.

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4.7. Innovation

For information regarding GRI 3-3 – Management of material topics, please refer to section Innovation Capital of the chapter Execution.

PUBLIC

4.8. Corporate governance

For information regarding GRI 3-3 – Management of material topics, please refer to the chapter Corporate Governance.

Remuneration of EDPR's Board of Directors

The table below includes the list of Directors that composed EDPR's Board during 2022, and the amounts paid by EDPR either (i) as remuneration to them for their functions at the Board level or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration). The following figures reflect the period of 2022 in which each relevant Director was member of the Board:

DIRECTOR	REMUNERATION	FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR	
EXECUTIVE DIRECTORS		FIXED COMPONENT	VARIABLE COMPONENT
Miguel Stilwell d' Andrade	0€-	550,000€*	455,835€
Rui Teixeira	0€-	360,000€*	344,250€
NON-EXECUTIVE DIRECTORS		FIXED COMPONENT	
António Mota	230,000€		-
Vera Pinto	0€-	65,000€*	-
Ana Paula Marques	0€-	65,000€*	-
Miguel Setas(***)	0€-	21,667€*	-
Manuel Menéndez	65,000€		-
Acácio Piloto(**)	120,000€		-
Allan J.Katz(**)	75,000€		-
Rosa García(**)	110,000€		-
José Morgado(**)	110,000€		-
Kay Mc Call (**)	75,000€		-
Sub-Total	785,000€	1,061,667€	800,085€
Total			2,646,752€

*These amounts correspond to the service fee paid by EDPR to EDP under the Management Services Agreement for the services rendered in 2023 by such director. In addition, EDPR pays to EDP a 5% of such service fee which is applied to the retirement savings plan for Executive Directors described in topic 76 of this Chapter 5 of the Annual Report.
**These Directors also received remuneration for their participation in the Delegated Committees that is detailed at Chapter 6 of this Annual Report.
*** Miguel Setas presented the resignation to his positions as Board Members with effects April 12th, 2023, and therefore the amounts indicated in the table above reflect the remuneration accrued in 2023 until his resignation.

Please note that the 2023-2025 Remuneration Policy was approved as the ninth item on the agenda of the General Shareholders Meeting held on April 4, 2023, which updates the fixed remuneration amounts of all directors with effect from January 1, 2023.

In 2023, EDPR paid an average of €103,611 (+12% vs 2022) to male Non-executive Directors and €78,750 to female Non-executive Directors (+67% vs 2022). Despite the equal pay for both male and female Non-executive Directors, regardless of their role, the year-on-year disparities in the percentages between the two groups can be attributed to their longer tenure. In 2022, resignations led to a two-month vacancy for female Non-executive Directors, while there was no such vacancy for their male counterparts. On the other hand, in 2023, there were no vacancies for female directors, while there were more than nine months of vacancies for male directors.

In 2023, due to the invoicing process, EDPR remitted a total of €1,710,085 under the Executive Management Services Agreement between EDP-EDPR. However, the accrued amount in 2023 totalled €1,252,858 (-17% vs 2022). This sum comprises an average of €910,000, calculated as a fixed cost of the service (+22% vs 2022), and an average of €342,858 calculated as the variable cost of the service (-45% vs 2022).

For further information on the topic please see chapter 5. Corporate Governance.

PUBLIC

4.9. Environmental management

For information regarding GRI 3-3 – Management of material topics, please refer to section Natural Capital of the chapter Performance.

GRI 304-2 – Significant impacts of activities, products, and services on biodiversity

EDPR is aware of the sensitivity of natural ecosystems and the pressures affecting biodiversity. EDPR's Environmental Policy establishes the Company's specific commitments to contribute to the mitigation of climate change, the promotion of the circular economy and the protection of biodiversity. This Policy is supplemented by internal guidance to establish a shared understanding of how to act, emphasizing the use of the mitigation hierarchy approach throughout the project life cycle as the initial step in fulfilling the overall biodiversity commitments.

EDPR's new Business Plan for 2023-2026 includes targets related to Nature, with the overarching ambition of achieving net zero emissions by 2040. Furthermore, EDPR has set a corporate objective to attain a Biodiversity "Net Gain" in all new projects with significant residual impacts by 2030. By 2026, EDPR aims to have implemented Net Gain Biodiversity tracking systems in 100% of new projects, signifying the need for all internal knowledge and resources to be in place to enable the company to meet Nature's 2030 targets. Additionally, under these corporate commitments, EDPR will not build new generation facilities in Natural Heritage Sites from the UNESCO World Heritage List.

Moreover, it is EDPR's duty to contribute to the development of research and conservation programs, as well as to broaden scientific knowledge on biodiversity matters by supporting institutions and strengthening dialogue and partnerships.

At an operational level, EDPR has Environmental Management Systems (EMS) in place to prevent, correct, and, when necessary, compensate impacts in the environment. These EMS are certified in accordance with ISO 14001:2015 and, by the end of 2023, most of EDPR assets were certified by recognized third party independent auditors. The annual internal goal is to obtain an environmental certification during the first year of operation (COD – commercial operational date) of a new wind farm or solar park.

EDPR's management practices towards biodiversity protection are mainly focused on the following impacts of its activities: migrating birds, bats and habitat fragmentation, which are the most significant ones. Nevertheless, the Company has in place several procedures to identify the impacts of its operations on biodiversity, and act accordingly with its results. In short:

- **Environmental impact assessments and/or risk mapping**: During the development phase of any project of the Company, the potential environmental impacts are analysed in detail in the environmental impact studies and other specific environmental studies, always performed by professional external experts. These studies evaluate the possible impacts of the projects in factors such as fauna, flora, soil, air and water bodies, among others.
- **Monitoring of biodiversity indicators:** EDPR has in place environmental monitoring processes specific for biodiversity – commonly for bats and birds, implemented by external experts. Even so, efforts are intensified with specific monitoring procedures in the small number of sites located inside or close to protected areas. During the construction and operational phases, EDPR conducts on-site environmental monitoring to identify and prevent possible impacts on the biodiversity.
- **Partnerships** to increase scientific knowledge and develop solutions to balance renewables development with wildlife protection. REWI is the longer partnership EDPR has in place in the US, with this core mission, including providing funding to the Renewable Energy Wildlife Research Fund. Other partnerships exist to further protect wildlife surrounding its facilities. In Europe GREFA (Group for the Rehabilitation of Native Fauna and their Habitat in Spanish) is an example of a collaboration to improve Egyptian Vultures (Neophron percnopterus) population in the province of Cádiz, Spain.

The application of the mitigation hierarchy approach is a core element of the biodiversity strategy under development and, in 2023, EDPR started using IBAT to characterize its renewable assets and as an early risk screening tool for new projects. The use of this tool reinforces the mitigation hierarchy approach, integrating biodiversity into the investment decision-making process. Following IBAT datasets, by the of 2023, EDPR has analysed all its assets, identifying its location and exposure to biodiversity sensitive areas, with around 16% of assets located in or adjacent to World Database Protected Areas. During 2024, EDPR will drilldown this info to improve data quality, supported by internal Geographic Information Systems, already in place and being used thoroughly in Europe.

PUBLIC

GRI 304-3 –Habitats protected or restored

The Company's approach to contribute to the global challenge of reducing biodiversity loss is clear: producing clean energy to fight against climate change, one of the greatest threats for biodiversity. Nevertheless, the Company's commitment to contribute to the protection of biodiversity leads to an active role in the conservation of wildlife surrounding its facilities.

Even though EDPR works to minimise any impact on the land surrounding its facilities, the construction and dismantlement processes of wind farms and solar plants are closely followed by EDPR teams, who work to reduce potential impacts or disturbances and to ensure proper restoration of the land once the works finish, cleaning up and rehabilitating the sites to return the area to its initial state.

Following internal procedures, EDPR restores all the land affected by temporary infrastructure during construction.

Additionally, during 2023, in North America, biodiversity protection was centred around applying the mitigation hierarchy. For projects where biodiversity impacts could not be avoided or minimized, North America conducted a wide range of compensation initiatives from conserving bat habitats to restoring wetlands and sensitive habitats, tailored to meet local needs and regulations. For instance, in Mexico, EDPR is working to preserve rare desert plants through flora relocation and restoration across approximately 330 hectares at two wind farms, and a partnership with a local university supports these activities.

Meanwhile, in New York, an ongoing offsite wetland and stream restoration project aims to enhance the habitat of three federally endangered mussel species using nature-based remediation techniques to address streambank erosion and sedimentation. The restoration activities, covering 13 hectares, also seek to safeguard adjacent floodplain wetlands from potential washouts during high rainfall events.

Moreover, in the USA, companies have the option to purchase credits from recognized biodiversity banks. EDPR has utilized this opportunity to cover 545 hectares of land conservation in the Midwest, thereby increasing the availability of suitable maternity roost habitats for bat and its conservation purposes.

In Iberia, it can be highlighted the different projects ongoing to protect several species of birds, mostly associated with mitigation and compensation activities associated windfarms operations. One of the oldest partnerships is with GREFA, a Spanish environmental NGO, with whom EDPR collaborates to reintroduce the Bonelli Eagle in Madrid and in the central peninsular area, as well as in projects to improve lesser kestrel and Egyptian vulture populations in other regions of Spain.

Additionally, projects to improve pollination within the area of management are being tested. An example is in Poland and in Hungary, where flower meadows are being planted to reinforce biodiversity, create asylum for rare and protected species especially insects and protect the land from drought.

GRI 304-1 – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

COUNTRY	FACILITY NAME	TYPE OF OPERATION	POSITION IN RELATION WITH PROTECTED AREA	FACILITY AREA IN PROTECTED NATURAL AREA (HA)	FACILITY AREA IN PROTECTED NATURAL AREA (%)	ATTRIBUTE OF THE PROTECTED AREA	STATUS OF THE PROTECTED AREA
BELGIUM	Sivry	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
FRANCE	Louvières	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Les 7 Domaines	Wind farm	Partially within	0.6	60%	Terrestrial	Regional park
	Ty Nevez Mouric	Wind farm	Adjacent	0.0	0%	Terrestrial-Freshwater	Terrestrial-Freshwater
	Oigny	Wind farm	Inside	6.4	100%	Terrestrial	Natura 2000
	Vaudrimesnil	Wind farm	Inside	1.7	100%	Terrestrial	Regional park

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COUNTRY	FACILITY NAME	TYPE OF OPERATION	POSITION IN RELATION WITH PROTECTED AREA	FACILITY AREA IN PROTECTED NATURAL AREA (HA)	FACILITY AREA IN PROTECTED NATURAL AREA (%)	ATTRIBUTE OF THE PROTECTED AREA	STATUS OF THE PROTECTED AREA
ITALY	Monte Mattina - Aquilonia		Inside	10.8	100%	Terrestrial	Natura 2000
POLAND	Korsze III	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Area of protected landscape
	Ilza	Wind farm	Partially within	6.6	81%	Terrestrial	Regional park
	Tomaszow	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Natura 2000
PORTUGAL	Pena Suar	Wind farm	Inside	6.3	100%	Terrestrial	Natura 2000
	Açor	Wind farm	Partially within	0.1	1%	Terrestrial	Natura 2000
	Açor II	Wind farm	Partially within	6.0	88%	Terrestrial	Natura 2000
	Cinfães	Wind farm	Inside	4.9	100%	Terrestrial	Natura 2000
	Bustelo	Wind farm	Inside	8.9	100%	Terrestrial	Natura 2000
	Falperra-Rechãzinha	Wind farm	Partially within	29.2	88%	Terrestrial	Natura 2000
	Fonte da Quelha	Wind farm	Inside	8.1	100%	Terrestrial	Natura 2000
	Alto do Talefe	Wind farm	Inside	9.2	100%	Terrestrial	Natura 2000
	Fonte da Mesa	Wind farm	Partially within	8.4	79%	Terrestrial	Natura 2000
	Madrinha	Wind farm	Inside	4.1	100%	Terrestrial	Natura 2000
	Safra-Coentral	Wind farm	Inside	19.7	100%	Terrestrial	Natura 2000
	Negrelo e Guilhado	Wind farm	Partially within	9.6	98%	Terrestrial	Natura 2000
	Testos	Wind farm	Partially within	3.6	25%	Terrestrial	Natura 2000
	Serra Alvoaça	Wind farm	Partially within	7.8	61%	Terrestrial	Natura 2000 National protected area
	Tocha	Wind farm	Inside	6.8	100%	Terrestrial	Natura 2000
	Padrela/Soutelo	Wind farm	Partially within	1.0	41%	Terrestrial	Natura 2000
	Guerreiros	Wind farm	Partially within	0.1	0%	Terrestrial	Natura 2000
	Vila Nova	Wind farm	Partially within	7.1	42%	Terrestrial	Natura 2000
	Vila Nova II	Wind farm	Partially within	9.1	34%	Terrestrial	Natura 2000
	Balocas	Wind farm	Partially within	0.4	1%	Terrestrial	Natura 2000
	Ortiga	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	S. João	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Alto Arganil	Wind farm	Partially within	0.8	5%	Terrestrial	Natura 2000
	Salgueiros-Guilhado	Wind farm	Partially within	0.3	3%	Terrestrial	Natura 2000
	Serra do Mú	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Barão de São João	Wind farm	Inside	22	100%	Terrestrial-marine	Natura 2000
ROMANIA	Albesti	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Pestera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Sarichioi	Wind farm	Partially within	0.1	0.1%	Terrestrial	Natura 2000
	Burila Mica	Solar plant	Inside	23	100%	Terrestrial-freshwater	Natura 2000
	Sierra de Boquerón	Wind farm	Inside	9.6	100%	Terrestrial	Natura 2000

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COUNTRY	FACILITY NAME	TYPE OF OPERATION	POSITION IN RELATION WITH PROTECTED AREA	FACILITY AREA IN PROTECTED NATURAL AREA (HA)	FACILITY AREA IN PROTECTED NATURAL AREA (%)	ATTRIBUTE OF THE PROTECTED AREA	STATUS OF THE PROTECTED AREA
SPAIN	La Cabaña	Wind farm	Partially within	8.2	53%	Terrestrial	Natura 2000
	Corme	Wind farm	Partially within	4.7	31%	Terrestrial	Natura 2000
	Hoya Gonzalo	Wind farm	Partially Within	0.7	4%	Terrestrial	Natura 2000
	Tahivilla	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000 National protected area
	Coll de la Garganta	Wind farm	Partially within	0.1	1%	Terrestrial-freshwater	Natura 2000
	Puntaza de Remolinos	Wind farm	Partially within	1.8	57%	Terrestrial	Natura 2000
	Planas de Pola	Wind farm	Partially within	6.1	55%	Terrestrial	Natura 2000
	Ávila	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Natura 2000
	Buenavista	Wind farm	Adjacent	0.0	0%	Terrestrial-Marine	Natura 2000
	Serra Voltorera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Villoruebo	Wind farm	Partially within	2.1	43%	Terrestrial-freshwater	Natura 2000
	Villamiel	Wind farm	Partially within	1.9	29%	Terrestrial-freshwater	Natura 2000
	La Mallada	Wind farm	Partially within	1.4	7.9%	Terrestrial-freshwater	Natura 2000
	Las Monjas	Wind farm	Partially within	0.0	0%	Terrestrial-freshwater	Natura 2000
	Coll de la Garganta	Wind farm	Partially within	0.1	1%	Terrestrial-freshwater	Natura 2000
	Tejonero	Wind farm	Partially within	0.2	1%	Terrestrial	Natura 2000
	Ávila	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Natura 2000
	Sierra de los Lagos	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Mostaza	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Los Almeriques	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Natura 2000
	Suyal	Wind farm	Partially within	0.0	0%	Terrestrial	Natura 2000
	Serra Voltorera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Monseivane	Wind farm	Partially within	17	97%	Terrestrial-freshwater	Natura 2000
	La Celaya	Wind farm	Partially within	9.0	70%	Terrestrial-freshwater	Natura 2000
	Cerro del Conilete	Wind farm	Partially within	0.01	0.4%	Terrestrial	Natura 2000
		Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	La Victoria	Wind farm	Partially within	0.1	0.1%	Terrestrial	Natura 2000
	La Victoria	Wind farm	Partially within	0.1	0.1%	Terrestrial	Natura 2000
	Marquesado	Wind farm	Partially within	1.5	2%	Terrestrial	Natura 2000

Note 1: This table contains information regarding every EDPR operational sites in or adjacent to protected areas. EDPR does not own sites in or adjacent to protected areas in its remaining markets.
Note 2: Coll de la Garganta, Serra Voltorera, Ávila and La Victoria appear twice in the table as the first entry refers to a bird protected area and the second entry to a protected area due to the community importance of the site.

In addition, through IBAT tool, EDPR assessed 491 of its assets (excluding distributed solar generation). From this analysis, additionally to the above list, the wind farm – Coahuila, in Mexico, is located inside/in the vicinity of a KBA – Key Biodiversity Ares and the new wind farm in Chile, Punta de Talca, is located inside/in the vicinity of a WDPA -World Database Protected Areas. A deep dive on this information will continue throughout 2024.

PUBLIC

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

Most of the waste generated by EDPR is related to the turbine operation and maintenance processes. Despite this, the Company promotes proper waste management and the integration of circularity in all phases of its projects.

Accordingly, most of the hazardous waste produced by the sites is related to oil and oil-related waste such as oil filters or oil containers, used mainly for lubrication of the turbines. The consumption of this oil is based on certain pre-defined replacement time frequencies (between 2 and 5 years, based on the component, oil type and manufacturer). Annual fluctuations in hazardous waste generated are heavily dependent on the multiannual oil replacement programs mentioned. Non-hazardous waste generated by the Company includes mixed municipal waste, paper, metals, and plastics, among others.

GRI 306-2 – Management of significant waste-related impacts

EDPR promotes a rational use of resources and the reuse of components whenever possible. In addition, the Company integrates criteria for proper waste management in all phases of its projects. The Company promotes the recovery of waste rather than disposal through recycling and other means. In this context, during 2023, EDPR recovered 72% of the waste generated and 92% of the hazardous waste generated. Please see below the summary of waste generation and recovery ratios:

WASTE - RATIOS	UN	2023	2022	Δ% YOY
Total waste	kg/GWh	44	45	-1%
Total hazardous waste	kg/GWh	16	15	+8%
Total non-hazardous waste	kg/GWh	28	30	(6%)
Total waste recovered	%	72%	74%	-2 pp
Hazardous waste recovered	%	92%	90%	+2 pp
Non-hazardous waste recovered	%	61%	65%	(4 pp)

GRI 306-3 – Waste generated

WASTE BY COMPOSITION	UN	WASTE GENERATED
Hazardous waste	t	559
Oil related waste	t	380
Soils and stones	t	96
Contaminated packaging	t	37
Batteries	t	7
Antifreeze fluids	t	6
Electronic equipment containing hazardous waste	t	3
Other hazardous waste	t	30
Non-hazardous waste	t	972
Mixed waste	t	305
Paper and cardboard	t	160
Metals	t	106
Septic tank sludge	t	101
Iron and steel	t	96
Wood	t	37
Soils and stones	t	29
Fiberglass	t	27
Concrete	t	16
Plastics	t	13
Electronic equipment	t	11
Wiping cloths and protective clothing	t	5
Batteries	t	1
Glass	t	0.4
Biodegradable waste	t	0.2
Other non-hazardous waste	t	65
TOTAL	t	1,531

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GRI 306-4 – Waste diverted from disposal

WASTE RECOVERED	UN	2023	2022
Hazardous waste	t	512	435
Total hazardous waste recycled	t	127	177
Total hazardous waste with other recovery, except recycled	t	385	258
Non-hazardous waste	t	597	632
Total non-hazardous waste recycled	t	485	406
Total non-hazardous waste with other recovery, except recycled	t	112	226
TOTAL	t	1,109	1,067

GRI 306-5 – Wasted directed to disposal

WASTE DISPOSED	UN	2023	2022
Hazardous waste	t	47	46
Total hazardous waste sent to landfill	t	32	30
Total hazardous waste with other disposal, except landfill	t	15	15
Non-hazardous waste	t	375	338
Total non-hazardous waste sent to landfill	t	368	325
Total non-hazardous waste with other disposal, except landfill	t	7	13
TOTAL	t	422	384

Notes to the waste indicators reported above:

- For the purposes of this report, all wastes have been classified as hazardous or non-hazardous according to European waste catalogue; however, in each country where EDPR has a geographic presence, each site is required to adhere to national law by following company procedures for handling, labelling, and storage of wastes to ensure compliance. In cases like in the United States, when the Company's operations generate small quantities of substances which fall into additionally regulated categories such as used oils and universal wastes, EDPR follows strict standards for handling and disposal of these waste types to ensure and remain compliant with all applicable laws.
- Includes waste both from operational facilities and offices.
- All waste is treated offsite.

Significant spills

Given EDPR's activity and its locations, oil spills and fires are the major environmental risks the Company faces. The Environmental Management System is designed and implemented to prevent emergency situations from happening. But, just to be cautionary, the system covers the identification and management of these, including the near miss situations.

EDPR defines significant spills and fires as any spill affecting water bodies/courses, protected soils or soils of interest because of its natural value, or fire affecting protected areas and/or species (according to local protection laws), derived from the O&M activities in the facilities. EDPR continues to register near miss situations, when a registered incident does not reach the category of significant spill. In 2023, there were no significant spills and fires, and there were 61 near miss situations registered during the year (-14% vs 2022).

In this context, EDPR performs regular environmental drills to guarantee that all employees and suppliers are familiar with the risks and have received the appropriate training to prevent and act, if necessary.

Other environmental management related topics

Despite EDPR's core activities do not pose any threats of serious or irreversible damage to the environment, the Company, in compliance with the Precautionary Principle, applies cost-effective measures to prevent environmental degradation such as provisions for dismantling and decommissioning of property, plant and equipment to dismantle and decommission those assets at the end of their useful lives. Consequently, EDPR has booked provisions for property, plant and equipment related to electricity wind and solar generation for the responsibilities of restoring sites and land to its original condition, in the amount of €294,730 thousand as of 31 December 2023 (-11% vs 2022).

PUBLIC

4.10. Community engagement

For information regarding GRI 3-3 – Management of material topics, please refer to section Support communities of the chapter Performance.

GRI 202-2 – Proportion of senior management hired from the local community

The Code of Ethics contains specific clauses of non-discrimination and equal opportunities in line with the Company's culture of diversity. This is reflected in the procedures for hiring people via a non-discriminatory selection process. A potential employee's race, gender, sexual orientation, religion, marital status, disability, political orientation or opinions of any other nature, ethnic or social origin, place of birth or trade union membership are not considered.

In this context, there are no specific procedures explicitly requiring local recruitment. Nevertheless, a high percentage of EDPR employees are hired from the same country in which the Company operates.

LOCAL RECRUITMENT	UN	2023	2022
Senior managers			
Europe	%	85%	90%
North America	%	69%	85%
South America	%	60%	64%
APAC	%	61%	64%

GRI 203-1 – Infrastructure investments and services supported

Wind and solar energy require infrastructure investments which benefit surrounding communities. This includes the reinforcement of existing electricity networks and the rehabilitation of existing roads or the construction of new roads, and further equipment as hospitals or schools.

The investment in roads is necessary in order to transport heavy equipment (wind turbine components, power transformers, etc.) to the site during construction. The improved road system facilitates future maintenance activities after construction works, as well as improves access to remote locations for the surrounding communities, and generates new jobs. During the operation of the wind farms and solar plants, these roads are maintained. The integration of the generation capacity may also require upgrades in the distribution and transmission grids that belong to the system operators. Those upgrades indirectly benefit the quality of service offered in the surrounding areas by minimising electricity supply interruptions.

GRI 203-2 – Significant indirect economic impacts

Renewable energy technologies are viewed not only as tools for mitigating climate change as they are also increasingly recognised as investments that can provide direct and indirect economic advantages by reducing dependence on imported fuels (and hence, improving trade balances), enhancing local air quality and safety, advancing energy access and security, propelling economic development and creating jobs. In 2023, EDPR implemented several economic development projects, which foster job creation and profit generation. For more information, please refer to section 3.4.2. Support communities, of chapter 3. Performance.

GRI 411-1 – Incidents of violations involving rights of indigenous peoples

EDPR has no knowledge of any incident of violations involving rights of indigenous people in 2023, neither in 2022.

Note: For the information reported in this indicator, EDPR considers claims/doubts reported in the Speak Up Channel and considered as founded, and penalties reported in EDPR's Financial Statements.

PUBLIC

GRI 413-1 – Operations with local community engagement, impact assessments, and development programs

Installed clean energy must triple by 2030, but it will only grow consistently if we assure community support.

In this sense, EDPR approved its new Local Stakeholder Engagement Policy in 2023, including a list of procedures compulsory throughout the markets where the company operates. The premise is to map and deeply engage with the communities before starting a new project, and to deeply diagnose, through independent external studies, the real impacts business will have on the new energy landscape. It is the safest path to build shared value, supporting communities before construction begins and earning a Social License to Operate, as a preventive identification of risks and knowledge of the local stakeholders will frankly diminish the chances of deep crisis further ahead.

Tackling these new community challenges, EDPR has implemented a proactive approach that emphasizes effective communication, transparency, and community engagement. Listening to the concerns of local communities and addressing them in a timely and meaningful manner is a priority. In 2023, EDPR worked on bringing locally respected society figures to work closely with the Company, which has been most welcome locally and has become a strong facilitator for local relations and developments.

In this context, some improvement areas were identified and are being addressed. In North America, community opposed the construction of the Rolling Uplands Wind Farm, and a deep dive engaged impact study is ongoing before any further decisions are taken. A previous community concern raised with the Misenheimer Solar Park has been surpassed and is now under the construction phase, strongly aligned with the local authorities.

In the Northeast region of Brazil, EDPR won its first project in the state of Paraíba and a preventive social diagnosis was carried out in advance, aiming to plan the social and communication actions to be carried out in these communities. As a result, the departments of Environment, Social and Public Affairs & Community Relations drew up an action plan to be executed throughout 2023, which included initiatives addressing:

- Education and improvement of school environment, catering for almost 500 students in the municipal educational network;
- Cultural events throughout the year, with theatre plays and movies in public spaces;
- Sports events throughout the year designed to promote socio-emotional benefits of sport;
- Development of rural enterprise to inject economic dynamism into socioeconomically deprived regions, through technology involving agroecological production, combating drought, water security and food supply safety;
- Development of a social project to train young people for the job market;
- Creation of a narrative aligned and coordinated with the rest of the industry through the largest industry body, ABEEólica; and
- Preparation of a differentiated communication plan for the region.

In 2023, no major issues regarding local communities have been reported through the Speak Up Channel. Monthly meetings have also been held with the communities since May 2023, smoothly ran.

The established procedures in place ensured that, throughout 2023, as in previous years, EDPR was not subject to accusations or suspicions of violations of fundamental human and labour rights.

Additionally, the EDP IMPULSA programme was created by EDPR in Brazil with the objective of supporting the professional development and employability of people in the communities where the company operates. Following a social diagnosis performed with the collaboration of the local government, a high unemployment rate was identified among young adults who lacked basic training to find employment in the region. Scholarships for vocational training courses were offer to residents and over 120 students received training on High Voltage Building Electrician, Industrial Sewing Machine Operator, Bricklayer, and Motorcycle Maintenance Mechanic.

Keeping engaged with communities

But it is not just in operation areas that EDPR feels responsible for a healthy society. The work carried out by the Company aims to promote the wellbeing and development of society as a whole, focusing on the people who contribute to the success of the Company's business and how society may benefit from it.

During 2023, it is worth highlighting what was achieved in La Guajira (Colombia). With the goal of improving the lives of the most vulnerable people, the donation of $100,000 helped 700 families (about 3,150 people) affected by the winter cold wave. This donation mitigated some basic needs through the delivery of non-perishable food kits in Uriba, Maicao, and Albania.

PUBLIC

In Greece, one of the Company's various initiatives is the collaboration with the cleaning of Lokron beach, located in the Malesina region near Livadi and Erinia windfams. By organizing and participating in beach clean-up activities, EDPR has helped preserve the beauty of Lokron beach and protect its ecosystem.

Another action that was continued in 2023 was the granting of higher and technical level scholarships, within the scope of the Program for the Strengthening of Indigenous Organizations, through which 39 scholarships were granted. To date, eight students have graduated in the area of health, nine professionals completed courses in the area of education and are already working in the classroom as teachers, three graduated in the area of Law, another three graduated in Business Management and one in the area of forest engineering.

In the APAC region, EDPR has been implementing the new policy's local stakeholder approach, reinforcing the Community engagement strategies.

In North Singapore, deploying solar DG on the Pulau Ubin island was a visible incentive into the *walking the talk* approach since there was no business interest in the region, but rather on implementing the energy transition as a flagship locally, since Ubin is a deeply respected natural sanctuary but was operating on a diesel fuel PowerGrid, now partially transformed into solar DG. The enhanced microgrid system is powered by 328 kWh of solar energy, equipped with a 1 MWh Vanadium flow redox battery energy storage system, creating an electrical ecosystem that powers the island with non-intermittent renewable energy, capable of meeting at least 95% of the key business and residential needs. Today, more than 30 households and businesses enjoy 24/7 non-intermittent renewable energy, thereby reducing the island's reliance on diesel by more than 100,000 litres per annum, avoiding 268,000 kg of CO_2 emissions. With the use of solar power, it also stabilizes the electricity pricing for residents, as they are no longer subjected to the price fluctuations of diesel.

In Vietnam, the strategy is rooted on seeding a solid educational bases to the whole population on operation areas – and this was why EDPR invested on a powerful transformation on the education facilities and tools for populations around operation areas. Specifically, Xuan Thien Thuan Bac and Xuan Thien Ninh Thuan Solar farms play a crucial role on the transition: aligned with the approved Master Plan (PDP-7), these projects boast a total capacity of 255MWp. The *back-to-school operation* covered over one thousand households, also endorsing economically fragile families, and further developing local institutional relations with the authorities. This long-term investment on education, deeply knowing the population and transparently engaging, was part of EDPR's recognition as the first project worth of a Fast Infra Label Assessment.

Globally, during 2023, EDPR invested a total of €2.4 million in supporting communities, as a result of several activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities. 27% of EDPR employees participated in volunteering initiatives, contributing with more than 5,000 hours of their time to the development and wellbeing of the society.

GRI 413-2 – Operations with significant actual and potential negative impacts on local communities

Noise, visual impact, TV interferences and ice thrown from wind turbines are identified as EDPR's business environmental impacts within the category of disturbance to the local communities. EDPR implements the necessary measures to make these impacts as minor as possible. Moreover, during the operation phase, EDPR has grievance mechanisms in place available to the local communities to ensure that suggestions or complaints are properly recorded and addressed. This allows EDPR not only to solve the complaints but also to introduce improvements in all processes. In 2023, EDPR registered 19 complaints regarding potential impacts on the local communities, -63% when comparing to 2022. There were 6 complaints in the US, of which 4 were related to noise, 1 related to possible interferences with the TV or radio signal and 1 related to shadows. In France there were 10 complaints, of which 5 related to possible interferences with the TV or radio signal, 4 related to noise and 1 related to shadows. There were also 2 complaints in Brazil and Poland related to noise and 1 in Spain related to biodiversity.

Please note that EDPR does not have individual consumers, according to the concept this term has associated in the Spanish regulation (Law 11/2018). Regarding the complaint systems, given the core business of the Company, EDPR does not deal directly with individual consumers. However, EDPR considers the local communities near its operations as its clients and makes different complaint channels available to them, among which is the Speak Up Channel.

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4.11. Human Rights

For information regarding GRI 3-3 – Management of material topics, please refer to section Social Capital of the chapter Performance.

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4.12. Digital transformation

For information regarding GRI 3-3 – Management of material topics, please refer to section Digital Capital of the chapter Performance.

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4.13. Communication and transparency

Contributions to foundations and non-profit entities

Contributions to foundations and non-profit entities EDPR contributed with more than 166 thousand euros to Foundations, -69% vs 2022. The interannual variation is mostly due to EDPR's solidarity campaign carried out in 2022 in response to the humanitarian crisis in Ukraine. Regarding non-profit organisations and NGOs, EDPR donated more than 693 thousand euros, +5% YoY.

GRI 2-28 – Membership of associations

The EDP Group raises awareness to policy makers and legislators about the interests of the business sector and/or its own. Globally, EDP Group's activities include participation in industry associations ("Industry Institutions") comprising multiple industry participants that work to advance shared policy objectives. EDPR's approach and involvement with Industry Institutions is in accordance with EDP Group's internal regulations, policies and procedures, including the principles of integrity and transparency expressed in the Code of Ethics. In Europe, activities are monitored by means of voluntary registration on a platform created for that purpose by the European Commission – "Transparency Register". EDP has been registered since the creation of this platform in 2011. In North America, relevant Industry Institutions are required to disclose and/or register campaign finance and lobbying activities in accordance with applicable local, state, or federal law.

In the following table are presented the contributions concerning the activities of representation of interests of EDPR:

ACTIVITIES OF REPRESENTATION OF INTEREST	UN	2023	2022
Trade associations or tax-exempt groups	€k	2,683	1,536
Lobbying, interest representation or similar	€k	599	295
Other	€k	86	20
Local, regional, or national political campaigns / organisations / candidates	€k	0	0
Total	€k	3,368	1,851

The table below contains the most relevant contributions for associations in 2023:

MOST RELEVANT CONTRIBUTIONS	UN	2023
ACP - American Clean Power Association	€k	667
Wind Europe	€k	176
SEIA - Solar Energy Industries Association	€k	174
ZEIGO by Schneider Electric	€k	124
SC Partners	€k	119

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GRI 201-4 — Financial assistance received from government

EDPR has not received any financial assistance from the government in 2023, neither in 2022.

Note: The American legislation foresees - and has foreseen in the past - several tax incentives for the production of renewable energy in the United States. Some examples are the production tax credits, the research and development tax credits, the former cash grant, the so-called MACRS (a way of accelerated depreciation), etc. These tax credits are in most cases are part of the renewable energy remuneration scheme.

GRI 206-1 — Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

EDPR has no knowledge of any legal actions for anti-competitive behaviour, anti-trust or monopoly practices in 2023, neither in 2022.

GRI 2-27 — Compliance with laws and regulations

EDPR has no knowledge of any non-compliance with laws and regulations in 2023, neither in 2022.

GRI 415-1 — Political contributions

The Integrity Policy, in line with the principles defined in the Code of Ethics, prohibits any contribution or association of the EDPR brand to political parties, candidates, campaign structures / political candidacy or to related persons or entities, namely through the delivery of goods or the provision of services, directly or indirectly, on behalf or representation of EDPR, since it may jeopardise the integrity of the Group entities, unless otherwise required by law.

In addition, EDPR should make available the necessary arrangements for employees to take part, in their strictly personal capacity, in political processes, under applicable law.

In North America, EDPR retains political consultants for lobbying activities. However, these political consultants are prohibited from making contributions to political candidates, campaigns or parties on behalf of or in the name of EDPR.

Additionally, EDPR has provided financial support for the activities of American Energy Action, a welfare organisation organised under Section 501(c)(4) of the US Internal Revenue Code. Such social welfare organisations may participate legally in some political activity on behalf of or in opposition to candidates for public office. However, any such political activity must be completely independent of any political candidate or political campaign.

Finally, in accordance with US law, and at the request of US employees, EDPR provides properly regulated mechanisms for employees' participation in political processes and has enabled the establishment of a political action committee (PAC) called the EDPR NA PAC. The EDPR PAC is funded entirely by voluntary personal monetary contributions made by members of the PAC, who are eligible employees in accordance with US law, and decisions on which political campaigns to support are made with the approval of the PAC governing board, which is made up of elected members of the PAC, also in accordance with US law.

These activities are then aligned with the above-mentioned principles of the Integrity Policy and the Code of Ethics.

GRI 207-1 — Approach to tax

Tax mission and strategy

The EDPR Group believes it has both an ethical and civic obligation to contribute to the funding of essential government functions in the countries where the Group operates. As such, the Group manages its tax matters by adhering to the best tax practices, maintaining transparency, efficiency, and responsibility in tax payments, in strict accordance with the applicable legislation, while mitigating significant risks and avoiding needless disputes, and ensuring value creation for shareholders.

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EDPR follows EDP Group's fiscal strategy, which is based on five main pillars:

1. Compliance with Tax Laws and Regulations

EDPR conducts its fiscal responsibilities with diligence and professionalism, in alignment with the EDP Group Tax Mission, guided by the following principles:

- Implements the options which are most appropriate to the business and to the shareholders, in faithful compliance with the spirit and letter of the Law.
- Pays the taxes that are due in all the countries where it carries out its activity.
- Adopts the arm's length principle, in the context of applicable international rules, guidelines and best practice on transfer pricing in the light of Organization for Economic Cooperation and Development (OECD) guidelines, and to this extent it has implemented an internal transfer pricing policy based on three main principles:
  - The terms and conditions of all EDP intra-group transactions are determined taking into consideration the inherent economic rational, the risks assumed, and the functions performed by each party, in order to settle a price aligned with what is usually agreed between independent parties in comparable transactions;
  - EDP fully complies with OECD Documentation Guidelines regarding intra-group transactions and takes into consideration the specific requirements of the internal legislation of each jurisdiction where the Group develops its activity;
  - Therefore, EDP transfer pricing Policy does not constitute an instrument for tax planning and / or tax evasion at EDP Group.
- Adopts tax practices based on principles of economic relevance and commonly accepted business practices.
- Discloses true and complete information concerning relevant transactions.
- Seeks to defend its legitimate interests by administrative means and, when appropriate, judicially, when the payment of any taxes, contributions and levies reasonably raises doubts regarding its legality.

2. Ethical Tax Practices

EDPR conducts all the tax affairs with integrity, responsibility, and a dedication to the highest ethical standards. Its approach involves a through and prudent interpretation of the prevailing tax laws governing its transactions, often with the support of legal experts and external advisors.

When necessary and feasible, the Group seeks the opinion of local tax authorities to ensure that its actions are strictly aligned with the applicable legislation. This commitment to ethical tax practices not only ensures the Group full compliance with tax laws but also upholds its responsibility in contributing positively to the communities and societies in which the Group carries out its activity.

3. Full collaboration with Tax Authorities

EDPR is committed to maintain a relationship with the Tax Authorities of the countries where it operates based on principles of trust, good faith, transparency, cooperation and reciprocity, aiming to facilitate the application of the Law and to minimize litigation, despite the legitimate disputes that may arise with such authorities concerning the interpretation of applicable legal provisions.

4. Risk Management

The companies of the EDPR Group shall adopt the control mechanisms necessary to ensure compliance with the tax laws and regulations, as well as the principles and good practices set forth in the EDP Group's Tax Policy, as part of proper business management. The companies shall also use proper and sufficiently qualified human and material resources for such purposes, as well as technology to maximize the quality and accuracy of data to support tax management activities and the filing of related tax returns and forms.

The tax risk process management and control begins with the identification and classification of the risks to which the EDPR Group may be subject. In this sense, the EDPR Group continuously assesses the tax risks and uncertainties, conducting regular exercises in order to identify, quantify and monitor risks that arise from external events with potential material impact. The EDPR Group identifies the risks to which it is exposed based on the following classification:

- Compliance risk, associated with a potential failure to comply with tax obligations in a timely and complete manner.
- Technical analysis risk, that may lead to potentially less appropriate tax decision-making, particularly in contexts where there is uncertainty in tax treatment.
- Communication risk, associated with the possibility of an inadequate communication flow between internal tax teams and other corporate areas (e.g., business units) or external entities (e.g., Tax Authorities).
- Reputational risk, related to the misinterpretation, by the stakeholders, of financial and tax information disclosed.

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In addition, the EDP Group has implemented a risk management policy with the goal of identifying, quantifying, managing, monitoring and mitigating, among others, the tax risks, namely the risk of materialization of the tax contingencies. EDP Group, through a specialized team, continuously monitors the processes associated with tax risks and contingencies (related and not related to ongoing litigation), in close cooperation with the respective Business Units, corporate legal services and external lawyers and advisors, with a bi-annual report of their evolution to the General and Supervisory Board of the EDP Group.

Accountability for the tax Policy and its Supervision

EDPR's Management Team is involved in the decision-making process of the relevant operations, being its tax impact, if any, analysed and, documented as it may constitute an important element for the final decision, in order to ensure long-term value creation for shareholders.

EDPR also has an Audit, Control and Related-Party Transactions Committee, whose main mission, includes the permanent monitoring and supervision of any matters related to the internal control system over financial information and the risk management process, including its fiscal aspects.

5. Transparency

EDPR considers transparency a core principle of its fiscal function, particularly through:

- Not using opaque structures or operating in jurisdictions lacking a substantial economic connection to its operations. EDPR does not establish subsidiaries in territories considered to be non-cooperating in accordance with Portuguese legislation and / or with the OECD standards; and,
- Disclosure of tax information in accordance with the best international tax practices and accountability standards. This commitment aims to offer stakeholders a comprehensive view of EDPR's contributions to the economies where it operates, emphasizing transparency and solidifying its position as a responsible and ethical participant in the global business community.

To this end, EDPR presents key tax information in both its Financial Statements and Management Report of its annual integrated report, guaranteeing clarity, usefulness, and accuracy in the information provided.

In addition, it should be noted that the information regarding EDPR reported by EDP Group, as a multinational Group, fully complies with the annual communication and reporting obligations arising from the implementation of the provisions of Action 13 of the Base Erosion and Profit Shifting project (known as Country-by Country Reporting), which is part of a plan to strengthen transparency for tax administrations and that was adopted by the OECD and G20 countries. This obligation is fulfilled in Portugal by the parent company, in accordance with the established legal deadlines.

Taking into account the preliminary analysis carried out and EDP Group's consolidated revenues, it is expected that the Group will be subject to this tax regulation. Spain did not comply with the transposition deadlines, although it is expected that such transposition occurs during 2024. However, assuming that the transposition will strictly follow the Directive, no top-up tax is expected to be paid by EDP Group.

In the countries where EDPR Group carries out its activities and where the Pillar 2 rules were already enacted, we expect the safe harbours will apply and therefore no additional tax will be due.

GRI 207-2 – Tax governance, control and risk management

The companies of the EDPR Group shall adopt the control mechanisms necessary to ensure compliance with the tax laws and regulations, as well as the principles and good practices set forth in the EDP Group's Tax Policy, as part of proper business management. The companies shall also use proper and sufficiently qualified human and material resources for such purposes, as well as technology to maximize the quality and accuracy of data to support tax management activities and the filing of related tax returns and forms.

The tax risk process management and control begins with the identification and classification of the risks to which the EDPR Group may be subject.

In this sense, the EDPR Group continuously assesses the tax risks and uncertainties, conducting regular exercises in order to identify, quantify and monitor risks that arise from external events with potential material impact.

EDPR identifies the risks to which it is exposed based on the following classification:

- Compliance risk, associated with a potential failure to comply with tax obligations in a timely and complete manner.
- Technical analysis risk, that may lead to potentially less appropriate tax decision-making, particularly in contexts where there is uncertainty in tax treatment.

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- Communication risk, associated with the possibility of an inadequate communication flow between internal tax teams and other corporate areas (e.g., business units) or external entities (e.g., Tax Authorities).
- Reputational risk, related to the misinterpretation, by the stakeholders, of financial and tax information disclosed.

In addition, the EDP Group has implemented a risk management policy with the goal of identifying, quantifying, managing, monitoring and mitigating, among others, the tax risks, namely the risk of materialization of the tax contingencies. EDP Group, through a specialized team, continuously monitors the processes associated with tax risks and contingencies (related and not related to ongoing litigation), in close cooperation with the respective Business Units, corporate legal services and external lawyers and advisors, with a bi-annual report of their evolution to the General and Supervisory Board of the EDP Group.

Accountability for the tax Policy and its Supervision

EDPR's Management Team is involved in the decision-making process of the relevant operations, being its tax impact, if any, analysed and, documented as it may constitute an important element for the final decision, in order to ensure long-term value creation for shareholders.

EDPR also has an Audit, Control and Related-Party Transactions Committee, whose main mission, includes the permanent monitoring and supervision of any matters related to the internal control system over financial information and the risk management process, including its fiscal aspects.

GRI 207-3 – Stakeholder engagement and management of concerns related to tax

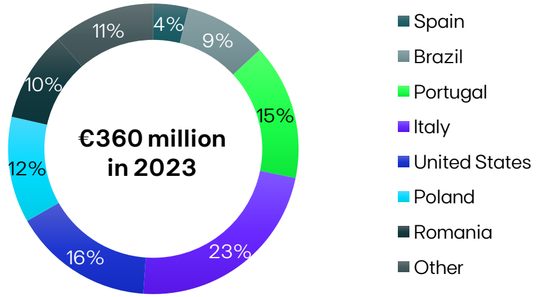
The EDP Group reconciles responsible compliance with tax obligations, with the commitment to create value for its shareholders, advocating efficient management of its tax burden through the use of legally available tax benefits and incentives applicable in each region and which are appropriate to the business carried out. The Group is specifically committed to maintain a relationship with the Tax Authorities of the countries where it operates based on principles of trust, good faith, transparency, cooperation and reciprocity, aiming to facilitate the application of the Law and to minimize litigation, despite the legitimate disputes that may arise with such authorities concerning the interpretation of applicable legal provisions.

GRI 207-4 – Country-by-country reporting

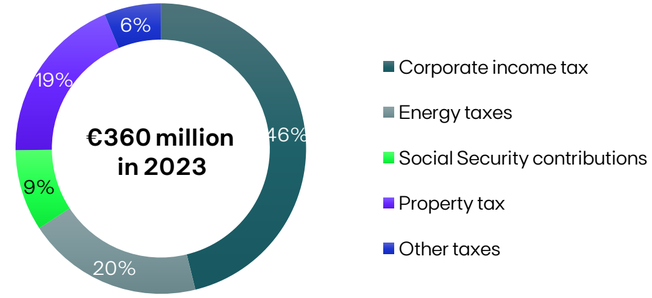
Global contribution of the EDPR Group

In 2023, EDPR Group's global tax contribution to the public revenues of the countries where it is present amounted to approximately 523 million euros, of which 360 million euros correspond to own taxes and contributions borne (paid) by the EDPR Group and 163 million euros of taxes collected (contributions to the States on behalf of other economic agents), as shown in the following charts.

Taxes borne (paid) by the EDPR Group, by geographical area



Taxes borne (paid) by the EDPR Group, by the type of contribution



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Taxes borne (paid) by the EDPR Group in 2023

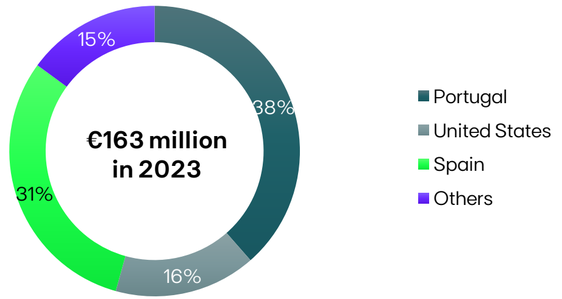
TAXES BORNE (PAID) BY THE EDPR GROUP (€k)						
Region	Corporate income tax	Energy taxes	Social Security contributions	Property tax	Other taxes	Total
Brazil	26 076	609	1 385	0	5 181	33 251
Colombia	3 323	0	787	0	11 747	15 857
France	61	838	2 654	94	416	4 063
Italy	54 883	26 438	1 091	376	0	82 788
Mexico	14 060	0	132	0	296	14 488
Poland	30 212	5 998	592	5 900	81	42 783
Portugal	42 711	6 756	2 124	792	174	52 557
Romania	9 180	25 787	50	1 439	3	36 459
Spain	-9 664	4 055	12 954	4 356	2 413	14 114
United States	-4 851	0	6 857	54 615	0	56 621
Other	132	0	3 980	291	2 397	6 800
Total	166 123	70 481	32 606	67 863	22 708	359 781

Country by country tax contribution

CORPORATE INCOME TAX PAID (CASH BASIS)	UN	2023	2022
Brazil	€k	26,076	10,266
China	€k	8	40
Colombia	€k	3,323	3,802
Germany	€k	34	1
Spain	€k	-9,664	-43,995
France	€k	61	586
Greece	€k	11	9
Hungary	€k	63	0
Italy	€k	54,883	18,412
Japan	€k	8	10
Mexico	€k	14,060	7,230
Malaysia	€k	0	3
Netherlands	€k	5	0
Poland	€k	30,212	24,892
Portugal	€k	42,711	32,574
Romania	€k	9,180	387
Taiwan	€k	3	16
United Kingdom	€k	0	1
United States	€k	-4,851	1,058
Vietnam	€k	0	132
TOTAL	€k	166,123	55,424

Note 1: The American legislation foresees – and has foreseen in the past – several tax incentives for the production of renewable energy in the United States. Some examples are the production tax credits, the research and development tax credits, the former cash grant, the so-called MACRS (a way of accelerated depreciation), etc. These tax credits, that in most cases are part of the renewable energy remuneration scheme, have accumulated during the last years, allowing the minimisation of CIT cash-out in this geography.
Note 2: The amounts of Corporate Income Tax paid are highly conditioned by the corporate in-come tax advanced payments' calculation methodology foreseen by each applicable local regulation. These trigger differences between advance payments corresponding to current year and the balance of the corporate income tax liability corresponding to previous year derived from the final tax returns filed. Note 3: For information regarding Profit before income tax, please refer to 4.3 Economic Business Sustainability. For the number of employees by country, please refer to 4.5 People Management, GRI 2-7.

Taxes collected by the EDPR Group and delivered to the States (burden of Other agents), by geographical area



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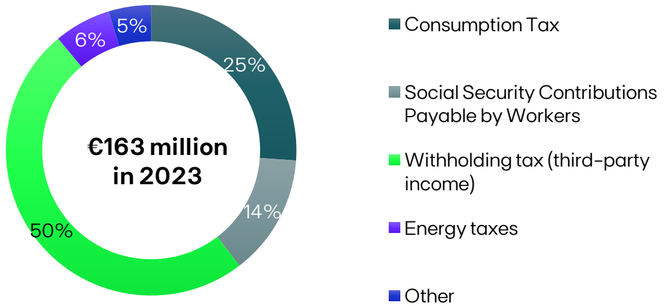
Taxes collected by the EDPR Group and delivered to the States (burden of Other agents), by type of contribution



Regarding the taxes borne (paid) by EDPR Group, Italy is the country with the highest tax contribution in 2023, accounting for 23% of total taxes borne by EDPR Group. This is due to the effect of corporate income tax advanced payments methodology, that is based on previous year's result.

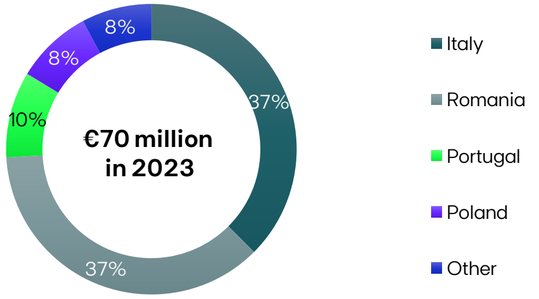
On the other hand, considering the taxes borne (paid) by EDPR Group by type of contribution, the most relevant amount (46%) corresponds to corporate income tax, followed by specific taxation on the sector (including the windfall tax paid in Italy, Romania, Portugal and Poland) (20%), and finally, Property taxes (19%).

Regarding Corporate income tax rates in the main countries in which EDP Group operates range between 16% in Romania and 35% in Colombia.

Taxes collected by EDPR Group and delivered to the States where it carries out its activity (burden of other agents) amounted to circa 163 million euros in 2023, mostly related to the collection of withholding taxes (third-party income) and consumption taxes (e.g., VAT).

Specific taxation for the energy sector in 2023

The specific taxation on the energy sector carries significant weight within the EDPR Group. In 2023, the EDPR Group borne (paid) taxes of this nature amounting to 70 million euros, as shown in the following graph.



Indeed, in the year 2023, several European countries maintained or enforced the so-called "windfall taxes", which originated from Council Regulation (EU) 2022/1854 of October 6, 2022, establishing emergency intervention measures at the European Union level to address high energy prices. These measures included, among others, the introduction of price cap mechanisms for market revenues obtained by electricity producers from, essentially, renewable energy, and a temporary solidarity contribution applicable exclusively to companies active in the crude oil, natural gas, coal, and refining sectors.

Although the rules contained in this Regulation are aimed to create standardized measures in the European Union in response to the energy prices rise, certain countries where the EDPR Group is present have introduced unilateral measures, giving rise to the payment of windfall taxes in Italy, Romania, Portugal, and Poland.

While EDPR fully acknowledges that the existing emergency situation required for extraordinary measures, the Company also considers that (i) the principle of not taxing unrealized extra-profits should always prevail and (ii) the compatibility of those measures with the existing, legitimately implemented, risk management strategies, needs to be ensured. These requirements are necessary to avoid harming producers that do not actually benefit from the current high electricity prices, due to having hedged, individually or at Group level, their revenues, against fluctuations in the wholesale electricity market. These financial hedges follow the Company's established low risk strategy to secure long term revenues and to remove electricity prices volatility on the company's earnings. For these reasons, EDPR is pursuing the necessary legal actions at its disposal in order to challenge the legality of these measures.

The highest windfall tax impact at EDPR Group level took place in Italy and Romania, where the Group paid a total amount of 52 million euros in 2023.

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4.14. Ethics and compliance

For information regarding GRI 3-3 – Management of material topics, please refer to section Integrity and ethics of the chapter The Company.

GRI 205-1 – Operations assessed for risks related to corruption

EDPR analyses all the new markets where it operates through a market overview including ESG topics such as human rights, labour, and environment. This study also evaluates the corruption risk.

EDPR has a Third-Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. The analysis carried out results in the assignment of a rating and the issuance of an opinion that includes specific recommendations regarding the approval of the transaction, the adequacy of its contractual conditions, and the monitoring of the contract's execution.

In this sense, during 2023, 824 Compliance analyses of third parties were performed (considering closed Integrity Due Diligence Analysis).

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

EDPR's Integrity Policy aims to define the general principles of action and the duties for the Company, its employees, and business partners, in order to avoid the commission of criminal and administrative offences, in particular, conducts associated with crimes of corruption and bribery, money laundering and terrorism financing, antitrust/anti-competitive practices and non-compliance with data protection requirements.

The Integrity Policy is complemented by other procedures that facilitate the application of its principles and guidelines, namely: (i) the Donations and Sponsorships Procedure, (ii) the Offers and Events Procedure and (iii) the Conflict-of-Interest Procedure.

Training and communication are fundamental tools to strengthen and disseminate the ethic and integrity culture. In that sense, the following activities have been developed in 2023:

- Global training on the Speak Up whistleblowing channels and on the Complaints Management Procedure.
- Monthly global publication of the Compliance Golden Rules, raising awareness of the main principles of different compliance areas, including specific topics related with the Integrity procedures.
- Communication campaigns to disseminate integrity topics as the celebration of the Compliance Officer day, the Compliance day and Anticorruption day.
- Trainings online to reinforce specific procedures as Integrity Due Diligence Procedure and Intermediary Agreements Procedure.

GRI 205-3 – Confirmed incidents of corruption and actions taken

EDPR has no knowledge of any confirmed incident of corruption in 2023, neither in 2022.

Note: For the information reported in this indicator, EDPR claims/doubts reported in the Speak Up Channel and considered as founded, and penalties reported in EDPR's Financial Statements.

GRI 406-1 – Incidents of discrimination and corrective actions taken

EDPR has no knowledge of any incident of discrimination in 2023, neither in 2022.

Note: For the information reported in this indicator, EDPR claims/doubts reported in the Speak Up Channel and considered as founded, and penalties reported in EDPR's Financial Statements.

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GRI 407-1 – Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses to respect freedom of trade union association and recognise the right to collective bargaining. During 2023, neither in 2022, EDPR did not register any claims/doubts in the Speak Up Channel regarding operations with significant risk where the right to freedom of association and collective bargaining may be at risk. In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were identified in which the right to exercise freedom of association and collective bargaining may be at significant risk. Through this study, EDPR aimed to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

GRI 408-1 – Operations and suppliers at significant risk for incidents of child labour

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses against child labour. During 2023, neither in 2022, EDPR did not register any claims/doubts in the Speak Up Channel regarding operations with significant risk for incidents of child labour. In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were as having significant risk for incidents of child labour. Through this study, EDPR aimed to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts. In order to avoid potential human and labor rights risks in the supply chain, especially related to forced and child labor, EDPR assess main equipment suppliers regarding to their commitments and measures in this area, as well as their own supply chain management to protect human and labour rights in the upstream processes. In addition, during the contractual phase, EDPR includes ESG and traceability clauses in critical equipment contracts, in order to avoid risk situations and areas. Finally, EDPR maintains a continuous engagement with suppliers during their contractual relationship, in order to learn about new measures and best practices in this area.

Please refer additionally to sections 3.5 Supply Chain Capital and 4.6 Suppliers Management for more information on human rights management in the supply chain.

GRI 409-1 – Operations and suppliers at significant risk for incidents of forced or compulsory labour

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses against forced labour. During 2023, neither in 2022, EDPR did not register any claims/doubts in the Speak Up Channel regarding operations with significant risk for incidents of forced and compulsory labour. In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were as having significant risk for incidents of forced or compulsory labour. Through this study, EDPR aimed to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts. In order to avoid potential human and labour rights risks in the supply chain, especially related to forced and child labour, EDPR assess main equipment suppliers regarding to their commitments and measures in this area, as well as their own supply chain management to protect human and labour rights in the upstream processes. In addition, during the contractual phase, EDPR includes ESG and traceability clauses in critical equipment contracts, in order to avoid risk situations and areas. Finally, EDPR maintains a continuous engagement with suppliers during their contractual relationship, in order to learn about new measures and best practices in this area.

Please refer additionally to sections 3.5 Supply Chain Capital and 4.6 Suppliers Management for more information on human rights management in the supply chain.

Other corporate ethics topics

Money laundering

The money laundering risk involves acquiring, possessing, using, converting, or transmitting goods knowing that they have their origin in a criminal activity, or perform any other act that seeks to cover their illicit origin. EDPR has identified in its Compliance Model the money laundering risk and has developed several controls and measures to minimise the probability of occurrence. Currently, the money laundering risk is categorised as low.

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4.15. Reporting principles

EDPR has reported in accordance with the GRI Standards for the period from January 1st, 2023, to December 31st, 2023.

GRI Standards reporting principles

Reporting quality

Balance

The content of the Report considers both the most positive facts of the year and those less positive when materially relevant.

Comparability

The information reported covers a two-year time series in the material topics indicators relevant to EDPR's business (Chapter 4.1. Materiality assessment) and enables a comparative analysis of the company's performance.

Transparency

A glossary is provided at the end of this report, helping to understand some of the technical terms used.

Accuracy

The scope of the Report is explained, as well as the consolidation criteria. All exceptions and changes to criteria are duly identified and highlighted. The definitions and descriptions of the calculation methodologies of the main indicators employed are available online, in the glossary.

Timeliness

The Report has an annual frequency and covers the calendar year 2023.

Reliability

External verification is a guarantee of the reliability of the content, regarding the indicators included in Annex III and Annex IV of this chapter.

Content principles

Sustainability context

Within the framework of the defined strategy, EDPR fosters a corporate culture of permanent demand for excellence in sustainability.

EDPR's sustainability performance is globally reported based on the consolidation criteria defined and described in the next point. Regarding the subsidiary companies, the group defines a clear strategy for continuous improvement of its performance, supported by the internal process of identifying the year's material issues and emerging trends in the sector, always considering the local conditions in which it operates. Regarding the jointly controlled companies, the group positively influences its performance and highlights the major initiatives of the year throughout the Report, when materially relevant. In the supply chain, the approach is management, and the material issues are published. In this context, the group advocates a relationship supported in trust, collaboration and shared value creation.

Consolidation criteria

The consolidation criteria of non-financial information includes the subsidiary companies where the group exercises control, and the performance of companies is reported at 100%. A list with the companies and the respective consolidation method is available in Annex I of Part II – Financial statements.

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Inclusion of stakeholders

The principle of inclusion envisages that stakeholders are consulted, that their expectations and concerns are known and are incorporated into the decision-making process.

Periodically, interaction initiatives are promoted with different segments of the company's stakeholders, while there are also dedicated communication channels devoted to specific segments.

Response and Integrity

EDPR undertook commitments and delineated action plans for material topics, replying strategically to the main stakeholders' expectations. The Objectives and Goals are listed in Chapter 2.2. Strategic approach, and in Chapter 4.1. Materiality assessment is EDPR's materiality matrix for 2023, whose topics are developed throughout the document.

Materiality

In terms of sustainability management and reporting on its performance, EDPR periodically identifies the topics and trends that in the short, medium and long term are capable of influencing value creation for the company. The Material Issues add both financial and non-financial dimensions, namely those of the economic, environmental and social dimensions that may influence, or be influenced by, different EDPR stakeholders.

The materiality analysis assesses and prioritises the relevance of an issue for EDPR and its respective stakeholders, periodically reviewing their expectations in order to support the organisation's decision-making and strategy development process.

More detail on the EDP group's internal methodology for determining Materiality, as well as the list of topics analysed in 2023, is available in Chapter 4.1. Materiality assessment.

External assurance

The external verification of non-financial content, carried out by PwC with the scope of a limited assurance engagement, covers the information identified in Annex III: Statement of Non-Financial Information, and Annex IV: GRI Content Index.

Global Reporting Initiative

The GRI Standards are the first global standards for sustainability reporting, representing the global best practice for reporting on a range of economic, environmental and social impacts. A company's adherence to this initiative means that it concurs with the concept and practices of sustainability. This Annual Report has been prepared with reference with the GRI Standards in its Core option, and these Standards have been independently assured according to ISAE 3000 by PwC.

United Nations Global Compact

Global Compact is an initiative of the United Nations launched in 2000 that defines guideline directives for businesses that opt to contribute to sustainable development. EDPR has become signatory of this initiative and is committed to put these principles into practice, informing society of the progress it has achieved.

Additionally, in 2015, in the United Nations General Assembly, the world leaders decided to assume a set of global goals to change the world until 2030. The agenda that must guide the joint work of governments, citizens, companies, and organisations, consists of 17 Sustainable Development Goals (SDGs) with the ambition of ending poverty, fighting against inequality and stopping climate change. EDPR will direct its contributions to eight of the 17 Sustainable Development Goals.

WE SUPPORT

UN GLOBAL COMPACT

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Annex I: Alignment with TCFD recommendations

Background of TCFD and climate-related risks and opportunities

Climate change has become one of society's greatest challenges in the short, medium and long term. In addition, international organisations such as the Intergovernmental Panel on Climate Change (IPCC) highlight the significant impact that changes in climate patterns may have in the coming future. Faced with this scenario, all organisations, from investors to companies themselves, are working to make their assets more resilient to changes in weather and climate patterns. Given the growing concern of various stakeholders about the resilience of companies to the risks and opportunities of climate change, the Task Force on Carbon-related Financial Disclosures (TCFD) published in 2017 a set of recommendations on how to analyse, incorporate and disclose climate transition and long-term resilience, with the aim of increasing transparency and information provided to stakeholders.

The EDP Group and EDPR have been adopting the recommendations issued by the TCFD, and in 2021 launched a project to deepen them, specifically in the integration of climate and its risks and opportunities within the governance, strategy, risk management and metrics and targets of the companies, as well as in the implementation of a regular process for assessing climate risks and opportunities (including their identification and quantification).

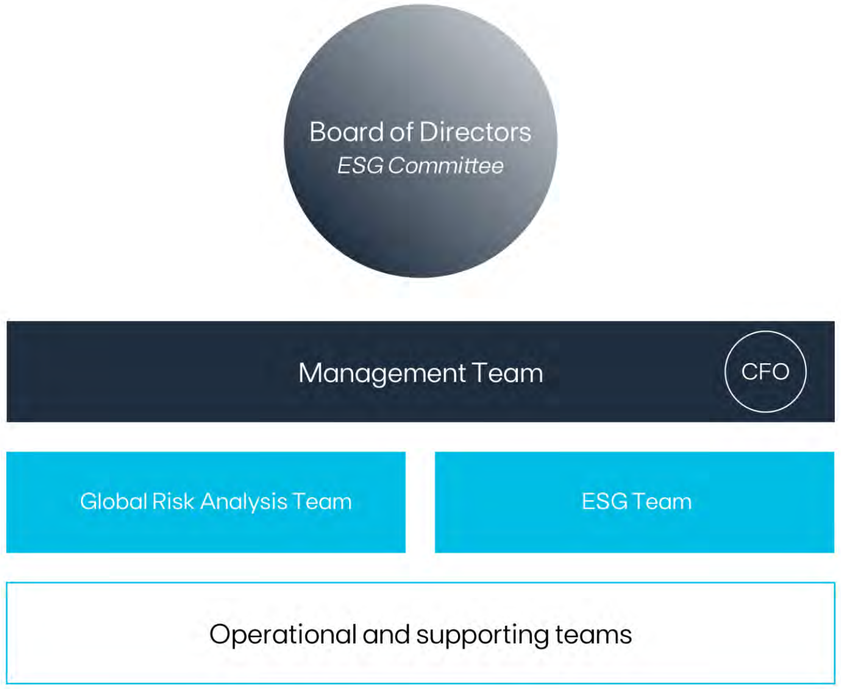
EDPR integrates weather patterns in its decision making and analysis of its assets, in order to anticipate and implement adaptation measures for any potential risk. In this annex, EDPR reports its theoretical approach to TCFD recommendations and some of the measures implemented to integrate climate-related risks and opportunities are the following ones.

EDPR's Climate Governance

The organisation has an ESG Committee that leads and oversees the management of the Company's ESG aspects. This ESG Committee, which is part of the Board of Directors – composed of independent directors – is the highest governance body in the management of climate-related risks and opportunities. In addition, given the relevance of climate aspects for the financial performance of the company, the person responsible for the supervision of climate aspects at Management Team level is the Chief Financial Officer (CFO).

EDPR's governance receives regular updates on the identification and assessment of climate risks and opportunities, as well as the implementation of concrete measures in this regard. In addition, the Board of Directors' remuneration policy includes among its KPIs a series of ESG objectives for the Company, with climate action, through an increase in renewable installed capacity, being one of the priorities.

Finally, at the technical and operational level, the process is led by the Global Risk and Sustainability/ESG Departments, with the collaboration of other departments. Different departments and teams contribute with their expertise in the process, in terms of technical knowledge, information in the field or in dealing with specific climate and environmental issues. The following figure summarises the internal supervision and monitoring process for climate issues:



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Strategy, Climate Risks and Opportunities

Climate risks have an annual basis dedicated process, that aims to assess which are the most relevant climate risks and opportunities, in order to test financial resilience regarding climate transition. The main activity carried out is a quantification exercise led by the corporate Risk Global Unit, analysing each significant risk according to three-time horizons (Business Plan horizon of 3 years (2025), 2030 and 2050) and under three different climate scenarios, each one integrating a physical and a transition scenario. The exercise is later on consolidated at Group level to obtain a global result.

Climate-related time horizons and scenarios

A narrative was constructed for each scenario, based on the RCP (Representative Concentration Pathway) scenarios of the IPCC for the analysis of physical risks, and on the IEA (International Energy Agency) scenarios, with some internal adjustments to better reflect our reality, for the analysis of transition risks. This table below summarises the main risks and opportunities that the Company has analysed:

Physical Risks	Transition Risks	Transition Opportunities
Chronic risk • Rising temperatures • Rising sea levels • Water availability • Wind availability	Regulatory and legal risk	Energy sources
	Market risk	Products and services
	Technology risk	Resource efficiency
Acute risk • Days of extreme heat/cool • Consecutive days of extreme heat/cool • Extreme events (wind, precipitation, fires)	Reputacional risk	Markets
		Resilience

All of the above risks are aggregated into three main scenarios that have been used to quantify risks and opportunities:

	Transition scenario	Physical scenario
As green as it gets (AGG)	Net Zero Scenario (IEA)	RCP 2.6 (IPCC)
A bit greener than today (BGT)	Base case scenario (resulting from several international sources), assuming that of market prices changes will not be significant between the two scenarios, due to short/ mid term nature of transition risks	RCP 4.5 (IPCC)
Slow move towards transition (SMT)		RCP 8.5 (IPCC)
Time periods assessed	• 2025 • 2030 • 2050	• 2025 • 2030 • 2050

The physical scenarios have the following narrative:

- RCP 2.6: considers (1) compliance with the Paris Agreement; (2) that the energy system reaches carbon neutrality by 2070; (3) that the temperature rises between 1.5ºC and 2ºC; and (4) that the average sea level rises by 0.4m and ocean acidification begins to recover by 2050;
- RCP 4.5: considers that (1) the Paris Agreement is not fulfilled; (2) the temperature rises between 2ºC and 3ºC and extreme temperatures become more frequent; and (3) the sea level rises by 0.5m and many species are unable to adapt;
- RCP 8.5: considers that (1) the Paris Agreement is not fulfilled; (2) the temperature rises by more than 3ºC; (3) extreme events become more frequent and there are large variations in rainfall; and (4) the sea level rises by 0.7m.

The transition scenarios have the following narrative:

- Net Zero Scenario (NZE) with internal adjustments: assumes (1) that the global energy sector achieves net zero CO_2 emissions by 2050; (2) economic growth and job creation related to sustainable energy; (3) a more resilient and cleaner energy system; and (4) full international co-operation for sustainable development;

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- Base Scenario: assumes that (1) the announced policies are generally complied with, and no additional effort is made towards sustainable development; and (2) policies, albeit limited, are adopted to reduce the use of fossil fuels, but demand is still high.

Climate-related risks and opportunities

EDPR has three specific climate risk and opportunity taxonomies, which are aligned with the structure recommended by TCFD, and is validated and updated regularly. Climate risks are present in several risk categories, mainly the physical risks impact at business level, the energy market risks and other at the operational level such as damages, efficiency losses or delays. Transition risks and opportunities impact at strategic level, the surrounding context (technological disruption, changes in competitive paradigm...), at business level (commodity, pool prices, regulation...) and at an operational level (legal, compliance, ethics...).

When analysing the risks, both physical and transitional, the Company has taken into consideration the following descriptions and variables when determining whether or not they were significant in the different time horizons and scenarios:

Physical risks description in EDPR's climate scenarios

PHYSICAL RISKS		
RISK CATEGORY	RISK	VARIABLE
Chronic	Temperature increase	Average temperatura rise
	Sea level rise	Rise of sea level
	Water availability	Average precipitation variation Average days with rainfall <1mm var
	Wind availability	Average wind speed
Acute	Extremely hot days	Days w/ temperature >35°C
	Extremely consecutive hot days	Consecutive days w/ temperature >35°C
	Extremely cold days	Days w/ temperature <0°C
	Extremely consecutive cold days	Consecutive days w/ temperature <0°C
	Extreme wind events	Extreme events per year
	Extreme rain events	
	Extreme wildfire events	Wildfires per 100ha

Transition risks description in EDPR's climate scenarios

TRANSITION RISKS	
RISK CATEGORY	VARIABLE
Regulatory and legal risk	Related to concerted government action to adopt climate mitigation and adaptation strategies, e.g. change in renewable energy support schemes
Market Risk	Resulted from changes in market dynamics, influenced, for example, by changes in customer behaviour and changes in market fundamentals
Technological Risk	Related to the adaptation of new technologies requiring greater investment by organizations
Reputational Risk	Referred to increased stakeholder concern and influence of public opinion

Transition opportunities description in EDPR's climate scenarios

TRANSITION OPPORTUNITIES	
TRANSITION CATEGORY	VARIABLE
Energy Source	Resulted from the use of incentive policies for renewable generation, leveraging on the existing generation portfolio
Products and Services	Driven by the development and expansion of low carbon products and services, and in the electrification of consumption as a measure to decarbonise the economy, and (potentially) in the increased demand for energy for heating/cooling due to the influence of physical risks
Resource Efficiency	Related to the reduction of operational costs by increasing efficiency in the processes of the value chain
Markets	Related to the access to new markets through geographic, technological, and business diversification. The issue of Green Bonds for low carbon generation is also a new opportunity
Resilience	Driven by the development of adaptive capacity to respond to climate change, to manage the associated risks and take advantage of the opportunities

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Quantification of climate-related risks and opportunities. *Value@Risk*

EDPR has identified and quantified a set of climate risks and opportunities assuming its current strategy, over the three scenarios and time horizons mentioned above. The quantification methodology is based on individual analysis of the impact on EBITDA of each risk (physical and transition) and opportunity, carried out for most of EDPR's portfolio. This quantification considers the identification of the physical variables and their evolution according to specialists, and the political/ social/ economic/ technological narratives related to the different scenarios.

The quantification method depends on each risk and opportunity, using, whenever possible, the direct method (expected loss/ gain and maximum loss/ gain P95%), or alternatively the indirect method (probability/ frequency, average impact, and maximum impact P95%).

This process enables the company to identify significant climate risks, manage them and implement mitigating measures to reduce their impact on financial results.

g. Physical and transition significant risks

CATEGORY	RISK	MAIN IMPACTS	ADAPTATION MEASURES
Physical Chronic Risk	Temperature increase	Rise of energy losses Loss of efficiency Demand increase	Diversification in geographies and technologies; Increase in demand as a natural mitigation; Firewalls in facilities; Emergency and Self Protection plans. Merchant exposure
Physical Acute Risk	Extreme temperatures (heat or cold wave)	Unpredictability of consumption Malfunction of turbines and panels	Energy risk management through hedging strategy; Cooling systems in turbines; Assets strengthening and resilience; Firewalls in facilities; Emergency and Self Protection plans; Preventive shutdown systems for wind turbines in extreme situations
Physical Acute Risk	Extreme events (wind and rain)	Disruption of generation activities and damage to assets Increase operating costs	Preventive maintenance Insurance plans; Asset resiliency and facility strengthening Strengthening of business continuity and crisis management plans. Preventive shutdown systems for wind turbines in extreme situations
Transition Risk – Technology	Existing assets devaluation or substitution due to technological obsolescence	Devaluation/ replacement of assets due to technological obsolescence	Business Innovation; Repowering and dismantling processes; Monitoring of market trends.

The assessment carried out on physical and transition risks lead to the following conclusions:

- Acute physical risks are slightly higher in the AGG scenario, in which extremely cold days should be more frequent, correlating with the existence of phenomena such as snow downs and blizzards that are a principal cause for malfunctions of EDPR's assets.
- Physical variables such as temperature increase, and higher number of extremely hot days are aggravated. This results in higher demand, that drives up pool prices, implying better merchant revenues and turning into an opportunity to EDPR.
- EDPR's risk is slightly bigger in the AGG scenario, explained by the impact of market variables and lower pool prices.
- Policy & legal risk refers to noncompliance with regulations obtained from internal knowledge, assumed to be constant for current portfolio and increase proportionally with an increase in MWs.

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h. Transition opportunities

CATEGORY	OPPORTUNITIES	MAIN IMPACTS AND BENEFITS
Transition opportunity- Energy Source	Use of lower-emission sources of energy	Resource efficiency
Transition opportunity- Products and Services	Rise of power demand	Increase in business opportunities
Transition opportunity- Markets	Access to new markets	Increase in installed capacity and different remuneration schemes

The assessment carried out on transition opportunities lead to the following conclusions:

- Transition opportunities are more valuable in the AGG scenario, when the transition effectively occurs.
- The access to new markets and use of more efficient modes of transport should see an upsurge in the AGG scenario, thus presenting a greater opportunity for installing additional MWs and obtaining extra revenues.

From the analysis, it was concluded that the geographical and technological diversification from EDPR's portfolio significantly helps mitigate the potential risks. In addition, for those risks that EDPR has quantified as significant, the Company has identified a series of adaptation and mitigation measures that EDPR has currently in place in some markets and may replicate in others in the short, medium and long term.

This entire process of identifying, quantifying, and monitoring risks and opportunities allows the Company to integrate changes in weather patterns and climate change possible impacts into its decision making, planning and financial strategy, thus improving the Company's resilience to a changing climate.

Climate Metrics and Targets

The analysis and quantification of the above-mentioned climate issues establishes the criteria and variables that the Company has identified when evaluating these risks and opportunities.

To monitor compliance with the medium and long-term objectives established at Group level, a set of indicators and metrics has been defined to monitor EDPR's climate performance, including both contribution to climate change mitigation and how the Company adapts its assets.

Climate-related metrics and targets

INDICATOR	CATEGORIES	REFERENCE
Scope 1 emissions	Mobile combustion: car fleet emissions Fugitive emissions: e.g., SF6 Gas consumption in office buildings	GHG Protocol, TCFD, CDP, GRI
Scope 2 emissions	Electricity consumption in office buildings, if supplied by third parties Self-consumption of electricity in wind and solar parks, provided that it is supplied by third parties	GHG Protocol, TCFD, CDP, GRI
Scope 3 emissions	Purchased goods and services Capital goods Fuel and energy related activities Upstream transport and distribution Wastes generated in operations Business travel Employee commuting	GHG Protocol, TCFD, CDP, GRI
CO_2 specific emissions	GHG emissions (scope 1 or Scope 2 and 3) per MWh generated or turnover	GRI
% Renewable installed capacity	EU1 indicator GRI	GRI
% Renewable generation	EU2 indicator GRI	GRI
% Fleet electrification	305-1 Indicator GRI	GRI
Avoided CO_2 (by renewable generation)	Emissions that would have occurred if electricity from renewable energy sources in each geography had been solely produced by the mix of thermoelectric power stations in that geography.	GRI

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The consolidation of these indicators is done quarterly at corporate level through a Results Report, and annually in the Annual Report. The data is verified annually by an independent auditor. It is thus possible to monitor the evolution of the indicators against the defined targets, both quarterly and annually.

Regarding climate change mitigation and adaptation targets, EDPR's activity inherently contributes to the fight against climate change. Emissions generated by the Company and its supply chain in 2023 represent only 12% of its avoided emissions.

EDPR, aware of the importance of its supply chain in achieving its business objectives and reducing emissions, has launched an engagement effort with its main suppliers, with the aim of promoting decarbonization in the supply chain and in the emissions generated in the Company's upstream processes.

Lastly, it should be noted that the Company has worked in 2023 on identifying solutions that will enable it to identify physical and transition risks at the asset level. Work will continue in the coming months, with the aim of being able to compile this type of risk at the level of wind or solar farm or set of distributed panels.

Adaptation to climate change in EDPR

The implementation of a working group, as well as the identification of risks in the markets in which the Company operates, allows EDPR to implement adaptation measures that are adjusted to the meteorological conditions of the location where the facility is located.

Adaptation measures start from the selection of the facility in the development phase, with environmental and other complementary studies. After this first step, the Company identifies the characteristics necessary for the equipment to withstand the potential weather conditions of the region, current and future ones.

Among the adaptation measures implemented by the company are the impact studies on the site to be developed, self-protection plans for the facilities and weather stations are some of the transversal adaptation measures implemented by EDPR.

In addition, depending on the technology (solar or wind), during the procurement process, priority is given to characteristics such as: greater panel thickness, position of the structures, ice protection systems, lightning protection, measures to prevent corrosion or measures to protect the assets against extreme winds or other meteorological events.

In addition, the Company complements the asset generation monitoring exercise by including meteorological variables to determine the impact on generation caused by abnormal wind or sun conditions.

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Annex II: Taxonomy Alignment. KPIs under Article 8º of EU Taxonomy

Background and EDPR's taxonomy approach

The European Union Taxonomy Regulation published in the official journal of the European Union on June 18, 2020 (EU 2020/852) sets out the criteria for an activity to be qualified as environmentally sustainable. It is the key instrument to achieve the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European green deal. It is also a forward-looking tool for the transition finance process purpose of the companies. Concerning capital expenditure, EDPR is a 100% renewable energy company and its investments are aimed at continuing to grow its renewable installed capacity, investing in new technologies such as hydrogen and storage.

The EU Taxonomy Regulation has the following three main areas according to article 3º:

- The performance levels of activities which make a substantial contribution (SC) to at least one of the six EU's environmental objectives as defined in the articles 10º to 15º regulation of the Taxonomy (1. Climate change mitigation; 2. Climate change adaptation; 3. Protection and restoration of biodiversity & ecosystems; 4. Transition to a circular economy; 5. Sustainable use and protection of water and marine resources; 6. Pollution prevention and control) and complies with technical screening criteria (TSC) that have been established in accordance with Articles 10º to 15º
- Do no significant harm (DNSH) to any of the other five environmental objectives as stipulated in the article 17º of Taxonomy and
- Comply with the minimum social safeguards (MSS) as stipulated in the article 18º of Taxonomy which meaning governance standards and do not violate social norms, including human rights and labour rights.

Articles 10º to 15º Substantial contribution to the six environmental objectives

The two environmental objectives that were in force in FY2022

- Climate change mitigation economic activities should contribute substantially to the stabilisation of greenhouse gas emissions by avoiding or reducing them or by enhancing greenhouse gas removals (article 10º)
- Climate change adaptation economic activities that pursue the environmental objective of climate change adaptation should contribute substantially to reducing or preventing the adverse impact of the current or expected future climate, or the risks of such adverse impact, whether on that activity itself or on people, nature or assets (article 11º)

The two environmental objectives that were in force in FY2023:

- The **sustainable use and protection of water and marine resources** activities should contribute substantially to the good status or the good ecological potential of bodies of water, including surface water and groundwater, or to the good environmental status of marine waters (article 12º)
- Economic activities should contribute substantially to the **transition to an economy circular**, for example, if they increase the durability, reparability, upgradability, and reusability of products, or can reduce the use of resources through the design and choice of materials, facilitating repurposing, disassembly and deconstruction in the buildings and construction sector, in particular to reduce the use of building materials and promote the reuse of building materials (article 13º)
- An economic activity shall qualify as contributing substantially to **pollution prevention and control** where that activity, for example, preventing or, where that is not practicable, reducing pollutant emissions into air, water, or land, other than greenhouse gasses (article 14º)
- An economic activity shall qualify as contributing substantially to the **protection and restoration of biodiversity and ecosystems** where that activity contributes substantially to protecting, conserving, or restoring biodiversity or to achieving the good condition of ecosystems, or to protecting ecosystems that are already in good condition, through for example, nature and biodiversity conservation and sustainable land use and management (article 15º)

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Doing no significant harm (Article 17º – Significant harm to environmental objectives)

- **Climate change mitigation** if it does not lead to significant greenhouse gas (GHG) emissions
- **Climate change adaptation** if it does not lead to an increased adverse impact of the current climate and the expected future climate, on the activity itself or on people, nature, or assets
- **The sustainable use and protection of water and marine resources** if it is not detrimental to the good status or the good ecological potential of bodies of water, including surface water and groundwater, or to the good environmental status of marine waters
- **The circular economy**, including waste prevention and recycling, if it does not lead to significant inefficiencies in the use of materials or in the direct or indirect use of natural resources, or if it does not significantly increase the generation, incineration, or disposal of waste, or if the long-term disposal of waste does not cause significant and long-term environmental harm
- **Pollution prevention and control** if it does not lead to a significant increase in emissions of pollutants into air, water, or land
- **Protection and restoration of biodiversity and ecosystems** if it is not significantly detrimental to the good condition and resilience of ecosystems, or not detrimental to the conservation status of habitats and species, including those of EU interest.

Article 18º – Minimum safeguards (MSS)

- Article 18º of the Taxonomy Regulation lays down specific requirements for minimum safeguards referring both to international standards of responsible business conduct under Article 18(1) (Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises (OECD MNEs) and the UN Guiding Principles on Business and Human Rights (UNGP)) and to the principle of 'do no significant harm' of the Sustainability- related disclosures in the financial services sector (SFDR) under Article 18(2), which requires the consideration of a list of principal adverse indicators.

- This has the function to establish social and governance criteria for the entity which carries out an environmentally beneficial activity as defined by technical screening criteria. It is expected that the companies under the Corporate Sustainability Reporting Directive (CSRD) assess their compliance with MSS as part of their disclosures under article 8º of the EU Taxonomy Regulation
  - **Human Rights:** equal opportunities for all -secure and adaptable employment; wages; social dialogue; collective bargaining and the involvement of the workers; work-life balance; a healthy safe and well-adapted work environment; other fundamental rights for the respect of Human rights
  - **Bribery:** anti-corruption and anti-bribery
  - **Taxation:** good practices
  - **Fair competition:** good practices
- The due diligence process for verifying the implementation of the article 18º should cover the following six steps:
  - **1.** adopting and embedding a commitment to those topics into policies and procedures
  - **2.** Identification and assessment of adverse impacts
  - **3.** Tracking actions and **4.** racking implementation of the actions
  - **5.** Communicating publicly and **6.** Providing or cooperating in remediation

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EU Taxonomy Key Dates

2020 – Taxonomy Regulation| Regulation (EU) 2020/852 of the Parliament and of the Council of June 2020.

2021 - Climate Taxonomy| Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (applicable from 1 January 2022) which establishes the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation

2021 - Taxonomy article 8º| Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021- specify the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation. Includes also the templates for the KPIs of non-financial companies (applicable from 1 Jan. 2022)

2022 - Climate Taxonomy| Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 which amending the delegated regulation 2021/2139 and 2021/2178, which includes the activities for nuclear energy generation and gas natural

2023- Climate Taxonomy| European Commission Communication of the 27 June 2023, C(2023) 3850 amending Delegated Regulation (EU) 2021/2139 of 27 June 2023, establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation (on macro-sectors of 3. manufacturing; 6. transport) or climate change adaptation (5. Water supply, sewerage, waste management and remediation; 8. Information and communication; 9. Professional, scientific and technical activities; 14. Disaster Risk Management)

2023 - Environmental Taxonomy| European Commission Communication of the 27 June 2023, C(2023) 3851,supplementing Regulation (EU) 2020/852, of 27 June 2023, by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially:

- to the sustainable use and protection of water and marine resources (1. Manufacturing; 2. Water supply, sewerage, waste management and remediation; 3. Disaster Risk Management; 4. Information and communication)
- to the transition to a circular economy (1. Manufacturing; 2. Water supply, sewerage, waste management and remediation; 3. Construction and real estates activities; 4. Information and communication; 5. Services)
- to pollution prevention and control or to the protection and restoration of biodiversity and ecosystems (1. Manufacturing; 2. Water supply, sewerage, waste management and remediation)
- to protection and restoration of biodiversity and ecosystems (1. Environmental protection and restoration activities; 2. Accomodation activities)
- Includes also the amendments to templates of the delegated act (EU) 2021/2178 (due to apply from January 2024)

2023 – Taxonomy Regulation| European Commission Communication of 16 June 2023, 2023/C 211/01, on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and links to the Sustainable Finance Disclosure Regulation

2023- Climate Taxonomy| European Commission Communication of 20 October 2023, C/2023/267, on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act

2023 – Article 8º of EU Taxonomy| European Commission Communication of 20 October 2023, C/2023/305 on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation

Transparency of the company in non-financial statements

Scope of the disclosure for the three financial environmental indicators

The scope refers to the compliance with the EU Taxonomy requirements for the assets where EDPR exercises control as of 31 December 2023. These assets and entities have their revenues consolidated in the EDPR's revenues (note 7 "Revenues and cost of energy sales and services and other" of Part II - Financial Statements and notes of the Integrated Annual Report 2023).

The investments in joint ventures and associates are included in the consolidated financial statements under the equity method from the date the Group acquires joint control/and has significant influence, to the date it ceases. These entities do not have their revenues

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consolidated in the EDP' s revenues, only the changes in the company' s value (note 21 - " Investments in Joint Ventures and Associates" in the notes of Part II - Financial Statements and notes of the Integrated Annual Report 2023.

For changes in the consolidation perimeter, please refer to Integrated Annual Report 2023, Part II – Financial Statements, note 6 "Consolidation perimeter".

The companies, like EDPR, subject to Article 19ºa or article 29a of Directive 2013/34/EU must give information about the eligibility based on the list of environmental sustainable economic activities under Taxonomy, the alignment in accordance with the main parts mentioned before (SC; TSC; DNSH; MSS) and the disclosure about the taxonomy-aligned activities expressed as share of turnover (reflecting the share of green revenues from green activities) Capital Expenditure (reflecting the share of green investments from green activities) and Opex (reflecting the share of green operational costs from green activities).

Disclosure for the three financial environmental indicators

The disclosure of the proportion of the turnover, capital expenditure and operating expenditures aligned, eligible and non-eligible with the European Taxonomy is made under the new templates for reporting the financial environmental key indicators under the Annex V of the European Commission Notice C (2023) 3851 which amends the Annex II of the Commission Delegated Regulation (EU 2021/2178). In addition, the disclosure of the proportion of fossil gas energy activities is made under the templates of the annex XII of the Commission Delegated Regulation (EU 2022/1214).

The eligibility by NACE code activities for mitigation climate change

- EDPR generation activities: Considering that EDPR's core business is the development, construction, operation and maintenance of electricity generating power stations using renewable energy sources (wind and solar).
  - D35.11 – Electricity generation using solar photovoltaic technology (activity 4.1); Electricity generation from wind power (4.3);
  - F42.22 - Installation, maintenance and repair of renewable energy technologies (7.6).

This Annex II includes information on how EDPR complies with the taxonomy requirements:

- The substantial contribution to meet the climate change mitigation (TSC).
- The confirmation that its activities do no significant harm (DNSH) the remaining environmental objectives.
- The compliance with the Minimum Safeguards (MS).
- The turnover, the capital expenditures (CAPEX) and the operational expenditures (OPEX) associated eligible, aligned and non-eligible.

EDPR's verification process regarding to DNSH requirements

In its Environmental Policy, EDPR outlines a set of commitments (Climate Change mitigation; Circular Economy promotion; and Biodiversity protection) that safeguard the implementation and maintenance of appropriate and effective environmental management systems and processes.

EDPR's Environmental Policy provides the framework for determining material environmental issues. EDPR promotes environmental protection and integrates it into the decision-making processes in the different phases of the projects: 1) Development; 2) Construction; 3) Operation and maintenance; 4) Dismantling and Repowering. The Company also includes a previous prospection phase, in order to identify the best locations for the future facilities. This additional phase also includes the identification of potential environmental issues.

EDPR's approach regarding to DNSH criteria is detailed below.

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Climate Change Adaptation

How EDPR demonstrates that has a process to evaluate climate risk and perform vulnerability assessment for our projects and operations?

Climate change-related risks and opportunities are fully integrated into EDPR's risk management procedures, . The Company assess these risks and opportunities each year following a a process structured into three distinct phases:

- **Phase 1** – EDPR ensures an identification of risks and opportunities in its main markets, under the TCFD's recommendations. This identification involves the validation process of the taxonomy of climate risks and opportunities aligned with EDP's corporate taxonomy. For more details consult Index GRI Reporting, 4.14 "Reporting Principles", and also Annex I Alignment with TCFD recommendations of the Consolidated Management Report 2023. It should be noted that the identification of material risks for EDPR is based on a prior list, as identified in the table in Section II of Appendix A of Annex I of the Delegated Regulation 2021/2139, of June 4. The TCFD Annex indicates the risks identified as material by the Company.
- **Phase 2** – In its climate-related risk analysis EDP is looking for validating and update the climate-related scenarios for physical and transition risks. To incorporate both physical and transitional scenarios, EDP developed three unique scenarios. A narrative is created for each scenario, and the various risk variables are assessed for the 2025, 2030, and 2050 time frames. EDP restricted the number of physical scenarios to three: RCP 2.6, RCP 4.5 and RCP 8.5, and for transitional risks, EDP is using the scenario Net Zero (NZE) of International Energy Agency (IEA) and a baseline scenario that came from international sources, as for example, Aurora and Baringa, among others.
- **Phase 3** – Climate-risk quantification and analysis of the risks based on the aggregated climate-related value@risk. Each Business Unit and each area does a unique analysis of the impact of each risk and opportunity (physical and transitional) on EBITDA, which forms the basis of the quantification process. This quantification considers the expert identification of physical variables, their evolution, and the narratives about politics, society, economy, and technology associated with the various scenarios. Whenever feasible, the direct technique (anticipated loss/gain and maximum loss/gain at P95%) or, alternatively, the indirect method (probability/frequency, impact medium, and maximum impact P95%) is used to quantify each risk and opportunity. The aggregation of losses and gains takes into account correlations between opportunities and risks as well as between geographies for the Group's analysis. In addition, the Group has climate change adaptation plans in place in its business units to ensure the resilience of infrastructure that may be exposed to extreme events of greater intensity and frequency, compared to reality as we know it to-day.

In addition, the identification of climate risks, not only at the level of corporate risk identification but also at the operational level, allows the Company to identify and implement adaptation measures from the purchase of equipment to the operation and maintenance phase of the projects, including the development and construction phases. Procurement teams select the appropriate equipment with the necessary characteristics to adapt the assets to the weather conditions in the different regions. Finally, the Company implements climate change adaptation measures at its own facilities and continuously monitors environmental variables that may affect its activity.

For more details about our approach and compliance with Appendix A "Generic Criteria for DNSH to climate change adaptation" consult EDP website (https://www.edp.com/en/sustainability/adaptation-to-climate-change) for a breakdown of the physical risks associated with climate change by activity, an assessment of the main physical risks, and examples of initiatives that execute solutions for climate change adaption.

It should be emphasised that EDPR has not made a differentiation between CAPEX related to eligible activities that contributes substantially to Climate Change Mitigation to which that are CAPEX associated with climate change adaption initiatives.

Please also refer to Annex I. TCFD Alignment for more information regarding EDPR's climate- related risks and opportunities assessment and adaptation measures.

Please, refer to Annex I for more information regarding EDPR's TCFD Alignment.

Protection and restoration of biodiversity and ecosystems

EDPR's Business Plan for 2023-2026 includes targets related to Nature, with the overarching goal of achieving net zero emissions by 2040. EDP has set a corporate objective to attain a Biodiversity "Net Gain" in all new projects with significant residual impacts by 2030. By 2026, EDP aims to have implemented Net Gain Biodiversity tracking systems in 100% of new projects, signifying the need for all internal knowledge and resources to be in place to enable the company to meet Nature's 2030 targets. Additionally, under EDP's corporate commitments, EDP R will not build new generation facilities in Natural Heritage Sites from the UNESCO World Heritage List".

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EDPR is aware of the sensitivity of natural ecosystems and the pressures affecting biodiversity. EDPR's Environmental Policy establishes the Company's specific commitments to contribute to the mitigation of climate change, the promotion of the circular economy and the protection of biodiversity. This Policy is supplemented by internal guidance to establish a shared understanding of how to act, emphasizing the use of the mitigation hierarchy approach throughout the project life cycle as the initial step in fulfilling the overall biodiversity commitments.

Moreover, it is EDPR's duty to contribute to the development of research and conservation programs, as well as to broaden scientific knowledge on biodiversity matters by supporting institutions and strengthening dialogue and partnerships.

To support these commitments the EDP Group is still working on a document that will define the specific content of Biodiversity Action Plans (BAP). A Biodiversity Action Plan (BAP) is an initiative, or a set of initiatives, framed by the mitigation hierarchy framework, with the overall goal of enhancing the biodiversity quality of the surrounding areas of an infrastructure/asset or a region where several infrastructures/assets of the company are located. These BAPs will be implemented in those areas considered at risk for biodiversity. This document outlines the main components of a BAP, the biodiversity monitoring process and the reporting and communication process.

Protecting biodiversity during all the phases of EDPR's projects

a. Development

EDPR projects/operations comply with EU regulations or equivalent national provisions or international standards.

During the development phase of any project of the Company, the potential environmental impacts are analysed in detail in the environmental impact studies and other specific environmental studies, always performed by professional external experts. These studies evaluate the possible impacts of the projects in factors such as fauna, flora, soil, air and water bodies, among others.

Through the prospection phase and prior to other procedures and EIAs (Environmental Impact Assessments), EDPR carries out an analysis of environmental constraints and other environmental issues, with the objective of selecting the best location for the project, based on various criteria.

The environmental studies and impact assessment (EIAs and other studies) procedures are developed and conducted to ensure that the necessary studies are carried out to identify the environment state and the potential impacts so that they are avoided, minimised and compensated -following the mitigation hierarchy- during all the project phases. EDPR is committed to protecting the environment and biodiversity, and therefore the scope of environmental assessment follows the regulation and legal requirements defined by Authorities. Based on the environmental impact assessments, the national authority approves or not the project's construction, by submitting a declaration through the Environmental Impact Statement (EIS) or other kind of declarations..

b. Construction and operation phases

During the construction and operational phases, EDPR conducts on-site environmental monitoring to identify and prevent possible impacts on the biodiversity.

During the construction phase, the Company implements a set of minimisation, restoration and compensation measures, necessary to avoid and remediate potential impacts. The main preventive measure the Company has in place is the environmental surveillance during the construction phase. This surveillance enables EDPR to check that applicable requirements are fulfilled and preventive measures are implemented, as well as to control potential impacts not expected and manage them properly. In addition, the guarantee of a mitigation hierarchy approach is considered and incorporated into national laws. Under the responsibility of National Authorities, the licensing process is overseen throughout the project cycle; otherwise, the right to operate this project is inhibited.

EDPR interacts with relevant stakeholders such as wildlife regulatory agencies, in order to assess the best solutions to compensate environmental impacts of present and future operations.

Finally, EDPR has a Health & Safety and Environmental Management System, certified according to ISO 14001 and ISO 45001 by an accredited external independent third party. To obtain this certificate external audits are performed each year to assess:

- The implementation of Environmental Policy
- The internal procedures in place to minimise the potential effects of EDPR activity on the environment (mainly Climate Change, Biodiversity, Circular Economy).

EDPR has achieved 100% ISO 14001:2018 environmental certifications reinforcing its commitments and procedures for managing environmental aspects. The calculation is based on installed capacity EBITDA.

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For the different markets, EDPR has procedures for compliance with applicable environmental regulations. This regulatory monitoring is reviewed periodically and allows establishing measures and action plans to ensure compliance.

c. Dismantling and repowering phase

Finally, during this phase the Company adopts the necessary measures to reduce and mitigate any environmental impact that may occur.

Please refer to the Natural Capital section for more information on our approach to biodiversity. Also refer to GRI Reporting for additional information on the protection of biodiversity in EDPR's activity.

Mitigation and compensation measures for protecting the environment

Through its on-site management systems, EDPR promotes continuous improvement in its facilities, identifying any opportunity for improvement in its processes. All those projects located near or inside a protected area include the necessary studies and measures to protect biodiversity. EDPR's initiatives have the same mitigation hierarchy: avoid, minimise, restore and compensate all the negative impacts that our projects could have.

EDPR establishes several measures, procedures and commitments towards biodiversity protection:

- Contribute to preventing or reducing biodiversity loss by promoting dynamic, global and locally owned management, long-term thinking and the search for a positive global balance.
- Contribute to deepening scientific knowledge on different aspects of biodiversity, including through the establishment of partnerships.
- EDPR has created landscape and wildlife protection programs in impacted areas, in partnership with local public entities. These efforts have been recognised as valuable to maintain biodiversity and natural heritage.
- Depending on the environment and its facilities' EDPR has compulsory and voluntary initiatives in place in terms of biodiversity and habitat conservation. The main environmental initiatives can be found on the Report of Environmental Activities.
- Not building new generation facilities in areas included in the UNESCO World Heritage List, ensuring that it continues to have no presence in these territories. EDPR monitors all its facilities located in protected areas in order to identify those wind farms and solar plants that may have a potential impact on biodiversity and ensuring that all the necessary measures are in place. This monitoring process helps the Company to implement actions to avoid and mitigate such impact. In Europe and Latin America, EDPR is working on a materiality analysis in 2023, which aims to identify potential impacts on biodiversity.
- During the construction and operation phases, EDPR conducts on-site environmental monitoring to identify and prevent possible impacts on biodiversity and the ecosystem.
- EDPR has mechanisms in place to fight biodiversity potential impacts within its facilities, such as: Monitor collisions of birds and bats and their cumulative effect on species while limiting indiscriminate accesses that disturb sensitive species and habitats, restoration of affected vegetation areas, etc.
- EDPR, as part of a group-wide initiative, is working on identifying Nature Based Solutions (NBs) that can be replicated by the different companies in their facilities and surrounding environments.

For more details, consult Index GRI Reporting, 3.5 Natural Capital and 4.9 Environmental Management of the 2023 Consolidated Management Report.

Transition to a circular economy and waste management

EDPR promotes Circular Economy and the efficient use of natural resources during all its value chain. The Company has set our four ambitious circular economy targets for 2026 and 2030 supported in four main axis of action(efficient use of resources and materials; durability; digitalization and resources enhancement).

The Company's Environmental Policy outlines the circular economy commitments and how EDPR promotes efficient use of natural resources in its activities, wherever possible, within the framework of a life-cycle analysis, in particular:

- Minimise the use of natural resources necessary to properly carry out its activities;
- Optimise and efficiently manage internal products and services, promoting a circular economy for our customers;
- Maximise the recovery of waste and its reintroduction into the economy as by-products.

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EDPR includes circularity and waste management aspects from the procurement phase

EDPR's supplier management approach is based on a holistic view of the sustainable supply chain which that enables the Group to ensure the integrated coordination of activities.

EDPR's supply chain management also includes waste management and circular economy. The Company also includes circular economy within its engagement process with suppliers:

- Sustainable Procurement Policy
- Sustainable Procurement Protocol that defines the Company's action protocol and due diligence process
- EDP Supplier Code of Conduct
- For EU&LATAM contract conditions: there are suppliers sustainability guides for construction and O&M phases, including recycling guidance and recommendations
- ESG priorities for strategic suppliers, including circular economy

Engaging with manufacturing suppliers to promote circular economy

In 2023, EDPR has updated its additional analysis on five ESG priorities in its tenders (Request for Proposals and other processes) for strategic equipment purchases, mainly solar and wind equipment: Decarbonisation, Circular Economy, Human and Labour Rights, Health and Safety, and Transparency and Biodiversity The Company has also engaged with suppliers to share their LCAs and environmental information about their products, including circular economy and recycling rates and information. During EDPR's engagement process with suppliers, the Company shares its ESG priorities with turbine, modules, structure and inverters suppliers.

EDPR waste approach during operations and dismantling

EDPR promotes the recycling during its operations. The Company engages with waste treatment suppliers and contractors to find solutions that help the Company achieve its expected recovery rates.

The efficiency of wind turbines and solar panels, as well as their end of life, are evaluated by the Company for their replacement or dismantling. The repowering of wind farms has been one of the solutions applied by EDPR, which consists of reducing the number of wind turbines and replacing them with more efficient models. The new modern models allow the Company to increase installed capacity, CO2 avoided, and clean energy generated, while reducing the land area per MW.

Joining industry initiatives, forums and pilot projects

Since 2017, the Company has joined some initiatives and projects, and has also worked with suppliers such as: the collaboration with Thermal Recycling of Composite (R3FIBER), RECICLALIA, the LIFE REFIBRE project or the pilot project with the Associação Portuguesa de Energias Renováveis (APREN). EDP is also a member of the Global Alliance for Sustainable Energy, which also addresses the circular economy.

In 2023, in order to further advance its circular economy objectives, EDPR has launched a pilot project called the Close the Loop Program, focused on keeping the environment at the forefront through more efficient use of resources and materials, promoting solutions that extend the life cycle of products and ensuring accountability of product materials and assets. This announcement comes with EDPR North America Platform partnership with SOLARCYCLE, an advanced technology-based solar recycling company, alongside continuing work with 18 additional leaders in the recycling services sector throughout North America. For more details, consult Index GRI Reporting, 3.4 Supply Chain Capital and Index GRI Reporting, 4.6 Suppliers Management of the Consolidated Management Report 2023.

Water

Given EDPR's activity and the criteria included in the EU Taxonomy through the technical criteria and DNSH, the Company has no impact on water and aquatic resources.

Prevention of pollution

Given EDPR's activity and the criteria included in the EU Taxonomy through the technical criteria and DNSH, the Company has no impact on pollution.

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Minimum Safeguards

EDPR's approach to compliance with the established minimum safeguards is detailed below. Some specific procedures, policies and measures are established at EDP Group level and therefore cover all Business Units (BUs), including EDPR.

EDPR has several measures and procedures that allow the Company to manage the minimum safeguards requirements and ensure that risk situations do not occur, regarding to:

- Corruption and Bribery
- Fair Competition
- Taxation
- Human and Labour Rights

EDPR complies with guidelines pertaining to human rights and labour rights, as well as corruption, taxation and fair competition. EDP's policies are listed below:

- Human and Labour Rights Policy is publicly available in this link: https://www.edpr.com/sites/edpr/files/2022-11/EDPR_IntegrityPolicy_2022.pdf
- The Integrity Policy (bribery and corruption) is available in this link: https://www.edpr.com/sites/edpr/files/2022-11/EDPR_IntegrityPolicy_2022.pdf
- EDP Group Fiscal Policy is publicly available in this link: https://www.edp.com/en/edp-group-fiscal-policy
- Healthy Competition Practices Commitment is publicly available in this link: https://www.edp.com/en/healthy-competition-practices-commitment

Ethics and compliance in EDPR

EDPR's policies and procedures on human and labour rights, anti-bribery and anti-corruption are listed below:

EDPR has launched its Human and Labour Rights Policy where the Company commits to respect and undertakes to promote fair human and labour rights practices, being committed to guarantee responsible operations throughout the whole value chain.

In addition, the Company has an Integrity Policy that defines the general principles of action and duties for EDPR to prevent illegal conducts such as crimes of corruption, bribery, undue receipt of advantages, money laundering and terrorism financing, antitrust/anti-competitive practices and non-compliance with data protection requirements.

These policies allow the Company to comply with international guidelines such as:

- OECD Guidelines for Multinational Enterprises
- OECD Guidelines on Responsible Business Conduct
- UN Guiding Principles on Business and Human Rights
- International Labour Organisation's (ILO) declaration on Fundamental Rights and Principles at Work
- The eight ILO core conventions
- International Bill of Human Rights

The Company's Code of Ethics also includes how the Company commits to ensure respect to human and labour rights and also how it prevents corruption and bribery situations.

EDPR's measures and processes to combat corruption, bribery, bribe solicitation and extorsion

The Company has internal control procedures, as well as ethics and compliance programs in place to detect and avoid potential corruption and bribery risks.

The Company has a Global Compliance Program which includes:

- Integrity Compliance Program
- Criminal Compliance Program for Spain
- Global Data Compliance Program
- And Local Compliance Program according to regulations

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Ethics, Integrity and Compliance Governance within the Company

EDPR has a Compliance Standard that formalise the mission and responsibilities of the Compliance functions and establishes different measures and procedures that enable the Company to fight and prevent corruption and bribery:

- Audit Control and Related Party Transactions Committee responsible for the supervision of the financial information and internal control, risk management and Compliance systems;
- EDPR Ethics Committee to ensure the Code of Ethics compliance within the Company. This Committee is composed by: (i) the Chairman of the Appointments and Remunerations Committee, who shall chair the Committee, (ii) the Chairman of the Audit, Control, and Related Party Transactions Committee, (iii) The Ethics Ombudsperson, (iv) the Compliance Officer, (v) the Human Resources Director, (vi) the General Counsel & Compliance of EDPR North America LLC, and (vii) the Secretary of the Board of Directors, who shall also perform the duties of the Secretary of the Ethics Committee meetings.
- The Ethics Ombudsperson together with the Compliance Officer receive ethical nature complaints and investigates them;
- Specific Compliance Department to lead all the ethical, integrity and compliance measures. The Compliance Officer is the Director of the Corporate Compliance Department. The Compliance Officer reports to the Audit, Control and Related Party Transactions Committee (hereinafter "CAUD") and to the CEO.

Risk Management, including ESG and integrity issues

- Risk identification and assessment processes for assessing the non-compliance risk
- Risk analysis and evaluation of the adequacy and effectiveness of existing control mechanisms
- Risk mitigation and control measures
- Other policies and procedures to ensure integrity and ethics in the Company:
- EDPR Code of Ethics
- EDPR Integrity Policy
- EDP Code of conduct for Top Management and Senior Financial Officers
- EDP Suppliers Code of Conduct
- Third parties' Integrity Due Diligence (IDD) processes
- Interaction with Public Agents and Politically Exposed Persons procedure
- Prevention of Conflicts of Interests procedure
- Donations and Sponsorships procedure
- Offers and Events procedure
- Intermediary Agreements procedure

EDPR, only enters formalised legal transactions with third parties and other partners that comply with the laws of their countries and adopt internal procedures that are aligned with EDPR internal policies and standards.

The Company's Integrity Policy is based on zero-tolerance policy in dealing with the prevention and fight against this type of illicit acts, such as corruption and bribery. The Policy establishes a common commitment and minimum requirements for legal compliance.

The Policy sets out several measures and control mechanisms, such as those listed below:

- Procedures and Internal control mechanisms: As result of risk assessment, EDPR implements transversal and specific control mechanism to ensure the application of EDPR's Integrity Policy.
- Training and Communication: The procedures associated with the Global Compliance Program are shared to all employees by specific and transversal trainings. All current and employees must understand and commit to what the Policy outlines and global communication campaigns are often launched to all the employees.
- Contact and Reporting Channels (Whistleblowing): EDPR makes available several reporting channels for communicating irregularities and encourages its own employees to report any type of behaviour that breaches of this Policy. Some of these channels are: Speak Up Channel; Specific internal whistle-blower channels for EDPR companies, in which any whistleblowing related to matters provided for in the aforementioned legislation can be reported; Ethics Ombudsperson; and Compliance Department.
- Monitoring, Continuous Improvement and Report: Compliance teams are responsible for promoting appropriate mechanisms to monitor the Global Compliance Program, lead the analysis of misalignment situations and promote corrective actions.
- Audit: The Company has an Internal Audit Department in charge of ensuring that audits comply with the Global Compliance Program and that they guarantee the fight against corruption and bribery, as well as risk management. The Company also has an external audit process that allows EDPR to obtain a double certification from AENOR that verifies

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and accredits that the Company has developed a system of criminal and anti-bribery compliance based on UNE 19601 and ISO 37001 standards. The AENOR Certifications (UNE 19601 and ISO 37001) were obtained in 2021 and, in both 2022 and 2023, EDPR has renewed both Certifications.

Compliance with the fair competition requirements of the Minimum Safeguards

The Company follows the applicable regulations on fair competition, ensuring compliance in all markets in which it operates.

Through its Code of Ethics EDPR prioritises relationships of trust and fair competition with all its stakeholders, promoting an honest and respectful relationship with all of them. In this sense, it is fundamental for the Company to promote integrity in its business practices, through good practices of healthy competition.

In this sense, the Company establishes through its Code the guidelines for action and the situations that must be avoided, in order to ensure that no anti-competitive practices take place. EDPR, through training of new hires on the Company's Code of Ethics and periodic communications regarding the Code and its compliance.

Compliance with tax regulation, tax governance and tax risk management processes

The Company ensures compliance with applicable tax regulations and has certifications to support it. The EDP Group's Tax Policy establishes the Company's approach to tax management. In addition, EDPR reports in its Annual Report, Chapter 4 of GRI Reporting (GRI – 207), its approach to tax issues, as well as tax governance, risk management and its tax contribution country by country.

For more information, please also refer to the EDP Group's tax policy.

Compliance with Human and Labour Rights and due diligence requirements from the EU Taxonomy and the Minimum Safeguards

The Company's commitment to respect human rights is part of its public statements and commitments, such as the Human and Labour Rights Policy, the Code of Ethics, the Integrity Policy and the Supplier Code of Conduct, among others.

The Company understands the protection of human rights throughout the value chain. To this end, it starts with a materiality analysis to identify human and labour rights as a fundamental criterion for the activity of the Company and its stakeholders.

As a result of this materiality study, it analyses the potential risks that may occur in the value chain (from the supply chain to the communities in which it operates, including its direct activity and that of its employees), with the aim of establishing policies, procedures, codes and systems to avoid any type of risk.

EDPR identifies its supply chain as a key segment to achieve its sustainability goals and anticipate potential risks. The Company has a due diligence process for the management of the supply chain, which can be summarised as follows:

- Series of commitments established by the Company to ensure respect for human and labour rights in its activity;
- Supply chain screening process;
- Risk assessment;
- Monitoring of suppliers and continuous dialogue and engagement with the supply chain, in order to anticipate and avoid potential risks.
- For the direct activity of EDPR and its contractors, the Company has a series of policies and procedures that outline its commitments and measures to manage human rights in its value chain.

Please refer to Supply Chain Capital section and also Suppliers Management in the GRI Reporting for more information.

The Company also has in place several policies to protect human and labour rights in its own operations.

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Regarding to human capital EDP has internal policies and procedures that seek to promote equality and non-discrimination, the recruitment and retention of talent and the reconciliation of work and personal life. In addition, for each country in which the Company operates, it has systems in place to ensure compliance with regulations regarding collective bargaining agreements and workers' rights. Please refer to the Human Capital section and also to GRI Reporting for more information.

In the Index GRI Reporting, 3.4.2 Respect human and labour rights, 4.6 Suppliers Management and 4.14 Ethics and compliance of the Consolidated Management Report 2023, the Company includes more details about how EDPR is addressing the compliance with article 18º of the EU Taxonomy for not being involved with violations of the UN Global Compact Principles, as well as the implementation of processes to monitor compliance with the ILO core labour norms, fair competition practices and fiscal transparency and the associated indicators such as reporting cases or fines occurred related to those issues.

Finally, the Social Capital section in the Management Report acts as an index to all the human and labour rights protection practices that the Company has in place.

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Templates of the European Commission Communication of the 27 June 2023, C(2023) 3851 which amends templates of the delegated act (EU) 2021/2178

Financial year 2023																					
				SUBSTANTIAL CONTRIBUTION CRITERIA [5]							DNSH [6]										
2023																					
ECONOMIC ACTIVITIES [1]	CODE [2]	TURNOVER [3]	PROPORTION OF TURNOVER year 2023 [4]	CLIMATE CHANGE MITIGATION [5]	CLIMATE CHANGE ADAPTATION [6]	WATER [7]	POLLUTION [8]	CIRCULAR ECONOMY [9]	BIODIVERSITY [10]	CLIMATE CHANGE MITIGATION [11]	CLIMATE CHANGE ADAPTATION [12]	WATER [13]	POLLUTION [14]	CIRCULAR ECONOMY [15]	BIODIVERSITY [16]	MINIMUM SAFEGUARDS [17]	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) TURNOVER, YEAR 2022 [18]	CATEGORY ENABLING ACTIVITY [19]	CATEGORY TRANSITIONAL ACTIVITY [20]
		euros	%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	143,125,853	6.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.6%		
Electricity generation from wind power	CCM 4.3	2,103,082,592	91.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	94.6%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	51,019,322	2.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.2%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,297,227,767	99.8%	99.8%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	99.5%		
Of which Enabling		51,019,322	2.2%	2.2%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	1.2%	E	
Of which Transitional		0	0.0%							Y	Y	Y	Y	Y	Y	Y	0.0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		2,297,227,767	99.8%	99.8%	0%	0%	0%	0%	0%								99.5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		4,574,230	0.2%																
Total		2,301,801,997	100%																

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	PROPORTION OF TURNOVER/TOTAL TURNOVER	
	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	99.8%	99.8%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

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Financial year 2023		2023		SUBSTANTIAL CONTRIBUTION CRITERIA [5]						DNSH [6]									
ECONOMIC ACTIVITIES [1]	CODE [2]	CAPEX [3]	PROPORTION OF CAPEX [4]	CLIMATE CHANGE MITIGATION [5]	CLIMATE CHANGE ADAPTATION [6]	WATER [7]	POLLUTION [8]	CIRCULAR ECONOMY [9]	BIODIVERSITY [10]	CLIMATE CHANGE MITIGATION [11]	CLIMATE CHANGE ADAPTATION [12]	WATER [13]	POLLUTION [14]	CIRCULAR ECONOMY [15]	BIODIVERSITY [16]	MINIMUM SAFEGUARDS [17]	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) TURNOVER, YEAR N-1 [18]	CATEGORY ENABLING ACTIVITY [19]	CATEGORY TRANSITIONAL ACTIVITY [20]
		euros	%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	3,306,686,506	65.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	60.2%		
Electricity generation from wind power	CCM 4.3	1,634,814,944	32.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	32.9%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	103,894,154	2.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.7%	E	
CAPEX of environmentally sustainable activities (Taxonomy-aligned activities) (A.1.)		5,045,395,603	99.8%	99.8%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	97.8%		
Of which Enabling		103,894,154	2.1%	2.1%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4.7%	E	
Of which Transitional		0	0%	0%	0%					Y	Y	Y	Y	Y	Y	Y	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
CAPEX of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%	0%							0%		
A. CAPEX of Taxonomy eligible activities (A.1+A.2)		5,045,395,603	99.8%	99.8%	0%	0%	0%	0%	0%	0%							97.8%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy non-eligible activities		10,283,645	0.2%																
Total		5,055,679,248	100.0%																

Note: Eligible and aligned Capex in 2022 restated to consider the same denominator criteria than in 2023.

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	PROPORTION OF CAPEX/TOTAL CAPEX	
	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	99.8%	99.8%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

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Financial year 2023		2023		SUBSTANTIAL CONTRIBUTION CRITERIA [5]							DNSH [6]									
ECONOMIC ACTIVITIES [1]	CODE [2]	OPEX [3]	PROPORTION OF OPEX [4]	CLIMATE CHANGE MITIGATION [5]	CLIMATE CHANGE ADAPTATION [6]	WATER [7]	POLLUTION [8]	CIRCULAR ECONOMY [9]	BIODIVERSITY [10]	CLIMATE CHANGE MITIGATION [11]	CLIMATE CHANGE ADAPTATION [12]	WATER [13]	POLLUTION [14]	CIRCULAR ECONOMY [15]	BIODIVERSITY [16]	MINIMUM SAFEGUARDS [17]	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) TURNOVER, YEAR N-1 [18]	CATEGORY ENABLING ACTIVITY [19]	CATEGORY TRANSITIONAL ACTIVITY [20]
		euros	%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1	11,145,227	4.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	7.0%		
Electricity generation from wind power	CCM 4.3	250,498,867	92.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	87.4%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3,889,542	1.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.8%	E	
OPEX of environmentally sustainable activities (Taxonomy-aligned activities) (A.1.)		265,533,635	97.6%	97.6%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	98.2%		
Of which Enabling		3,889,542	1.4%	1.4%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3.8%	E	
Of which Transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OPEX of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%	0%							0%		
A. OPEX of Taxonomy eligible activities (A.1+A.2)		265,533,635	97.6%	97.6%	0%	0%	0%	0%	0%								98.2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy non-eligible activities		6,618,048	2.4%																
Total		272,151,683	100%																

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	PROPORTION OF OPEX/TOTAL OPEX	
	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	97.6%	97.6%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

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Key performance indicators under the templates of the annex XII of the Commission Delegated Regulation (EU 2022/1214) – Template 1 Nuclear and fossil gas related activities

ROW	NUCLEAR ENERGY RELATED ACTIVITIES	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	FOSSIL GAS RELATED ACTIVITIES	**YES/NO**
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

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Annex III: Non-financial information statement

NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	**CONTENT**	**SCOPE/ PERIMETER**	**RELATED GRI STANDARDS**	**CHAPTER**
Business Model	Brief description of the Group's business model, which includes: · Its business environment · Its organisation and structure · The markets in which it operates · Its goals and strategies · The main factors and trends that may affect its future evolution.	Global	EU1; EU2; 2-1; 2-6; 2-9; 201-2	1.1.2 Global presence[1]; 1.1.3 Business description; 1.3 Organisation; 2.1 Business Environment; 2.2 Strategy; 3.1.2 Financial Performance; 4.2 Climate Change, GRI EU1, EU2 & 201-2.
Policies	A description of the policies that the Group applies regarding these issues, which includes: · Due diligence procedures implemented for the identification, evaluation, prevention and mitigation of significant risks and impacts; · Verification and control procedures, including adopted measures. The results of these policies, including key indicators of relevant non-financial results, that allow: 1) Monitoring and evaluating progress; and 2) That promote comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	Global	3-3; 2-23	1.3.3 Integrity and Ethics; 3.2 Human Capital; 3.3 Supply Chain Capital; 3.4 Social Capital; 3.5 Natural Capital; 4.6 Suppliers management, section "EDPR's due diligence process"; 4. GRI Reporting, Annex I: TCFD Alignment.
Short, medium and long-term risks	The main risks regarding these issues related to the activities of the Group, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas, and · How the group manages these risks, · Explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject. · Information on the impacts that have been detected must be included, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	Global	201-2; 205-1; 304-2; 407-1; 408-1; 409-1; 413-2; 414-2	2.3 Risk Management; 4.2 Climate Change, GRI 201-2; 4.10 Community Engagement, GRI 413-2; 4.6 Suppliers Management, GRI 414-2; 4.9 Environmental Management, GRI 304-2; 4.14 Ethics and Compliance, GRI 205-1, 407-1, 408-1 & 409-1; 4. GRI Reporting, Annex I: TCFD Alignment. 2.3 Risk Management; 4.2 Climate Change, GRI 201-2;

[1] 1 Secured MWs are not verified by PwC.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)

AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
KPIs	Key indicators of non-financial results relevant to the particular business activity and that meet the criteria of comparability, materiality, relevance and reliability. - With the aim of facilitating comparison of information, both over time and between entities, stand-ards for non-financial key indicators that can be generally applied and that comply with European Commission guidelines and Global Reporting Initiative standards will be used especially and the report must mention the national, European or international framework used for each matter. - The key indicators of non-financial results must apply to each of the sections of the non-financial information statement. - These indicators must be useful, taking the specific circumstances into account and they must be consistent with the parameters used in their internal management procedures and risk assessments. - In any case, the information presented must be precise, comparable and verifiable.	Global	-	Please refer to Annex IV: GRI Content Index.
Environmental topics	**Global Environment:** · Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety, environmental assessment or certification procedures; · Resources dedicated to the prevention of environmental risks; · The application of the Precautionary Principle, the amount of provisions and guarantees for environmental risks (e.g. derived from the law of environmental responsibility).	Global	2-23; 3-3; 201-2; 305-1; 305-2; 305-3; 305-5	3.5 Natural Capital; 4.2 Climate Change, GRI 201-2, 305-1, 305-2, 305-3 & 305-5. 4.9 Environmental Management, section "Other environmental management related topics"; 4. GRI Reporting, Annex I: TCFD Alignment.
	Pollution			
	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including:	Global	3-3; 305-5	4.2 Climate Change, GRI 305-5.
	Noise	Global	413-2	4.10 Community Engagement, GRI 413-2.
	Light pollution	-	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Circular economy and waste prevention and management			
	Circular economy.	Global	3-3; 306-2	3.5 Natural Capital; 4.9 Environmental Management, GRI 306-2.
	Waste prevention, recycling, reuse, other forms of recovery and disposal.	Global	306-1; 306-2; 306-3: 306-4; 306-5	4.9 Environmental Management, GRI 306-1, 306-2, 306-3, 306-4 & 306-5;
	Actions to combat food waste.	-	-	4.1 Materiality Assessment, notes to the Materiality Matrix.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)

AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
	Sustainable use of resources			
	Water consumption and water supply according to local constraints.	Global	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Consumption of raw materials and the measures adopted to improve the efficiency of their use.	Global	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies.	Global	3-3; 302-1; 302-4	3.5 Natural Capital; 4.2 Climate Change, GRI 302-1 & 302-4.
	Climate Change			2.1.1 2023 overview; 2.1.2 The evolution of renewables around the world in 2023; 3.5 Natural Capital;
	The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	Global	3-3; 305-1; 305-2; 305-3	4.2 Climate Change, GRI 305-1, 305-2 & 305-3.
	The measures adopted to adapt to the consequences of climate change.	Global	3-3; 201-2	4.2 Climate Change, GRI 201-2.
	The reduction goals established voluntarily in the medium and long-term to reduce greenhouse gas emissions and the means implemented for that purpose.	Global	3-3; 305-5	4.2 Climate Change, GRI 305-5.
	Protection of biodiversity			3.5 Natural Capital.
	Measures taken to preserve or restore biodiversity.	Global	3-3; 304-1; 304-3	4.9 Environmental Management, GRI 304-1 & 304-3.
	Impacts caused by activities or operations in protected areas.	Global	304-1; 304-2	4.9 Environmental Management, GRI 304-1 & 304-2.
Social and employees topics	**Employment**	Global		3.2 Human Capital.
	Total number and distribution of employees by gender, age, country and professional category.	Global	3-3; 2-7; 405-1	4.5 People Management, GRI 2-7 & 405-1.
	Total number and distribution of work contract modalities.	Global	2-7	4.5 People Management, GRI 2-7.
	Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category.	Global	2-7; 405-1	4.5 People Management, GRI 2-7 & 405-1.
	Number of dismissals by gender, age and professional category.	Global	401-1	4.5 People Management, GRI 401-1.
	Average remunerations and their evolution disaggregated by gender, age and professional category or equal value. Wage gap, the remuneration of equal or average positions in the company.	Global	405-2	4.5 People Management, GRI 405-2.
	Avg. remuneration of directors and executives, incl. variable remuneration, allowances, compensation, payment to l/t savings forecast systems and any other perception disaggregated by gender.	Global	405-2	4.8 Corporate Governance; 4.5 People Management, GRI 405-2.
	Implementation of labour disconnection policies.	Global	3-3	4.5 People Management, section “Work organisation and implementation of “right to disconnect” policies”.
	Employees with disabilities.	Global	3-3	4.5 People Management, section “Employees with disabilities”.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)

AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
	Work organisation			
	Working hours organisation.	Global	3-3; EU17	4.4 Health & Safety, GRI EU17; 4.5 People Management, section “Work organisation and implementation of “right to disconnect” policies”.
	Number of hours of absenteeism.	Global	3-3	4.4 Health & Safety, section “Absenteeism”.
	Measures designed to facilitate the enjoyment of conciliation and encourage joint responsibility of these by both parents.	Global	3-3	4.5 People Management, section "Work life balance".
	Health & Safety			
	Conditions of health and safety at work.	Global	3-3; 403-1; 403-2; 403-3; 403-5; 403-6; 403-7	3.4.1 Guarantee the highest health & safety standards; 4.4 Health & Safety, GRI 403-1, 403-2, 403-3, 403-5, 403-6 & 403-7.
	Work-related accidents, in particular their frequency and severity, occupational diseases, disaggregated by gender.	Global	403-9; 403-10	4.4 Health & Safety, GRI 403-9 & 403-10.
	Social Relations			
	Organisation of social dialogue, including procedures for informing and consulting employees and negotiating with them.	Global	3-3; 402-1	4.5 People Management, GRI 402-1.
	Percentage of employees covered by collective bargaining agreements by country.	Global	2-30	4.5 People Management, GRI 2-30.
	The result of collective bargaining agreements, particularly in the H&S at work area.	Global	2-30	4.5 People Management, GRI 2-30.
	Mechanisms and procedures that the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation.	Global	403-4	4.5 People Management, GRI 403-4.
	Training			
	Policies implemented in the training area.	Global	3-3; 404-2; 404-3	4.5 People Management, GRI 404-2 & 404-3.
	Total amount of training hours by professional categories.	Global	404-1	4.5 People Management, GRI 404-1.
	Universal accessibility for people with disabilities	Global	3-3	4.5 People Management, section “Universal accessibility”.
	Equality			
	Measures taken to promote equal treatment and opportunities between women and men.	Global	3-3	3.2 Human Capital.
	Equality plans (Chapter III of Organic Law 3/2007, of the 22nd of March, for effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration, and the universal accessibility of people with disabilities.	Global	3-3	4.5 People Management, section “Equality plans”.
	Policy against all types of discrimination and, where appropriate, management of diversity.	Global	3-3	1.3.3 Integrity and Ethics; 3.4.2. Respect human and labour rights; 4.5 People Management, section “Adopted measures to promote employment related to equality”.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)

AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
Human rights	Application of due diligence procedures in the field of human rights; Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses.	Global	3-3	1.3.3 Integrity and Ethics; 3.4.2. Respect human and labour rights; 4.6 Suppliers Management, section "EDPR's due diligence process".
	Complaints regarding cases of violation of human rights.	Global	406-1; 411-1	1.3.3 Integrity and Ethics; 4.10 Community Engagement, GRI 411-1; 4.14 Ethics and Compliance, GRI 406-1.
	Promotion and compliance with the provisions of the fundamental Conventions of the International Labour Organization related to respect for freedom of association and the right to collective bargaining.	Global	407-1	4.14 Ethics and Compliance, GRI 407-1.
	The elimination of discrimination in employment and occupation.	Global	3-3	3.4.2. Respect human and labour rights
	The elimination of forced or compulsory labour.	Global	409-1	3.4.2. Respect human and labour rights; 4.14 Ethics and Compliance, GRI 409-1.
	The effective abolition of child labour.	Global	408-1	3.4.2. Respect human and labour rights; 4.14 Ethics and Compliance, GRI 408-1.
Corruption and bribery	Adopted measures to prevent corruption and bribery.	Global	3-3; 205-1; 205-2; 205-3; 415-1	4.13 Communication and Transparency, GRI 415-1; 4.14 Ethics and Compliance, GRI 205-1, 205-2 & 205-3.
	Measures to combat money laundering.	Global	3-3	4.14 Ethics and Compliance, section "Money laundering".
	Contributions to foundations and non-profit entities.	Global	413-1	4.10 Community Engagement, GRI 413-1; 4.13 Communication and Transparency, section %Contributions to foundations and non-profit entities"
Society	**Company's commitments to the sustainable development**			
	The impact of the society's activity on employment and local development.	Global	3-3; 202-2; 203-1; 203-2; 413-1	4.10 Community Engagement, GRI 202-2, 203-1, 203-2 & 413-1;
	The impact of society's activity on local populations and in the territory.	Global	3-3; 413-1; 413-2	3.4.3. Support communities; 4.10 Community Engagement, GRI 413-1, 413-2.
	The relationships maintained with the local communities and the modalities of dialogue with them.	Global	3-3	4.10 Community Engagement.
	The association or sponsorship actions.	Global	2-28	4.13 Communication and Transparency, GRI 2-28.
	Subcontracting and suppliers			
	The inclusion of social issues, gender equality and environmental issues in the Procurement Policy. Consideration of the suppliers and subcontractors' social and environmental responsibility when interacting with them.	Global	2-6; 3-3; 204-1	3.3 Supply Chain Capital; 4.6 Suppliers Management, GRI 2-6.
	Supervision systems and audits and their results.	Global	308-2; 414-2	3.3 Supply Chain Capital; 4.6 Suppliers Management, GRI 414-2 & 308-2.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)

AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
	Customers			
	Measures for the health and safety of consumers.	Global	EU25; 3-3	4.4 Health & Safety, GRI EU25.
	Complaining system, complaints received and their resolution.	Global	3-3	1.3.3 Integrity and Ethics.
	Tax information			
	Profit before income tax, by country. Corporate income tax paid.	Global	201-1; 207-2; 207-3; 207-4	4.3 Business Sustainability, GRI 201-1; 4.13 Communication and Transparency, GRI 207-2, 207-3 & 207-4.
	Financial assistance received from the government.	Global	201-4	4.13 Communication and Transparency, GRI 201-4.
Others	Annual total compensation ratio.	Global	2-21	4.5 People Management, GRI 2-21.
	Legal Actions for anti-competitive behaviour, anti-trust and monopoly practices.	Global	206-1	4.13 Communication and Transparency, GRI 206-1.
	Compliance with laws and regulations.	Global	2-27	4.13 Communication and Transparency, GRI 2-27.
	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	Global	EU15	4.5 People Management, GRI EU15.
	Statement from senior decision-maker.	Global	2-22	Message from the CEO.
	Approach to stakeholder engagement.	Global	2-29; 3-3	1.1.4 Stakeholder management.
	List of material topics.	Global	3-2	4.1 Materiality Assessment, Materiality Matrix.
	Innovation	Global	3-3	3.7 Innovation Capital.
	Taxonomy Regulation	Global	-	4.3 Business Sustainability, section "Taxonomy Regulation"; 4. GRI Reporting, Annex II: Taxonomy Alignment. KPIs under Article 8º of EU Taxonomy.

Note: In addition to the indicators included in this table, non-financial information can be found in the following indicators: 2-2, 2-3, 2-4, 2-5, 2-25, 3-1, 401-2.

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Annex IV: GRI content index

External assurance: The GRI indicators included in the following table have been verified by PwC. See the correspondent Independent Verification Report in Annex V. Additionally, some GRI indicators refer to Notes in EDPR's 2023 Annual Accounts, which have been audited by PwC. See the correspondent Independent Auditor's Report on the consolidated annual accounts at the beginning of the document.

Statement of use: EDPR has reported the information cited in this GRI content index for the 2023 period with reference to the GRI Standards.

GRI STANDARD	DISCLOSURES		CHAPTER
GENERAL DISCLOSURES			
GRI 1: Foundation 2022			
GRI 2: General Disclosures 2022			
	2-1	Organisational details	2023 Consolidated Annual Accounts - Note 1; 1.1.2 Global presence; 5. Corporate Governance (A. Shareholder Structure); EDPR head offices are located in Madrid (Spain).
	2-2	Entities included in the organisation's sustainability reporting	2023 Consolidated Annual Accounts - Note 6 and Annex I.
	2-3	Reporting period, frequency and contact point	4.15 Reporting Principles; "Contact us" at www.edpr.com.
	2-4	Restatements of information	2023 Consolidated Annual Accounts - Note 6.
	2-5	External assurance	4.15 Reporting Principles; 4. GRI Reporting, Annex V: Independent verification report.
	2-6	Activities, value chain and other business relationships	2022 Consolidated Annual Accounts - Note 6 & 41; 1.1.2 Global presence; 1.1.3 Business Description; 3.1.2 Financial Performance; 3.3 Supply Chain Capital; 5. Corporate Governance (A. Shareholder Structure).
	2-7	Employees	4.5 People Management.

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GRI STANDARD		DISCLOSURES	CHAPTER
	2-9	Governance structure and composition	4.5 People Management.
	2-21	Annual total compensation ratio	Message from the CEO.
	2-22	Statement on sustainable development strategy	1.3.3 Integrity and Ethics;
	2-23	Policy commitments	2.3 Risk Management; 3.4.2 Respect human and labour rights; 4.6 Suppliers Management, section "EDPR's due diligence process"; 5. Corporate Governance (C. Internal Organisation). 1.3.3 Integrity and Ethics;
	2-25	Processes to remediate negative impacts	3.4 Social Capital; 3.5 Natural Capital; 4.10 Community Engagement; 4.6 Suppliers Management; 4.9 Environmental Management. 4.13 Communication and Transparency.
	2-27	Compliance with laws and regulations	4.13 Communication and Transparency.
	2-28	Membership associations	1.1.4 Stakeholder management
	2-29	Approach to stakeholder engagement	4.1 Materiality Assessment; 4.15 Reporting Principles; Please visit our stakeholders' information on the sustainability section in our website, www.edpr.com. 4.5 People Management.
	2-30	Collective bargaining agreements	4.5 People Management.
MATERIAL TOPICS			
Climate Change			
GRI 3: Material Topics 2022	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	2.1 Business Environment;

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GRI STANDARD		DISCLOSURES	CHAPTER
			3.1.1 Operational Performance;
			3.5 Natural Capital
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	4.2 Climate Change
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	4.2 Climate Change
	302-4	Reduction of energy consumption	4.2 Climate Change
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 Climate Change
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Climate Change
	305-3	Other indirect (Scope 3) GHG emissions	4.2 Climate Change
	305-5	Reduction of GHG emissions	4.2 Climate Change
GRI EU	EU1	Installed capacity, broken down by primary energy source and by regulatory regime	4.2 Climate Change
	EU2	Net energy output broken down by primary energy source and by regulatory regime	4.2 Climate Change
Economic Business Sustainability			
GRI 3: Material topics 2022	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	2.2 Strategy;
			3.1.2 Financial Performance.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	4.3 Economic Business Sustainability
Health and Safety			
GRI 3: Material topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.4.1 Guarantee the highest health & safety standards
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	4.4 Health & Safety
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	4.4 Health & Safety
	403-3	Occupational health services	4.4 Health & Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Health & Safety
	403-5	Worker training on occupational health and safety	4.4 Health & Safety

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GRI STANDARD		DISCLOSURES	CHAPTER
	403-6	Promotion of worker health	4.4 Health & Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Health & Safety
	403-9	Work-related injuries	4.4 Health & Safety
	403-10	Work-related ill health	4.4 Health & Safety
GRI EU	EU17	Days worked by contractor and subcontractor employees involved in construction and O&M activities	4.4 Health & Safety
	EU25	Number of injuries and fatalities to the public involving company assets, including legal judgements, settlements and pending legal cases of diseases	4.4 Health & Safety
People Management			
GRI 3: Material Topics 2022	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.2 Human Capital
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.5 People Management
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.5 People Management
GRI 402: Labour / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.5 People Management
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.5 People Management
	404-2	Programs for upgrading employee skills and transition assistance programs	4.5 People Management
	404-3	Percentage of employees receiving regular performance and career development reviews	4.5 People Management
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.5 People Management
	405-2	Ratio of basic salary and remuneration of women to men	4.5 People Management
GRI EU	EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	4.5 People Management
Corporate Governance			
GRI 3: Material Topics 2022	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	1.3 Organisation

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GRI STANDARD		DISCLOSURES	CHAPTER
Innovation			
GRI 3: Material Topics 2022	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.7 Innovation Capital
Community Engagement			
GRI 3: Material Topics 2022	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.4.3 Support communities
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	4.10 Community Engagement
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	4.10 Community Engagement
	203-2	Significant indirect economic impacts	4.10 Community Engagement
GRI 411: Rights of Indigenous People 2016	411-1	Incidents of violations involving rights of indigenous peoples	4.10 Community Engagement
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.10 Community Engagement
	413-2	Operations with significant actual and potential negative impacts on local communities	4.10 Community Engagement
Suppliers Management			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.3 Supply Chain Capital
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	4.6 Suppliers Management
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	4.6 Suppliers Management
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	4.6 Suppliers Management

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GRI STANDARD		DISCLOSURES	CHAPTER
Environmental Management			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.5 Natural Capital
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.9 Environmental Management
	304-2	Significant impacts of activities, products, and services on biodiversity	4.9 Environmental Management
	304-3	Habitats protected or restored	4.9 Environmental Management
GRI 306: Effluents and Waste 2020	306-1	Waste generation and significant waste-related impacts	4.9 Environmental Management
	306-2	Management of significant waste-related impacts	4.9 Environmental Management
	306-3	Waste generated	4.9 Environmental Management
	306-4	Waste diverted from disposal	4.9 Environmental Management
	306-5	Waste directed to disposal	4.9 Environmental Management
Communication and transparency			
GRI 3: Material Topics 2022	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	1.1.4 Stakeholder management
GRI 201: Economic Performance 2016	201-4	Financial assistance received from government	4.13 Communication and Transparency
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.13 Communication and Transparency
GRI 415: Public Policy 2016	415-1	Political contributions	4.13 Communication and Transparency
GRI 207: Tax 2019	207-1	Approach to tax	4.13 Communication and Transparency
	207-2	Tax governance, control, and risk management	4.13 Communication and Transparency
	207-3	Stakeholder engagement and management of concerns related to tax	4.13 Communication and Transparency
	207-4	Country-by-country reporting	4.3 Economic Business Sustainability, “Profit before income tax”;
			4.5 People Management, GRI 2-7;
			4.13 Communication and Transparency;

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GRI STANDARD		DISCLOSURES	CHAPTER
			2022 Consolidated Annual Accounts – Note 1;
			2022 Consolidated Annual Accounts – Annex I;
			Reporting requirements iv, v, vii, ix and x of GRI 207-4 are omitted as the information is not available with the requested detail by tax jurisdiction. EDPR will work on obtaining the required details in a near future.
Digital Transformation			
GRI 3: Material Topics 2022	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.6 Digital Capital
Ethics and Compliance			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	1.3.3 Integrity and Ethics
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	4.14 Ethics and Compliance
	205-2	Communication and training on anti-corruption policies and procedures	4.14 Ethics and Compliance
	205-3	Confirmed incidents of corruption and actions taken	4.14 Ethics and Compliance
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.14 Ethics and Compliance
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.14 Ethics and Compliance
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	4.14 Ethics and Compliance
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	4.14 Ethics and Compliance

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Independent verification report

To the shareholders of EDP Renováveis, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the accompanying Consolidated Statement of Non-Financial Information ("SNFI") for the year ended 31 December 2023 of EDP Renováveis, S.A. (Parent company) and subsidiaries (hereinafter "EDPR Group" or the Group) which forms part of the EDPR Group's consolidated management report.

The content of the SNFI includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in "Annex III: Non-financial information statement" and "Annex IV: GRI content index" included in the accompanying SNFI.

Responsibility of the directors of the Parent company

The preparation of the SNFI included in EDPR Group's consolidated management report and the content thereof, are the responsibility of the directors of EDP Renováveis, S.A. The SNFI has been drawn up in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative ("GRI Standards") and Sectorial Electric Utilities Industry Supplement as per the details provided for each matter in the "Annex III: Non-financial information statement" and "Annex IV: GRI content index" of the aforementioned Statement.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the SNFI to be free of material misstatement due to fraud or error.

The directors of EDP Renováveis, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the SNFI is obtained.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of EDPR Group that were involved in the preparation of the SNFI, of the review of the processes for compiling and validating the information presented in the SNFI, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the EDP Renováveis, S.A. personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.

- Analysis of the scope, relevance and integrity of the content of the SNFI for the year 2023, based on the materiality analysis carried out by EDPR Group and described in section "4.1. Materiality assessment", taking into account the content required by current mercantile legislation.

- Analysis of the procedures used to compile and validate the information presented in the SNFI for the year 2023.

- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the SNFI for the year 2023.

- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2023 and that it was adequately compiled using data provided by the sources of the information.

- Obtaining a management representation letter from the directors and management of the Parent company.

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SNFI of EDP Renováveis, S.A. and its subsidiaries, for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and in accordance with the criteria of GRI and Sectorial Electric Utilities as per the details provided for each matter in the "Annex III: Non-financial information statement" and "Annex IV: GRI content index" of the aforementioned Statement.

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments, as well as the Delegated Acts promulgated in accordance with the provisions of the aforementioned Regulation, establish the obligation to disclose information on the manner and extent to which the company's activities are associated with eligible economic activities in relation to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution and protection and restoration of biodiversity and ecosystems (the rest of the environmental objectives), and with respect to certain new activities included in the objectives of mitigation and adaptation to climate change, for the first time for the 2023 financial year, in addition to the information referring to eligible and aligned activities already required in the 2022 financial year in relation to the objectives of climate change mitigation and climate change adaptation. Consequently, comparative information on eligibility in relation to the rest of the environmental objectives indicated above or on new activities included in the objectives of climate change mitigation and climate change adaptation, has not been included in the accompanying SNFI. Furthermore, to the extent that the information relating to the 2022 financial year was not required with the same level of detail as in the 2023 financial year, the information disclosed in the accompanying SNFI is not strictly comparable either. In addition, it should be noted that EDP Renováveis, S.A.'s directors have incorporated information on the criteria that, in their opinion, allow for improved compliance with the aforementioned obligations and which have been defined in section "4.3 Economic business sustainability" and the "Annex II: Taxonomy Alignment. KPIs under Article 8º of EU Taxonomy" of the accompanying SNFI. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Ernesto Lluch Moreno

28 February 2024

Why we choose solar utility scale

Sun Streams Solar PV, USA

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Because We Choose Earth

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PART I – Information on shareholder structure, organisation and corporate governance

A. Shareholder structure

I. Capital structure

1. Capital structure

EDP Renováveis, S.A. (hereinafter referred to as "EDP Renováveis", "EDPR" or the "Company") total share capital is 5,119,890,505€, following:

- the capital increase for a nominal amount of €254,842,00 executed on March 2nd, 2023, implemented through the issuance of 50,968,400 ordinary shares of the Company, with a nominal value of €5 each (at a subscription price of €19.62 per share and share premium of €14.62 per share) being the resulting share capital of the company €5,057,632,810. and,
- a capital increase charged to reserves executed on May 2nd,2023, where 12,451,539 new ordinary shares were issued.

EDPR total share capital is composed of 1,023,978,101 shares with a nominal value of EUR 5.00 each, fully paid up and the share capital is now €5,119,890,505.

All these shares are part of a single class and series and are listed on the regulated market of Euronext Lisbon. Codes and tickers of EDP Renováveis S.A. share: ISIN:ES0127797019 LEI:529900MUFAH07Q1TAX06

Bloomberg Ticker (Euronext Lisbon): EDPR PL Reuters RIC:EDPR.LS

EDPR main shareholder is EDP – Energias de Portugal, S.A., through EDP – Energias de Portugal, S.A. Sucursal en España, with 71.27% of share capital and voting rights. Excluding EDP, EDPR shareholders comprise more than 35,000 institutional and private investors spread across 40 countries with main focus in the United States,United Kingdom, France and Singapore.

Institutional Investors represent about 96% of Company shareholders (ex-EDP Group), mainly investment funds and socially responsible investors ("SRI"), while Private Investors, mostly Portuguese, stand for the remaining 4%.

For further information about EDPR shareholder structure please see chapter 1.3 of the Annual Report ("Organisation").

2. Restrictions to the transferability of shares

EDPR's Articles of Association have no restrictions on the transferability of shares.

3. Own shares

EDPR does not hold own shares.

4. Change of control

EDPR has not adopted any measures designed to prevent successful takeover bids, nor defensive measures for cases of a change in control in its shareholder structure or agreements subject to the condition of a change in control of the Company, other than in accordance with normal practice, and therefore, has not adopted any mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, or that could be likely to harm the free transferability of shares or shareholder assessment of the performance of the members of the managing body.

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Notwithstanding the above, the following are normal market practice related to a potential change of control:

- In the case of financing of certain wind farm projects, lenders have the right to approve change in control at the borrower if the later ceased to be controlled, directly or indirectly by EDP.
- In the case of guarantees provided by EDP Group companies, if EDP directly or indirectly ceases to have the majority of EDPR then EDP is no longer obliged to provide such services or guarantees. The relevant subsidiaries will be obliged to provide for the cancellation or replacement of all outstanding guarantees within approximately sixty (60) days of the change of control event.
- In the cases of intra-group services agreements and according to the Framework Agreement signed between EDP Renováveis S.A. and EDP Energias de Portugal S.A., the contracts will maintain their full force as long as (i) EDP maintains its share capital above 50% or the right to exercise directly or indirectly more than 50% of voting rights on EDPR's share capital, or (ii) even if the share capital of EDP or its voting rights are below 50%, but more than half of the Members of the Board are elected through an EDP proposal.

5. Special agreements regime

EDPR does not have a special system for the renewal or withdrawal of counter measures for the restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

6. Shareholders' agreements

The Company is not aware of any shareholders' agreement that may result in restrictions on the transfer of securities or voting rights.

II. Shareholdings and bonds held

7. Qualified holdings

Qualifying holdings in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholder's ownerships. The table below includes the information about the qualifying holdings of EDPR and their voting rights as of December 31st, 2023:

SHAREHOLDER	SHARES
EDP – ENERGIAS DE PORTUGAL, S.A. – SUCURSAL EN ESPAÑA	729,793,922
GIC	43,523,707
BLACKROCK INC.	34,736,754
Total qualified holdings	808,053,909

EDP detains 71.27% of EDPR capital and voting rights, through EDP – Energias de Portugal, S.A. – Sucursal en España.

As of December 31st, 2023, EDPR's shareholder structure consisted in a total qualified shareholding of 78.91%, corresponding to EDP Group, GIC and Blackrock Inc., with 71.27%, 4.25% and 3.39% of the capital, respectively.

8. Shares held by the Members of the Management and Supervisory Boards

As of December 31st, 2023, only Rui Teixeira, member of the Board of Directors, holds directly 351 EDPR shares out of a total of 1,023,978,101.

9. Powers of the Board of Directors

The Board of Directors is vested with the broad-ranging powers of administration, management, and governance of the Company, with no other limitations besides the powers which are expressly assigned to the General Shareholders' Meetings in the

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Company's Articles of Association (specifically in article 13) or in the applicable law. In this regard, the powers of the Board include, without limitation[1] to:

- Acquire on lucrative or onerous title basis personal and real property, rights, shares and interests that may suit the Company.
- Sell and mortgage or charge personal and real property, rights, shares and interests of the Company and cancel mortgages and other rights in rem.
- Negotiate and enter into loans and credit operations that it may deem appropriate.
- Negotiate and formalize all sort of acts and contracts with public entities or private persons.
- Exercise civil and criminal actions and all further actions to be undertaken by the Company, representing it before governmental officers, authorities, corporations, governing, administrative, administrative-economic, administrative-litigation and judicial courts, labour courts and the labour sections of the Supreme Court and of the High Courts of the Autonomous Communities, with no limitations whatsoever, including before the European Court of Justice, and in general before the Government, in all its levels and hierarchies. to intervene or promote, follow and terminate, through all procedures and instances, the processes, court sections or proceedings. to accept decisions, to file any kind of appeal, including the cassation one and other extraordinary appeals, to discontinue or confess, to agree an early termination of a proceeding, to submit litigious questions to arbitration judges, and to carry out all sorts of notices and requirements and to grant a power of attorney to Court Representatives and other representatives, with the case-related powers and the powers which are usually granted to litigation cases and all the special powers applicable, and to revoke such powers.
- Agree the allotment of interim dividends.
- Call and convene the General Meetings and submit to them the proposals that it deem appropriate.
- Direct the Company and organize its operations and exploitations by acknowledging the course of the Company businesses and operations, managing the investment of funds, making extraordinary amortizations of bonds and realizing anything that it is considered appropriate for the best achievement of the Company's objectives.
- Determine the roles of the members of the Board of Directors and to appoint and dismiss other Company's technical and administrative personnel, defining their responsibilities and remuneration.
- Agree any changes of the registered office's address within the same municipal area.
- Incorporate legal entities as stipulated under the law. assigning and investing all sorts of assets and rights, as well as entering merger and cooperation agreements, association, grouping and temporary union agreements between companies or business and joint property agreements, and agreeing their alteration, transformation and termination.

Likewise, the General Shareholders' Meeting held on March 26th, 2020, approved the delegation to the Board of Directors of the power to issue in one or more occasions both:

- Fixed income securities or other debt instruments of analogous nature.
- Fixed income securities or other type of securities (warrants included) convertible or exchangeable into EDP Renováveis, S.A. shares, or that recognize at the Board of Directors' discretion the right of subscription or acquisition of shares of EDP Renováveis, S.A. or of other companies, up to a maximum amount of three hundred million Euros (EUR 300,000,000) or its equivalent in other currency.

As part of such delegation, the General Shareholder's Meeting delegated into the Board of Directors the power to increase the share capital up to the necessary amount to execute the related tasks above. Additionally, it was also approved to authorize the Board of Directors for the acquisition of own shares by the Company and/or the affiliate companies up to the maximum limit of 10% of the subscribed share capital. These delegations may be exercised by the Board of Directors within a period of five (5) years since the proposal was approved, and within the limits provided under the law and the By-Laws.

Likewise, on the General Shareholders' Meeting held on March 31st, 2022, it was also approved the delegation to the Board of Directors of the power to carry out increases of share capital with the exclusion of the pre-emptive subscription rights (on one or several occasions) within the maximum term of five years. The total maximum amount of the increase or increases decided upon under this authorization shall be no higher than 50% of the present share capital. or in the event that the increase of capital excludes the pre-emptive subscription right of shareholders, than the 20% of the present share capital. This authorization shall be extended, as broadly as may be required by Law, to the setting and determination of those terms inherent in each of the increases in order to obtain any authorizations required under the legal provisions in force (including, but without being limited to, the determination of the amount and date of implementation, the number of shares to be issued, with or without voting rights, with or without a share premium, consisting of the countervalue of the new shares to be issued in monetary contributions,

[1]This list has a merely indicative nature, as the Board of Directors may perform all further powers expressly granted to the Board in the Articles or in the applicable law.

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and being able to determine the terms and conditions of the increase of capital and the characteristics of the shares). Should be noted that, it has been specifically stated with regards to this authorization that the total or partial exclusion of the pre-emptive subscription right shall be performed in terms of the corporate interest and pursuant to the legal requirements, and that the Board of Directors shall issue a report detailing those reasons that justify this in the corporate interest in each specific case, and which shall be made available to the shareholders and communicated at the first General Meeting of Shareholders held after the increase in capital.

Additionally, in compliance with its personal law and Company's internal regulations, some functions of the Board of Directors are non- delegable and, as such, have to be performed at this level, which are the following:

- Election of the Chairperson of the Board of Directors.
- Appointment of Directors by co-option.
- Supervision of the effective functioning of any committees that it may have incorporated and of the performance of any delegated bodies or managers it may have designated.
- Determination of the company's general policies and strategies.
- Authorization or waiver of the obligations arising from the Directors duty of loyalty.
- Its own organization and functioning.
- Formulation of the annual accounts and its submission to the General Shareholders' Meeting.
- Preparation of any type of report required from the board by law, when the underlying transaction to which the report refers cannot be delegated.
- Appointment and removal of the delegated directors ("*Joint Directors*") of the company, as well as the determination of their contract conditions.
- Appointment or removal of the members of the Management Team, as well as the determination of their basic contract conditions, including remuneration.
- Decisions relating to directors' remuneration, within the statutory framework and, if such is the case, within the remuneration policy approved by the General Shareholders' Meeting.
- Calling the General Shareholders' Meeting and preparing the agenda and proposed resolutions.
- Policy relating to own shares.
- Any powers that the General Shareholders' Meeting has vested to the board of directors, unless the board has explicitly authorized that they may be sub- delegated.
- Approval of the strategic or business plan, annual management objectives and budget, investment and financing policies, social sustainability policy and the dividends policy.
- Determination of the risk control and management policy, including those related to tax matters, and the supervision of the internal information and control systems.
- Determination of the company's corporate governance policy as well as the one applicable to the group of which the company is the parent entity. its organization and functioning and, in particular, the approval and amendment of its own regulations.
- Approval of the financial information that the company must disclose periodically.
- The definition of the structure of the group of companies of which the company is the parent entity.
- Approval of all type of investments and transactions that due to their high amount or special nature are considered as strategic or that may imply a financial risk, unless their approval falls under the General Shareholders' Meeting. For the purposes of this paragraph, the following transactions shall be considered as included:

  I. The purchase and sale of assets, rights or shareholdings by EDPR, included in the business plan approved by the Board of Directors ("the Business Plan"), whenever their [A] (i) book value, or (ii) market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value, is over one hundred and fifty million Euros (150,000,000€)2 (at present value), or [B] initial investment value consumes the total amount foreseen Business Plan for these type of transactions, whenever their (i) book value, or (ii) its market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value, is over seventy-five million Euros (75,000,000€) (at present value).

  II. Agreements regarding (i) bank loans and (ii) credit facilities in an amount above two hundred and fifty million Euros (250.000.000€), provided that, as a result of such agreements, EDPR's overall indebtedness exceeds the amount set forth in the approved annual budget.

  III. Total or partial opening or closure of establishments, as well as extensions or reductions of its activity, provided that, according to a reasonable estimate of the executive directors, they result in a change in the turnover or in the assets of the Company of over seventy-five million Euros (75,000,000€).

  IV. Other operations and relevant transactions, and in particular, those excluded from the scope of the Business Plan whenever their (i) book value or (ii) market value

[2]For the purposes of this provision, the amounts of the respective financial guarantees shall be considered in aggregate.

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assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value is above seventy-five million Euros (75,000,000€)3 (at present value).

V. Any operations not directly related to the energy sector which amount is above twenty million Euros (20,000,000€).

VI. Setting up or terminating strategic partnerships or any other forms of enduring cooperation, in an amount above twenty million Euros (20,000,000€).4

- The approval of the creation or acquisition of shares in special purpose entities or registered in countries or territories considered tax havens, as well as any other transaction or operation of a similar nature that, due to its complexity, may undermine the transparency of the company and its group.
- The approval of Related Party Transactions, unless:

  I. Its approval corresponds to the Shareholders' Meeting; or

  II. transactions (i) between companies of the same group and that are performed in the ordinary management of the company and under market conditions, or (ii) closed under standardized conditions and wholesale applied to a high number of clients, and at prices or tariffs generally established by the supplier of the good or service, the amount of which does not exceed the 0.5% of the net annual company turnover. which will be approved by the Audit, Control and Related Party Transactions Committee.
- The determination of the company's tax strategy.
- The supervision of the elaboration and submission process of the financial information and the management report, that will include, as the case may be, the required non-financial information and the submission of the recommendations or proposals presented to the Board aimed to protect its integrity.

Should be noted that in case of duly justified urgency situations, or when considered convenient in an interim period between meetings of the Board of Directors, the decisions related to the reserved matters referred above may be adopted by the delegated bodies or individuals and will be ratified at the first Board meeting to be held after the adoption of the decision.

Notwithstanding the above, from October 2022, a fast-track procedure has been established by the Board of Directors of EDPR for certain matters that require urgent approval. This procedure is extensively ruled under the regulations of the Board of Directors. As per the governance model adopted, EDPR has to comply with the regulation established under the Spanish Companies Act, which among others, as mentioned above, stablishes that the approvals of the strategic lines and policies of the company are a reserved matters of the Board of Directors that cannot be delegated, and that shall be necessarily approved at this level. Therefore, in compliance with recommendation V.1 and its personal Law (Spanish one), in case of proposal of a new Business Plan, in EDPR such will be first assessed by the Audit, Control and Related Party Transactions Committee (as per its Governance Model does not have a Supervisory Body), and being the final proposal approved at the Board of Directors level.

10. Significant business relationships between the holders of qualifying holdings and the Company

Information on any significant business relationships between the holders of qualifying holdings and the Company is described on topic 90 of this Chapter 5 of the Annual Report.

B. Corporate Boards and Committees

I. General Shareholders' Meeting

On March 31st, 2022 the General Shareholders' Meeting resolved to approve the Regulations of the General Shareholders' Meeting of EDP Renováveis, S.A., which establishes the principles of its organization and operation, and, that contain the rules governing the convening, preparation, information, attendance and development of the General Shareholders' Meeting, as well as the exercise of the corresponding rights of the shareholders when it is convened and held, all in accordance with the applicable regulations in force. These regulations are available at the website of the Company www.edpr.com. Any amendment to these Regulations shall require the resolution to be adopted by the General Shareholders' Meeting but not with qualified quorum.

[3] For the purposes of this provision, the amounts of the respective financial guarantees shall be considered in aggregate.

[4][5] For the purposes of this provision, partnerships or other forms of cooperation which do not have a strategic and lasting character, namely regarding cases where such partnerships are limited to specific transactions in predominantly commercial and operational matters, or which relate to the Company's core activities.

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a) Composition of the Board of the General Meeting

11. Board of the General Shareholders' Meeting

Since 2021, EDPR adopted the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders' Meeting to be chaired by the Chairperson of the Board of Directors, and in the absence thereof, to the Vice-Chairperson (in the absence of both of them, it will be assigned to the oldest director).

As such, the Chairperson of the Board of Directors – or whoever acting as substitute – together with the remaining Members of the Board, shall constitute the Board of the General Shareholders' Meeting; and its Secretary will be the Secretary of the Board of Directors. Therefore, as of December 31th, 2023 the role of Chairperson of the Shareholders' Meeting corresponds to António Gomes Mota, – who was appointed as member of the Board for a three-year (3) term by the General Shareholders' Meeting held in April 12th, 2021, and for the position of Chairperson of the Board of Directors on its meeting subsequently held on the same date—and the role of the Secretary of the General Shareholders' Meeting corresponds to the Secretary of the Board of Directors, María González Rodríguez, who was appointed for that position on November 2nd, 2021.

Should be also highlighted that accordance with article 180 of the Spanish Companies' Law, all the Board of Directors' Members are obliged to attend the General Meetings.

The Chairperson of the General Shareholders' Meeting of EDPR has at his disposal, the necessary human and logistical resources required for the performance of his duties. Therefore, in addition to the resources provided by the Company's General Secretary, in 2023 the Company hires a specialized entity to give support to the meeting and to collect, process and count the votes submitted by the shareholders on the Ordinary Shareholders' meetings.

b)Exercising the right to vote

12. Voting rights restrictions

Each EDPR share entitles its holder to one vote. Neither EDPR's Articles of Association, nor General Shareholders' Meeting Regulations establish any restriction regarding voting rights. Additionally, the Articles of Association do not include any provisions for double loyalty voting.

13. Voting rights

Neither EDPR's Articles of Association, nor General Shareholders' Meeting Regulations have any reference to a maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship. All shareholders, regardless the number of shares owned, may attend to the General Shareholders' Meeting and request the information or explanations that they consider relevant regarding the matters included in the Agenda of the convened meeting, and are entitled as shareholders of the Company, to take part in its deliberations and to participate in its voting process. The logistics for the exercise of the voting rights, including the procedure and requirements for the submission through mail and electronic communication of voting forms, and the cutoff date for the shareholders to be able to exercise such rights, are set forth in the Regulations of the General Shareholders' Meeting.

Any shareholder may be represented at the General Shareholders' Meeting by a third party by means of a revocable Power of Attorney (even if such representative is not a shareholder). The Board of Directors may require shareholders' Power of Attorney to be in the Company's possession at least two (2) days in advance, indicating the name of the representative.

These Powers of Attorney shall be granted specifically for each General Shareholders' Meeting and can be evidenced in writing or by remote means of communication such as email or post.

According to the applicable law and the Company's Articles of Association, the notice of EDPR's General Shareholders' Meetings is published in the Official Gazette of the Commercial Registry and on the Company's website at least thirty (30) days prior to the meeting date. Likewise, the Notice of the General Shareholders' Meeting is published at the website of *Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A* ("Interbolsa") and on the website of the *Comissão do Mercado de Valores Mobiliários* ("CMVM") – at www.cmvm.pt - and of the *Comisión Nacional del Mercado de Valores* ("CNMV") – at www.cnmv.es. Simultaneously with the publication of the meeting Notice, the supporting documentation in relation to the General Shareholders' Meeting is published on the CMVM website. Likewise, as soon as the notice of the meeting was formally published, the following information and documentation related to the General Shareholders' Meeting was made available at the Company's website (www.edpr.com):

- The notice of the General Shareholders' Meeting.
- The total number of shares and voting rights at the date of the Meeting notice.

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- The template of the letter of representation and the template of the ballot to be sent by mail, and also, the links to the electronic platform that the Company provides for the voting on the topics included in the Agenda.
- The full texts of the proposed resolutions (included when received if such were the case, those proposed by shareholders) and related supporting documentation, that will be submitted to the General Shareholders' Meeting for approval.
- The consolidated texts in force (Articles of Association and the other applicable regulations).

In 2023, the Company included the English and Portuguese versions of the information and documents related to the Shareholders´ Meetings on its website (www.edpr.com) with the notice of the meetings being the Spanish version of the documents the one that prevailed.

Shareholders may vote on the topics included on the Shareholders' Meeting Agenda, in person (including by means of the corresponding representative) at the meeting, by ordinary mail, or by electronic communication (in this latest case, through a telematic vote platform made available at the Company's website or sending the related filled and signed templates by email), and in any case providing the documentation indicated in the General Shareholders' Meeting Regulations.

Pursuant to the terms of article 15 of the Articles of Association and Article 24.7 of the General Shareholders' Meeting Regulations, both electronic and mail-in votes must be received by the Company before midnight (24.00 hours) of the day before the scheduled meeting date of

first call. Remote votes can be revoked subsequently by the same means used to cast them, always within the deadlines established for that purpose, or by personal attendance to the General Shareholders' Meeting of the shareholder who casted the vote to his/her representative.

In addition to the above-mentioned means, and pursuant IPGC recommendation III.4, the EDPR General Shareholder's Meeting held the 4th April, 2023 offered to the shareholders the possibility of attending the Meeting by telematic means in accordance with article 15.6 of the Bylaws and articles 11.3.e) and 16.5 of the General Shareholders' Meeting Regulations.

14. Decisions that can only be adopted by a qualified quorum

According to EDPR's Articles of Association and the General Shareholders' Meeting Regulations, and as established in the law, both ordinary and extraordinary General Shareholders' Meetings are validly constituted when first called if the shareholders, either present or represented, jointly reach at least twenty-five percent (25%) of the subscribed voting capital. On second call, the General Shareholders' Meeting will be validly constituted regardless of the amount of the capital present or represented.

Notwithstanding the above percentages, to validly approve the issuance of bonds, the increase or reduction of capital, the transformation, global assignment of assets and liabilities, merger or spin-off of the Company, the transfer of the Registered Office abroad, the elimination or limitation of pre-emptive rights of new shares and in general, any necessary amendment to the Articles of Association, in the Ordinary or Extraordinary Shareholders' Meeting, it is required that on first call, the Shareholders, either present or represented, reach at least fifty percent (50%) of the subscribed voting capital and, on second call, at least twenty-five percent (25%) of the subscribed voting capital.

In relation to the quorum required to validly approve these matters, in accordance with the Law, the Articles of Association and the General Shareholders' Meeting Regulations, when the shareholders attending represent more than fifty percent (50%) of the subscribed voting capital, the above mentioned resolutions will be validly adopted by absolute majority, and in the case the shareholders attending represent between the twenty-five percent (25%) and the fifty percent (50%) – but without reaching it - the favorable vote of the two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting will be required to approve these resolutions.

EDPR has not established any mechanism that may intend to cause mismatching between the rights to receive dividends or the subscription of new securities and the voting right of each common share and has not adopted mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided by the law.

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II. Management and supervision

a) Composition

15. Corporate Governance model

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. The corporate organization of EDPR is subject to its personal law and to the extent possible, to the recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance ("IPCG"), resulted as of the Protocol signed on October 13th, 2017, between the Comissão do Mercado de Valores Mobiliários ("CMVM" – Portuguese Securities Market Commission) and the IPCG, which was last reviewed in 2023. This governance code is available at the IPCG website (https://cam.cgov.pt/). As such, the Company intends to comply with both legal systems but always taking into account that its personal law is the Spanish one, and that in case of discrepancy, the aim is to adopt the law that entails more protectionism for its shareholders.

The governance structure of EDPR is the one applicable under its personal law, that comprises a General Shareholders' Meeting and a Board of Directors that represents and manages the Company. Additionally, parallelly seeks to correspond it to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit, Control and Related Party Transactions Committee. The organization and functioning of EDPR corporate governance model aims to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices.

In line with the governance model above referred, and as detailed along topics 15 - 29 of this Chapter 5 of the Annual Report and contemplated in the law and Articles of Association of the Company, as of December 31st, 2023, EDPR does not have a Supervisory Board, but its Board of Directors has set up three Delegated Committees entirely composed by Independent Members of the Board of Directors: the Audit, Control and Related-Party Transactions Committee, the Appointments and Remunerations Committee and the Environmental, Social and Corporate Governance Committee. This structure and its functioning, enables a fluent workflow between all levels of the governance model, as: i) each of the Delegated Committees shall report the decisions taken to the Board of Directors (drafting the minutes of each of the meetings and also providing whatever further clarification is required by the Board), and ii) as the committees members are also Members of the Board, all of them will also receive the complete information at Board of Directors level (as convening of the meetings, supporting documents and related minutes) in order to take the corresponding decisions; and all in all, thus ensuring in time and manner the access to all the information to the whole Board of Directors in order to appraise the performance, current situation and perspectives for the further development of the Company.

The General Secretary constitutes the focal point in charge of the centralization of the reception and management of all the information and documents to be provided to the different Governing Bodies. This information is prepared by the different departments of EDPR, with the support, when necessary, of external experts, and always managed in a strictly confidential basis. Additionally, the corresponding duties and functioning procedures for the Governing Bodies (including but without limitation, the performance of their functions, their Chairmanship, periodicity of meetings, their functioning and the duties of their Members) have been defined at the Articles of Association, the General Shareholders' Meeting Regulations, and Board of Directors and Delegated Committees Regulations (which are published at the website of the Company www.edpr.com), with the aim of ensuring the adequacy in terms of time and manner of the elaboration, management and access to the information in order to procced at each level with the corresponding acknowledgements and decisions. In line with the above, the General Secretary sends the notices and supporting documents of the topics to be discussed in each meeting of the Board and of each of its committees, to their proper discussion during the meeting. Besides the above, Secretary to the Board of Directors also provides necessary legal advice to the Governing Bodies. Finally, the minutes of all meetings of the Board of Directors and Delegated Committees are drawn and also circulated by the General Secretary.

The governance model of EDPR was designed to ensure the transparent and meticulous separation of duties, management, and the specialization of supervision, through the following governing bodies:

- General Shareholders' Meeting
- Board of Directors
- Audit, Control and Related Party Transactions Committee
- Appointments and Remunerations Committee
- Environmental, Social and Corporate Governance Committee

The experience gained operating the Company through this structure indicates that the governance model approved by EDPR shareholders, and adopted in EDPR, is the most appropriate in line with the corporate organization of its activity, especially because it affords transparency and a healthy balance between the management and the supervisory functions.

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The links of the Company Website that refers to the information of the Governing Bodies and its regulations are indicated in topics 59-65 of this Chapter 5 of the Annual Report.

16. Rules for the nomination and replacement of directors

According to Article 29.5 of the Company's Articles of Association, the Appointments and Remunerations Committee is empowered by the Board of Directors to propose, advise, and inform the Board regarding the appointments (including by co- option), re-elections, removals and remuneration of the Board Members, as well as the composition of the committees of the Board. This committee also advises on the appointment, remuneration and dismissal of top management officers.

As also referred in the Company Articles of Association (Article 21) the term of office of the Board Members shall be of three (3) years and may be re-elected once or more times for equal periods. The appointment proposals shall be approved by majority.

Following the best Corporate Governance practices, at the meeting of 24 October 2023, there were analysed and reviewed the possible criteria applicable in the selection of the new members of its Governing Bodies. For these purposes the criteria and requirements to be met by future Board Members, depending on their role, have been defined beforehand. The market trends, the Recommendation II.2.1. and the specific needs of EDPR were taken into account by profiling a blueprint of the professional competences of the current Members, in order to ensure the suitability of the roles, the contribution of the new profiles to a better performance, and the aim of ensuring a balanced composition in the bodies of the Company. As a conclusion of this reflection, the Appointments and Remunerations Committee agreed to consider as a reference certain standards and requirements in accordance with the following:

- Individual attributes: education, competence, integrity, availability, and experience that were particularized into:
- Core industry, Strategy & Business Development, Financial Acumen, Accounting, Auditing and Control, International Experience, M&A and Capital Markets, Legal, Governance, Environmental and Sustainability, Health and Safety, People Management, IT/Cybersecurity, Digital Transformation, Technology, Procurement, Operations, Communications and Public Affairs, Regulation, amongst others.
- Diversity: to be considered as a wide criteria, analyzed in accordance with the nature and complexity of the businesses developed, as well as according to the social and environmental context from time to time, and that will include, among others, gender, age and culture or geographical origin.

It was expressly stated that this list should not be considered as an exhaustive nor limiting reference, and that in any case, depending on the needs and competences required, other criteria may be taken into account.

Based on the above criteria, after the previous advice of the Appointments and Remunerations Committee, the Board of Directors submits the related proposals to the General Shareholders' Meeting (including for sake of clarity, the curriculum vitae of the candidates, and the justifying report, which shall be publicly disclosed with the other supporting documents of the meeting in the terms referred in topic 13 above). For more information about the composition of the Board of Directors please check the Sustainability Chapter of the Annual Report at its topic GRI 405-1, and the Annex I of this Chapter 5 of the Annual Report, which includes the curricular details of its Members. Additionally, in case of a vacancy, pursuant to the Articles of Association and the Spanish Companies Law, the Board of Directors may co-opt a new Board Member, who will occupy the position until the next General Shareholders' Meeting, to which a proposal will be submitted for the ratification of such appointment by co-option. Pursuant to the Spanish Companies Law, the co-option of Directors must be approved by absolute majority of the Directors at the Board meeting. Finally, pursuant to Article 23 of the Articles of Association and article 243 of the Spanish Companies Act, shareholders may group their shares until constituting an amount of capital equal or higher than the result of dividing the company's capital by the number of Members of the Board, to be entitled to appoint a number of Directors equal to the result of the fraction using only whole amounts. Those shareholders making use of this power, cannot intervene in the nomination of the other Members of the Board of Directors.

17. Composition of the Board of Directors

Pursuant to Article 20 of the Company's Articles of Association, the Board of Directors shall consist of no less than five (5) and no more than seventeen (17) Directors. Taking into account the size of EDPR and the complexity of the risks intrinsic to its activity, following the proposal of the Appointments and Remunerations Committee, the Board of Directors EDPR submitted to the Extraordinary Shareholders Meeting held on February 22nd, 2021, the proposal to adjust the number of Directors of the Company to a total of twelve (12) members. As also referred in the Company Articles of Association (Article 21) the term of office of the Board Members shall be of three (3) years and may be re-elected once or more times for equal periods. On March 13th, 2023, the Board acknowledged the resignation of Miguel Nuno Simões Nunes Ferreira Setas to his position as Director (with effects April 12th, 2023). The General Shareholders' Meeting held on April 4th resolved the continuation of the existing vacancy on the Board of Directors, leaving the position unfilled. Therefore, as of December 31st, 2023, the Board of Directors was composed by the following Directors:

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MEMBER	POSITION	FIRST APPOINTMENT	RE- ELECTION	END OF TERM
António Gomes Mota	Independent Chairperson	12/04/2021	-	12/04/2024
Miguel Stilwell d'Andrade	CEO & Executive Vice-Chairperson	19/02/2021	12/04/2021	12/04/2024
Rui Teixeira	CFO and Executive Director	29/10/2019	12/04/2021	12/04/2024
Vera Pinto Pereira	Director	26/02/2019	12/04/2021	12/04/2024
Ana Paula Marques	Director	19/02/2021	12/04/2021	12/04/2024
Manuel Menén-dez	Director	04/06/2008	12/04/2021	12/04/2024
Acácio Piloto	Director	26/02/2013	12/04/2021	12/04/2024
Allan J. Katz	Director	09/04/2015	12/04/2021	12/04/2024
Rosa García Gar-cía	Director	12/04/2021	-	12/04/2024
José Manuel Félix Morgado	Director	12/04/2021	-	12/04/2024
Kay Mc Call	Director	1/06/2022	4/04/2023-	4/04/2026

Likewise, since November 2nd, 2021, the Secretary non-member of the Board of Directors is María González Rodríguez, and the Vice-Secretary of the Board of non-member is Borja Pérez Dapena.

18. Executive, Non-Executive and Independent Members of the Board

The independence of the Directors is evaluated according to the Company's personal law, and annually confirmed by each of the corresponding Directors through the signature of an independence declaration. Likewise, EDPR Board of Directors Regulations, and Article 20.2 of its Articles of Association, defines independent Directors as those who are able to perform their duties without being limited by relations with the Company, its significant Shareholders, or its management officers and comply with the other legal requirements.

In order to comply with Recommendation IV.2.5 (cooling-off period) and explain Recommendation IV.2.4. (Independence requirements) of the IPGC, the Company provides an explanation of the considerations used to categorize Independent Directors.

As the independence of directors is regulated by law in Spain, the Company is required to adhere strictly to its personal law. While the alignment between Spanish law and the IPGC recommendation is highly similar, it is not fully comprehensive. Therefore, the Company follows the "comply-or-explain" principle with respect to Recommendation IV.2.4. In this regard, the following is a reproduction of Article 524duodecies 4 of the Spanish Corporate Law, which outlines the criteria for the classification of independent directors.

[..] 4. Independent Directors are those who, appointed based on their personal and professional qualities, can perform their duties without being influenced by relationships with the company or its group, significant shareholders, or executives. · In no case can those who are in any of the following situations be considered independent Directors:

a) Those who have been employees or executive Directors of group companies, unless 3 or 5 years, respectively, have elapsed since the end of that relationship. •

b) Those who receive from the company or its group any amount or benefit for a concept other than Director's remuneration, unless it is not significant for the Director. For the purposes of this criteria, dividends or pension supplements received by the Director due to their previous professional or employment relationship will not be considered, provided that such supplements are unconditional and, therefore, the company that pays them cannot suspend, modify, or revoke their accrual without a breach of its obligations.

c) Those who are or have been partners of the external auditor or responsible for the audit report during the last 3 years, whether it is the audit of the listed company or any other company in its group. •

d) Those who are executive-Directors or senior executives of another company in which any executive Director or senior executive of the company is an external director.

e) Those who maintain, or have maintained during the last year, a significant business relationship with the company or any company in its group, either on their own behalf or as a significant shareholder, Director, or senior executive of an entity that maintains or has maintained such a relationship. Business relationships will be considered those of supplier of goods or services, including financial ones, and advisor or consultant. •

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f) Those who are significant shareholders, executive Directors, or senior executives of an entity that has received donations from the company or its group during the last 3 years. Those who are mere trustees of a foundation that receives donations will not be included in this letter.

g) Those who are spouses, persons linked by an analogous affective relationship, or relatives up to the second degree of an executive Director or senior executive of the company.

h) Those who have not been proposed, either for their appointment or renewal, by the appointments committee.

i) Those who have been Directors for a continuous period of more than 12 years.

j) Those who are in any of the situations referred to in letters a), e), f), or g) above with respect to a significant shareholder or representative on the board. In the case of the relationship of kinship referred to in letter g), the limitation will apply not only with respect to the shareholder but also to their dominical Directors in the participating company.

Corporate Governance recommendations of the IPCG Code state that the number of non-executive directors should be higher than the number of executive directors, and that at least one third over the total members shall be non-executive members that also comply with the independence criteria. In this sense, and provided that the independence criteria applicable to EDPR Directors are the ones established under its personal law, from a total of eleven (11) positions that composed of EDPR's Board of Directors as of December 31st, 2023, nine (9) were non-executive, being six (6) of them also independent. In accordance with the law and Articles of Association, it has been established that Non- Executive Directors can only be represented in the Board meetings by another Non- Executive Director.

As such, it has been concluded that the composition of the Board and its Delegated Committees is suitable for the size of the company and the complexity of the risks intrinsic to its activity mainly considering that enables a separation of duties, management and specialization of supervision at the same time that the non-executive and independent directors take part in all the decisions also at the Board of Directors level. Should be noted to this extent that the Board of Directors is composed by a majority of non-executive members, with a high percentage of independents. and that the Audit, Control and Related Party Transactions Committee, the Appointments and Remunerations Committee and the Environmental, Social and Corporate Governance Committee are entirely composed by non- executive and independent Members. Likewise, the executive line of the Board is centralized in two directors, who are supported in the daily activity of the Company by the Members of a Management Team.

Spanish law, Regulations of the Board of Directors and Company Articles of Association regulate the criteria for the incompatibilities with the position of Director. Specifically, Article 23 of the Articles of Association, establish that the following can not be Directors:

- Those who are directors of or are associated with any competitor of EDPR or have family relations with them. In this respect a Company shall be considered as a competitor of EDPR, whenever it is engaged, if it is directly or indirectly involved in the production, storage, transport, distribution, marketing or supply of electricity or fuel gas. or also if has interests opposed to those of EDPR, or to the ones of any competitor or any of the companies in its group, and the Board Members, employees, lawyers, consultants, or representatives of any of them. Under no circumstances shall companies belonging to the same group as EDPR, including abroad, be considered competitors.
- Those who are in any other situation of incompatibility or prohibition under the law or EDPR's Articles of Association. Under Spanish law, among others, are not allowed to be Directors those who are underage — under eighteen (18) years - and were not emancipated-, disqualified, competitors, convicted of certain offences, or that hold certain management positions.

The prevention and avoidance of the conflict of interest in the performance of the duties of the Directors of EDPR is regulated in line with the terms contained in article 229 of the Spanish Companies Law and implemented in article 28.3 of the Board of Directors Regulations, which is also applicable to the committees under article 12 of their respective regulations. This article states that in case any direct or indirect conflict of interest arose, it shall be communicated to the Board of Directors, being the Director involved obliged to abstain from intervening in the corresponding operation. Additionally, all the Board Members (and hence those of its Delegated Committees, as they are entirely composed by Members of the Board) shall annually sign an statement declaring their compliance with the terms of the requirements stated under article 229 of the Spanish Companies Law, and their commitment to notify any variation in the information declared under the statement as soon as it may occur, in order to fully comply with the loyalty duty and avoid any interference or irregularity in any decision-making process.

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The following table includes the executive, non-executive, and independent members of the Board of Directors as of December 31st, 2023:

BOARD MEMBER	POSITION
António Gomes Mota	Chairperson (non-Executive & independent)
Miguel Stilwell d'Andrade	CEO and Executive Vice-Chairperson
Rui Teixeira	CFO and Executive Director
Vera Pinto Pereira	Non-Executive Director
Ana Paula Marques	Non-Executive Director
Manuel Menéndez	Non-Executive Director
Acácio Piloto	Non-Executive and independent Director
Allan J. Katz	Non-Executive and independent Director
Rosa García García	Non-Executive and independent Director
José Morgado	Non-Executive and independent Director
Kay Mc Call	Non-Executive and independent Director

19. Professional qualifications and biographies of the Members of the Board of Directors

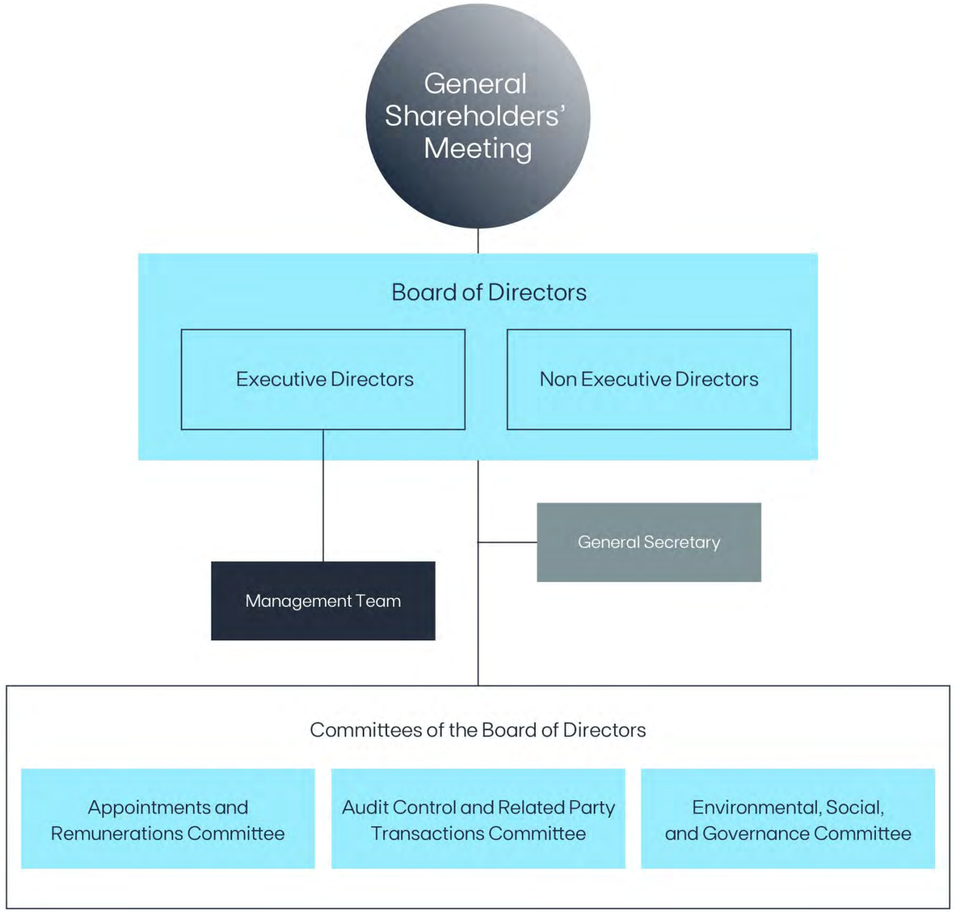
The skills and main positions held by the Members of the Board of Directors, as well as those that they currently hold in Group and non-Group companies and other relevant curricular information details are available in the Annex I of this Chapter 5 of the Annual Report.

20. Family, professional and business relationships of the Members of the Board of Directors with qualifying shareholders

Qualifying Shareholders in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholders' holdings. As of December 31st, 2023, and as far as the Company was informed, there are no family or business relationships of Members of the Board of Directors with qualifying shareholders but only professional relationships due to the fact that some of the Members of EDPR's Board of Directors are currently Members of the Board of Directors in other companies belonging to the same group as EDP Renováveis S.A., which are the following: Miguel Stilwell d' Andrade, Rui Teixeira, Vera Pinto Pereira, Ana Paula Marques and Manuel Menéndez.

21. Corporate bodies and management structure

As exposed in topic 15 above, the governance model of EDPR was designed to ensure the transparent and meticulous separation of duties and the specialization of supervision through the following governing bodies and management structure:



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General Shareholders' Meeting: which is the body in which the shareholders participate. Represents the Company with the full authority corresponding to its legal personality and has the power to deliberate, vote and adopt decisions, particularly on matters that the law and Articles of Association reserve for its decision and that must be submitted for its approval.

Board of Directors: that represents and administrates the Company under the broadest powers of management, supervision and governance with no limitations other than the responsibilities expressly and exclusively granted to the jurisdiction of the General Shareholders' Meeting in the Company's Articles of Association, in the General Shareholders' Regulations or in the applicable law.

Executive Directors: EDPR has two Executive Directors who are also Joint Directors, Miguel Stilwell de Andrade (CEO) and Rui Teixeira (CFO), to whom the Board agreed to delegate all the competences that can be delegated as per established under the Company Bylaws and the applicable law.

Delegated Committees: as regulated by the applicable Law and pursuant to the best corporate governance recommendations, EDPR has set up three additional specialized internal committees:

- The Audit, Control and Related Party Transactions Committee, whose main duties are the supervision of the financial information and internal control, risk management and Compliance systems. It also assumes the functions related to the analysis and, when applicable, the approval of the Related Party Transactions of the Company.
- The Appointments and Remunerations Committee, whose main duties are the assistance and report to the Board of Directors in the appointments, re-elections, dismissals, evaluation, and remunerations of Directors and Management Team Members.
- The Environmental, Social and Corporate Governance Committee, whose main duties are the assistance and report to the Board of Directors in the alignment with the market trends and the company needs regarding Environmental, Social and Corporate Governance matters, with the aim of also providing the investors with more transparent and exhaustive information regarding matters related to Corporate Governance and Sustain ability.

Management Team: On January 2021 the Board of Directors agreed to create this body in order to assume the conduction and supervision of the daily activity and performance of the Company.

Considering the growing tendence of EDPR and its presence in new geographies, it has been concluded that in order to ensure the required support to the needs to be covered both in business and technical terms, the appropriate composition of the Management Team will be the CEO and CFO, the representatives of EDPR's Platforms (Europe, LaTam, APAC and North America), and a member in charge of the coordination of the technical functions and Offshore business.

Therefore, as of 31st, December 2023 the composition of the Management Team of EDPR was as follows:

- Miguel Stilwell d'Andrade (CEO)
- Rui Teixeira (CFO)
- Duarte Bello (COO Europe&LaTam)
- Pedro Vasconcelos (COO APAC)
- Sandhya Ganapathy (COO NA)
- Bautista Rodríguez (CTO & Business Offshore)

b) Functioning

22. Board of Directors regulations

EDPR's Board of Directors Regulations were last amended on December 12th, 2022, and are available at Company's website (www.edpr.com), and at Company's headquarters at Plaza del Fresno, 2, Oviedo, Spain.

23. Number of meetings held by the Board of Directors and attendance report

According to the Law and its Articles of Association, EDPR's Board of Directors meetings take place at least once every quarter. During the year ended on December 31st, 2023, the Board of Directors held eleven (11) meetings. The notices and supporting documents of the topics to be discussed in each meeting are sent to the Board Members in advance to their proper discussion during the meeting. Additionally, the minutes of all meetings are drawn and also circulated.

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The following table expresses the attendance percentage of the participation of the Directors to the meetings held during 2023:

BOARD MEMBER	POSITION	ATTENDANCE*
António Gomes Mota	Chairperson (non-Executive and independent)	100%
Miguel Stilwell d'Andrade	CEO and Executive Vice-Chairperson	100%
Rui Teixeira	CFO and Executive Director	100%
Vera Pinto Pereira	Non-Executive Director	91%
Ana Paula Marques	Non-Executive Director	100%
Miguel Setas	Non-Executive Director	100%*
Manuel Menéndez	Non-Executive Director	100%
Acácio Piloto	Non-Executive Director and independent Director	100%
Allan J. Katz	Non-Executive Director and independent Director	100%**
Rosa García García	Non-Executive Director and independent Director	100%**
José Félix Morgado	Non-Executive Director and independent Director	100%
Kay Mc Call	Non-Executive Director and independent Director	100%**

*The percentage reflects the meetings attended by the Members of the Board during 2023, provided that Miguel Setas resigned on March3rd, 2023 (with effects April 12st, 2023), thus the percentage shown in the table reflects the attendance calculated over the meetings celebrated until such date.
** Miguel Setas was not able to attend to the Board of Directors meeting held on February 27th ,2023 but in line with the Company bylaws and the applicable law, he delegated his representation and vote into other non-executive member of the Board (António Gomes Mota).
**Allan J. Katz was not able to attend to the Board of Directors meetings held on March 2nd and April 4th, 2023, but in line with the Company bylaws and the applicable law, he delegated his representation and vote into other non-executive member of the Board (Acácio Piloto and António Gomes Mota, respectively).
**Rosa García and Kay Mc Call were not able to attend to the Board of Directors meeting held on March 2nd, 2023, but in line with the Company bylaws and the applicable law, they delegated their representation and votes into other non-executive member of the Board (António Gomes Mota).

Likewise, on January 23rd, 2023, it was held a meeting of non- executive Directors in order to analyze and assess the organization, composition and functioning of the Board of Directors and its Committees.

With the aim of improving the quality of corporate governance, focusing on supervision and decision-making, two Offsite meetings were held, one in Madrid and another in São Paulo in 2023. The meetings were held in a different environment from the usual one, encouraging dialogue and creating a dynamic of interaction and cohesion among Board Members and with the Management Team Members, with the aim of improving the climate for future debates. Both meetings focused on the medium-term business model, with particular involvement of the teams from the geographical areas where the meetings were held.

The Company has reported that it did not use artificial intelligence as a decision-making tool for social bodies in 2023, in accordance with IPCG Recommendation VII.9. The Company's approach is to be cautious about the potential risk associated with the implementation of automated decision-making systems. However, EDPR recognizes the importance of efficient management of Board meetings and, to this end, has adopted initiatives to support the Board of Directors. These tools are not directly related to automated artificial intelligence, but rather to facilitate meeting management, decision support in a data-driven culture and enhance operational efficiency. The Company remains committed to closely monitoring the evolution of the artificial intelligence market and emerging trends in the use of AI in decision-making. EDPR is committed to maintaining a proactive stance by closely monitoring technological innovations and developments in the field. This is achieved through a multi-disciplinary team of technology, business, ethics, legal and compliance experts.

24. Competent body for the performance appraisal of Executive Directors

The key performance indicators for the appraisal of the Executive Directors are set in advance and approved by the General Shareholder's Meeting.

Once the corresponding fiscal year is completed, the Appointments and Remunerations Committee performs the first assessment about the compliance with such key performance indicators, and submits its recommendation to the Board of Directors, which evaluates the proposal of this committee and makes the final decision. Should be noted that according to the personal law of EDPR, the definitive assessment of this performance is a non-delegable competence of the Board of Directors.

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25. Performance evaluation criteria applicable to Executive Directors

The criteria for assessing the Executive Directors' performance are described on topics 70, 71 and 72 of this Chapter 5 of the Annual Report.

26. Availability of the Members of the Board of Directors

The availability of the Members of the Board of Directors is one of the individual attributes considered by EDPR in the selection processes, and a reference that is clearly being more observed and acquiring material relevance in the Market. As such, and with the aim of complying with the best governance practices, the Board of Directors resolved at its meeting held in October 25th, 2022 to rule under its Regulations the performance of EDPR Executive Directors when they have executive functions in entities outside the Group; in accordance to which it has been stablished hat: i) the Executive Members of the Board of Directors may not exercise executive functions in more than two companies outside EDP Group.; and ii) the exercise of that functions will be subject to prior assessment of the Appointments and Remunerations Committee and of the approval by the Board of Directors.

The Members of Board of Directors of EDPR are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with other positions.

The positions held at the same time in other companies within and outside the Group, and other relevant activities undertaken by Members of the Board of Directors throughout the financial year are listed in the Annex I of this Chapter 5 of the Annual Report.

c) Committees within the Board of Directors or Supervisory Board and Board Delegates

27. Board of Directors' Committees

As previously exposed, in line with Spanish Law and as specifically foreseen in Article 10 of the Company's Articles of Association, the Board of Directors is entitled to create delegated bodies. The Board of Directors of EDPR has set up three committees:

- Audit, Control and Related-Party Transactions Committee
- Appointments and Remunerations Committee
- Environmental, Social and Corporate Governance Committee

The three Committees are composed exclusively by non-executive and independent Members.

28. Details of the Executive Delegates of the Board

On January 19th, 2021, the Board of Directors agreed to appoint Miguel Stilwell d'Andrade and Rui Teixeira as Joint Executive Directors, delegating in them all the competences that can be delegated as per established under the Company Bylaws and the applicable law. On April 12th, 2022, the Board agreed to re-elect both of them as Joint Executive Directors, as well as to again delegate in them all the competences that can be delegated as per established under the Company Bylaws and the applicable law. The reserved matters of the Board of Directors are identified in topic 9 of this Chapter 5 of the Annual Report and article 9 of the Board of Directors Regulations.

29. Committees' competences

Audit, Control and Related Party Transactions Committee

Composition

Pursuant to Article 28 of the Company's Articles of Association and Article 9 of its Regulations, the Audit, Control and Related Party Transactions Committee consists of no less than three (3) and no more than five (5) members.

Following the proposal submitted by the Appointments and Remunerations Committee, its Chairperson, Acácio Piloto, was first elected for this position on June 27th, 2018, and re-elected on April 12th, 2021.

The Audit, Control and Related Party Transactions Committee consists of three (3) non-executive and independent Members, who as of December 31st 2023, are the following:

- Acácio Piloto, who is the Chairperson.
- Rosa García García
- José Manuel Félix Morgado

Additionally, María González Rodríguez is the Secretary of the Audit, Control and Related Party Transactions Committee since November 2nd, 2021.

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The committee Members shall maintain their positions for as long as they are Company Directors. Nevertheless, the Board may decide to discharge members of the committee at any time, and also the members may resign of these positions but still maintaining their seat as Members of the Board of Directors.

Competences

Notwithstanding the other duties that the Board may assign to this committee, it shall perform supervisory functions of Audit and Control independently from the Board of Directors, as well as, by delegation of the Board of Directors, the supervisory functions of the transactions between Related Parties, as follows:

a) Audit and Control functions:

- Reporting through the Chairperson on questions falling under its jurisdiction to the General Shareholders' Meetings.
- Proposing the appointment of the Company's auditors to the Board of Directors for subsequent approval by the General Shareholders' Meeting, as well as the contractual conditions, scope of the work – specially concerning audit services, "audit related" and "non-audit" – annual activity evaluation and revocation or renovation of the auditor appointments.
- Supervising the finance reporting and the functioning of the internal risk management and control systems, evaluating those systems and proposing the adequate adjustments according to the Company necessities, as well as supervising the suitability of the preparation process and the disclosure of financial information by the Board of Directors, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years in a duly documented and communicated form.
- Supervising internal audits, in particular: i) approving and supervising in coordination with the CEO, the Annual Internal Audit Plan. ii) approving and reviewing the Internal Audit Rule. and iii) supervising in coordination with the CEO and Management Team the implementation of the recommendations issued by Internal Audit.
- Establishing a permanent contact with the External Auditors to assure the conditions, including independence, that may be adequate for provision of services performed by them, acting as the Company speaker for the subjects related to the auditing process, and receiving and maintaining information on any other questions regarding accounting subjects.
- Preparing an annual report on its activities, including eventual constraints, and expressing an opinion on the Management Report, the accounts and the proposals presented by the Board of Directors.
- Receiving notices of financial and accounting irregularities presented by the Company's employees, shareholders, or entities that have a direct interest and judicially protected, related with the Company's social activity.
- Engaging the services of experts to collaborate with committee Members in the performance of their functions (when engaging the services of such experts and determining their remuneration, it must be taken into account the importance of the matters entrusted to them and the economic situation of the Company).
- Drafting reports at the request of the Board and its Committees.
- Approving and supervising, in coordination with the Management Team, the Annual Activity Plan of the Corporate Compliance Department.
- Appreciating and monitoring the recommendations on measures to be taken in situations of significant non-compliance.
- Supervising compliance with regulations and alignment of business processes with the requirements of the Compliance Management System in order to achieve a sustainable compliance culture throughout the Company.

b) Related Party Transactions functions:

- By delegation of the Board of Directors:
  I. Analyzing and, where appropriate, approving the (i) (a) intragroup transactions or (b) transactions performed between EDPR Group and EDP Group when their amount is below 10% of the total assets at the last annual balance sheet approved by the company, as long as they are in the ordinary management of the company and under market conditions. (ii) transactions executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, and which amount does not exceed the 0,5% of the net annual company turnover. and periodically informing the Board of Directors about the transactions approved by this Committee in the exercise of the above referred delegation, stating the fairness and transparency of such transactions, and as the case may be, the compliance with the applicable legal criteria.
  II. Analyzing and informing about any modification of the Framework Agreement signed by EDP and EDP Renováveis on 7 May 2008.

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III. Submitting reports to the Board of Directors of the Company regarding the Related Party Transactions – that shall be approved by the Board of Directors of EDPR SA or by its Shareholder's Meeting in accordance with the law – and that shall include: (i) the information regarding the nature of the operation and the relation with the Related Party, (ii) the identity of the Related Party, the date and value or amount of the compensation of the transaction, and any other information necessary to appraise if the operation is fair and reasonable for the company and for the non-Related Party shareholders.

IV. Asking EDP for access to the information needed to perform its duties.

Functioning

In addition to the Articles of Association and the law, this committee is governed by its regulations (that were last amended on February 15th 2022), which are available at the Company's website (www.edpr.com).

The committee shall meet at least once a quarter and additionally whenever its Chairperson deems it appropriate. The notices and supporting documents of the topics to be discussed in each meeting of this committee are sent to its Members in advance to their proper discussion during the meeting. Additionally, this committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board held after each committee meeting.

Decisions shall be adopted by majority and the Chairperson shall have the casting vote in the event of a tie.

2023 Activity

In 2023 the Audit, Control and Related Party Transactions committee's activities included the following:

a) Audit and Control Activities:

- Monitor the closure of quarterly accounts, first half-year and year-end accounts.
- Information about the proposals of application of results for the fiscal year ended on December 31st 2022, and the distribution of dividends.
- Information about the independence of the External Auditor.
- Assessment of the external auditor's work, especially concerning the scope of work in 2023, approval of all "audit related" and "non- audit" services and analysis of external auditor's remuneration.
- Assessment on the policies and remunerations systems of the Company.
- Supervision of the quality and integrity in the preparation and disclosure of the financial information in accordance with the applicable accounting policies, estimates and judgments.
- Issuance of an opinion about the individual and consolidated reports (including the Corporate Governance report) and accounts, in a quarterly, half year and yearly basis.
- Monitorization of Internal Audit Activity, including the supervision of the execution of the Audit Plan for 2023, its Budget and headcount and pre-approval of the draft prepared for the 2024 Internal Audit Plan.
- Monitorization of the recommendations issued by Internal Audit.
- Follow-up and supervision of the quality, integrity and efficiency of the treasury management (finance and debt), the Internal Control System, Compliance (including the supervision of the execution of the Activity Plan for 2023 for EDPR and OW and approval of the draft prepared for the 2024 Activity Plan) and Risk Management.
- Monitorization and evaluation of the risk management performed during 2023, issuing a report including the assessment about Internal Control System and Risk Management.
- Information about claims received regarding financial irregularities.
- Information about the contingencies affecting to the Group.
- Issuance of the report of its activities performed during 2022.
- Issuance of a self-assessment about its performance and an appraisal of the Internal Audit functions regarding fiscal year 2022.
- Consideration and review of the Enterprise Risk Management Framework (ERM), taking into account the new reference limits and changes to the taxonomy. Recommendation to the Board of Directors for approval.
- Following the best Corporate Governance practice, the Committee held a specific and complementary meeting with the External Auditors twice a year to discuss any remark in the process of the elaboration of the Company half year and year end accounts.
- Propose minor amendments to the Regulation of the Provision of Services by the External Auditor of EDPR (both audit and non-audit), under which, they are regulated, among others, the provision of their services, and the relationship with the External Auditor, to include the amendment to Article 40 of the Law on Auditing, which would allow the extension of the term of the external auditor's appointment (i) for an additional 10 years

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if the appointment is made on a competitive basis, or (ii) for an additional 14 years if another audit firm is appointed for the additional period.

- Subsequent to Recommendation V.1 (formerly III.6) a dedicated session took place on March 1st to discuss the monitoring and risk assessment of the 2023-2026 Business Plan before its submission to the Board of Directors.
- From 11 to 13 September, attended an off-site together with other Audit Committees of the Group's companies. The purpose of the meeting was to discuss best practices for internal audit, risk, compliance, accounting and tax functions, as well as to analyze key challenges regarding these committees' responsibilities. The event paid particular attention to sustainability information and reporting and new legislation in this area. Subsequently, on 4 December, the Committee attended another monographic session on sustainability in Lisbon.
- On the 14th and 15th of November, a meeting was held in Singapore to establish the focus and upcoming milestones for the 2024 audit of the APAC region. The meeting included site visits and interviews with managers and employees in the region. The primary objective of these activities was to obtain firsthand information to formulate strategies and action plans.

b) Related Party Transactions Activities:

Among the most relevant activities in relation with Related Party Transactions during 2023, the following ones can be highlighted:

On April 12th, 2023, the Audit, Control and Related Party Transactions Committee reviewed, and recommended for approval the Financing Framework Agreement between EDP Renováveis, SA (EDPR) and EDP Energias de Portugal, SA (EDP). This recommendation was motivated by EDP's ability to obtain financial agreements on more favorable terms and to provide necessary financing to Group companies. This allows EDPR and its subsidiaries to benefit from EDP's credit ratings and extensive access to international credit and capital markets. As a result, EDP offers various forms of financing and hedging arrangements, such as loans, guarantees, swaps, and cash management services, to support the development and fulfillment the Company's and its subsidiaries activities.

Furthermore, during the first half of 2023 the following contacts were analyzed: (i) an Energy Transfer Master Agreement (ii) an Environmental Attributes Transfer Master Agreement, and (iii) a Market Access Master Agreement, between EDP Renováveis SA and its subsidiaries and EDP GEM Portugal, SA. Following due analysis, in July 2023 the Audit, Control and Related Party Transactions Committee recommended their approval to the Board of Directors.

Section E – I, topic 90 of Chapter 5 this Annual Report includes a description of the fundamental aspects of the agreements and contracts between related parties.

The Audit, Control and Related Party Transactions Committee found no constraints during its control and supervision activities.

The information regarding the meetings celebrated by this Committee and the attendance of its related members during the year 2023 is described at topic 35.

Appointments and Remunerations Committee

Composition

Pursuant to Article 29 of the Company's Articles of Association and Article 9 the Appointments and Remunerations Committee Regulations, this committee shall consist of no less than three (3) and no more than six (6) Members. At least one of its Members must be independent and shall be its Chairperson.

In accordance with its personal law (Spanish law), with recommendation V.3.3. of the Corporate Governance Code of IPCG, and to the extent possible with recommendation V.2.1. of the Corporate Governance Code of IPCG (as considering that in Spain this committee shall be created by the Board and being entirely comprised by Members of its Board of Directors), the Appointments and Remunerations Committee of EDPR is entirely integrated by Non-Executive and Independent Directors.

The Appointments and Remunerations Committee consists of three (3) non-executive an independent, as of December 31st 2023, are the following:

- António Gomes Mota, who is the Chairperson.
- Rosa García García
- José Félix Morgado

Additionally, María González Rodríguez is the Secretary of the Appointments and Remunerations Committee since November 2nd, 2021.

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None of the committee Members are spouses or up to third degree relatives in direct line of the other members of the Board of Directors.

The committee Members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while remaining Company Directors.

Competences

The Appointments and Remunerations Committee is a permanent body belonging to the Board of Directors with an informative and consultative nature and its recommendations and reports are not binding.

The Appointments and Remunerations Committee has no executive functions. The main functions of this committee are to assist and report to the Board of Directors about appointments (including by co-option), re- elections, removals and remuneration of Directors and Members of the Management Team. It also informs the Board of Directors on general remuneration and incentives for Board Members and executive staff. These functions include the following:

- Defining the standards and principles governing the composition of the Board of Directors and the selection and appointment of its Members.
- Proposing the appointment and re-election of Directors (including nominations by co-option) for the submission to the General Shareholders' Meeting by the Board of Directors.
- Proposing to the Board of Directors the candidates for the different Committees.
- Proposing to the Board, within the limits established in the Articles of Association, the remuneration system, distribution method, and amounts payable to the Directors.
- Making proposals to the Board of Directors on the conditions of the contracts signed with Directors.
- Informing and making proposals to the Board of Directors regarding the appointment and/or removal of executives and the conditions of their contracts and generally defining the hiring and remuneration policies of executive staff.
- Reviewing and reporting on incentive plans, pension plans, and compensation packages.
- Any other functions assigned in the Articles of Association or by the Board of Directors.

In accordance with the personal law of EDPR, all the Board Members shall attend to the General Shareholder's Meeting, and as exposed in topic 15 of this Chapter 5 of the Annual Report, all the Delegated Committees are composed Directors. As such, the Chairperson of the Appointments and Remunerations Committee shall attend the Shareholder's Meetings, and in case its agenda includes any topic related to remuneration of the company's governing bodies, this Director will be most adequate to answer.

In 2023 it was held one Shareholders' Meeting on April 4th, and the Chairperson of the Committee, Antonio Gomes Mota, attended.

Functioning

In addition to the Articles of Association, the Appointments and Remunerations Committee is governed by its Regulations (that were last amended on October 25th, 2022), which are available at the Company's website (www.edpr.com).

The notices and supporting documents of the topics to be discussed in each meeting of this committee are sent to its Members in advance to their proper discussion during the meeting. Additionally, this committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board held after each committee meeting.

Decisions shall be adopted by majority and the Chairperson shall have the casting vote in the event of a tie.

2023 Activity

In 2023 the Appointments and Remunerations Committee held four (4) meetings, and the main activities performed were:

- Issued its opinion regarding the performance evaluation for year 2022 of the Board of Directors, the CEO, the CFO and the Management Team Members, as well as of the Delegated Committees.
- Reviewed and approved the remuneration policy to be applied to the Members of the Management Team.
- Reviewed and approved the Remuneration Policy that will apply to the Board of Directors and its delegated Committees in 2023-2025, submitted by the Board of Directors to the General Shareholders' Meeting.
- Reviewed and approved the Corporate Governance Report related to 2022, submitted by the Board of Directors to the General Shareholders' Meeting.

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- Reviewed and approved the Remunerations Report related to 2022, submitted by the Board of Directors to the General Shareholders' Meeting.
- Acknowledged the resignation to the position as Board Member presented by Miguel Setas (with effects April 12th, 2023) and analyzed the criteria drivers for the recruitment process to be launched.
- Drafted the report of its activities performed during the year 2023.
- Reviewed and approved the Development Program proposed for the Non-Executive Directors (including General Training Programs regarding Corporate Governance Matters and Board effectiveness. specific trainings regarding Committee's competences, and in-house programs to be defined).
- Discussed and acknowledged the feedback received by the CEAM regarding the Corporate Governance report issued for 2022 and agreed with the action plan proposed.
- Adapted "ex-ante and abstract" selection criteria for Board Members to ensure that they are suitable to their roles, contribute to better performance and the maintenance of a good balance composition. In order to achieve this objective, a new "competency map" has been proposed, following recommendation II.2.1 of the IPGC.

Environmental, Social and Corporate Governance Committee.

It was on October 25th, 2022, when the Board of Director agreed, in accordance with the proposal submitted the Appointments and Remunerations Committee, to incorporate in EDPR an Environmental, Social and Corporate Governance Committee, and also specifically approving its competences, composition, remuneration of its members and the regulations applicable to the Committee.

Composition

Pursuant to Article 9 the Environmental, Social, and Corporate Governance Committee Regulations, this committee shall consist of no less than three (3) and no more than six (6) members, and the majority of them shall be independent. The Chairperson of the Environmental, Social, and Governance Committee shall be appointed by the Board of Directors amongst the Committee's members and must necessarily be an independent director.

The Environmental, Social, and Corporate Governance Committee consists of five (5) non-executive an independent, that as of December 31st 2023, are the following:

- Antonio Gomes Mota, who is the Chairperson.
- Allan J. Katz
- Cynthia Kay Mc Call
- Rosa María García García
- José Manuel Félix Morgado

Additionally, María González Rodríguez is the Secretary of the Environmental, Social, and Corporate Governance Committee since its incorporation, on October 25th, 2022.

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while remaining Company Directors.

Competences

The Environmental, Social, and Governance Committee is a specialized and delegated committee of a merely informative and consultative nature whose recommendations are not binding and that performs no executive functions. This Committee assists and reports to the Board of Directors in the alignment with the market trends and the company needs regarding Environmental, Social, and Governance matters, with the aim of also providing the investors with more transparent and exhaustive information regarding matters related to Corporate Governance and Sustainability. These functions include the following:

- Oversee the Company's key environmental, social and corporate governance key performance indicators included in the Business Plan and monitor their achievement.
- Propose to the Board of Directors EDPR's sustainability and environmental, social, and corporate governance policies and their update.
- Promote, steer, and oversee the Company's objectives, action plans and practices in health, safety and occupational risk prevention.
- Review and present to the Board of Directors the Annual Report (EINF). The Committee shall also monitor the Company's relationship and reporting to investors, indexes and rating agencies on sustainability issues.
- Monitor and conduct a regular review of the main environmental, social, and corporate governance trends and regulatory developments relevant to the Company's activity.
- Analyse the integration of environmental, social, and corporate governance risks and opportunities into the Company´s procedures and its Risk Management System.

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- Update and inform the Board of Directors on the stakeholder relations and dialogue model, in order to understand the needs and expectations of all EDPR's stakeholders (employees, clients, suppliers, subcontractors, and others).
- Oversee and assess the Company's corporate image and its reputation with the various stakeholders, namely in terms of the market in general and consumers, investors and supervisory authorities, public and published opinion, monitoring the activity of the Company's competent services, taking into consideration the implemented strategies, policies, process and procedures implemented, privileging the spirit of service to the Community.
- Oversee and assess the suitability of the corporate governance model implemented by the Company and their compliance with internationally accepted models of corporate governance, forwarding any appropriate recommendations in this area to the Board of Directors.
- Supervise compliance with, and the correct application of, the corporate governance principles and standards in force, promoting and requesting the exchange of information necessary for this purpose.
- Any other functions assigned to it in the Articles of Association or by the Board of Directors.

Functioning

In addition to the Articles of Association, the Environmental, Social and Corporate Governance Committee is governed by its Regulations (approved on October 25th, 2022), which are available at the Company's website (www.edpr.com).

The committee shall meet whenever its Chairperson deems it appropriate. The notices and supporting documents of the topics to be discussed in each meeting of this committee shall be sent to its members in advance to their proper discussion during the meeting. Additionally, this committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board held after each committee meeting.

Decisions shall be adopted by majority and the Chairperson shall have the casting vote in the event of a tie.

2023 Activity

In 2023, the Environmental, Social and Governance Committee met four (4) meetings, and the main activities performed were:

- Review the strategy for the Net Zero ESG target for 2023-2025.
- Review of non-financial information reporting for the 2022 financial year.
- Analysis of the scores achieved in the Dow Jones Sustainability Benchmark Index and areas for improvement.
- Review the status of the 2021 recommendations included in the 2022 CEAM IAGC and confirm the content of the 2022 IAGC.
- Review the EDPR governance structure and model.
- Propose a Security Policy to the Board of Directors.
- Review the key challenges and initiatives contained in the 2023 Human Resources Plan.
- Analysis of the distribution and direction of the vote at the 2023 Annual General Shareholders' Meeting.
- Analysis of the 2023 IPCG Code of Good Governance.
- Analysis of the social engagement of the EDPR in the region of La Guajira in Colombia, as well as with other local communities.

a) 2023 Sustainability Overview

The principles and values that guide EDPR's actions for environmental and social objectives are defined in the public commitments made, in the policies and procedures adopted, and more broadly in EDPR's Code of Ethics. Under its Environmental Policy, EDPR is committed to environmental protection, mitigating its impacts, managing risks, stimulating R&D + Innovation, and promoting continuous improvement of processes, practices, and performance through a collaborative approach with stakeholders. The management of social aspects is based globally on several corporate policies, the management of which is distributed across various organizational units within EDPR.

For details, see EDPR's health & safety, human and labour rights, local communities, ethics & compliance and stakeholders webpages, and the table of Non-Financial Information Statement (Spanish Law 11/2018) for details on monitoring the implementation of Environmental and Social Policies and where the various points/subpoints of the report are addressed, developing the progress of targets associated with objectives.(This disclosure is in line with Recommendation I.2. of the IPGC).

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To address environmental, social, and sustainability risks, the Company implements a procedure for gathering and analyzing data pertaining to these areas:

- Throughout the year 2023, the EDP Group began the process of preparing the company for sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD). Considering the new requirements, it made sense to initiate the implementation of an Internal Control System for Sustainability Reporting (SCIRS). Although not currently mandatory, it made sense to promote interdisciplinary involvement of various organizational units to have a formalized control system that allows for the prevention of future risks and the immediate detection of gaps.
- Sustainability governance has been in place for several years. The Sustainability Committee was established in 2013 at Executive Committee level. In 2022, the ESG Committee was created as a specialized and delegated committee of the Board of Directors, which assists and reports to the Board of Directors in the alignment with the market trends and the company needs regarding ESG matters, with the aim of also providing the investors with more transparent and exhaustive information regarding matters related to Corporate Governance and the Environmental and Social pillars. For details, see EDPR's webpage. (This disclosure is in line with Recommendation VII.7 of the IPGC)

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fights against climate change and its impacts. Accordingly, EDPR reports the risks and opportunities for the company derived from climate change and the alignment with TCFD recommendations in the Natural Capital and Climate Change chapters of the Annual Report where the integration of climate change into EDPR's decision-making processes is detailed. (This disclosure is in line with Recommendation VII.8 of the IPGC)

III. Supervision

a) Supervision

30. Supervisory Board – model adopted

EDPR's governance model, as long as it is compatible with its personal law (Spanish law), corresponds to the so –called "Anglo– Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit, Control and Related Party Transactions Committee.

31. Composition of the Audit, Control and related Parties Transactions

The Audit, Control and Related Parties Transactions is entirely integrated by non-executive an independent Directors. Committee members retain their positions for as long as they are Company Directors-applicable regulations to the mandate of the Board Members and the information on the periods are available in section 17 of this Chapter 5 of the Annual Report.

As of 31st, 2023 the composition of the Audit, Control and Related Parties Transactions of EDPR was as follows:

MEMBER	POSITION	FIRST APPOINTMENT
Acácio Piloto	President	27/06/2018*
Rosa García García	Member	12/04/2021
José Félix Morgado	Member	12/04/2021

*Re-elected on April 12th, 2021.

Additionally, María González Rodríguez is the Secretary of the Audit, Control and Related Party Transactions Committee since November 2nd, 2021.

32. Independence of the Members of the Audit, Control and Related Party Transactions Committee

Information concerning the independence of the members of the Audit, Control and Transactions Party Committee is available on the chart of topic 18 of this Chapter 5 of the Annual Report. As mentioned on the first paragraph of topic 18, the independence of the members of the Board and of its committees is evaluated according to the Company's personal law, the Spanish law.

33. Professional qualifications and biographies of the Members of the Audit, Control and Related Party Transactions Committee

Professional qualifications of each member of the Audit, Control and Related Party Transactions Committee and other important curricular information, are available in the Annex I of this Chapter 5 of the Annual Report.

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b) Functioning

34. Audit, Control and Related Party Transactions Committee Regulations

The Audit, Control and Related Party Transactions Committee regulations are available at the Company's website (www.edpr.com) and at the Company's Headquarters at Plaza del Fresno, 2, Oviedo, Spain.

35. Number of meetings held by the Audit, Control and Related Party Transactions Committee

The Audit, Control and Related Party Transactions Committee periodically meets representatives of the internal specialized departments involved in the areas under committee's competences in order to discuss the information periodically reported about, among others, work plans and resources of Internal Audit, Compliance and SCIRF, Company accounts, detection claims regarding financial irregularities, global risk management and audit and non-audit services provided by the External Auditor (including the appraisal about its independence). This regular interaction, in particular with regards to the periodical discussion of the development and status of the alignment of the level of risk and the accomplishment of objectives set by the Board of Directors, provides the committee with the necessary information for the development of its functions and in particular, for the assessments issued under the appraisal report over the functions of Internal Audit, and the Report regarding Risk Management and appraisal of the Internal Control System , that this committee issues for every fiscal year.

During 2023, the Audit, Control and Related Party Transactions Committee held a total of eleven (11) meetings, and as referred in paragraph above, in order to better perform its supervisory functions over the activities reported by the areas within its competences, the committee invited the responsible teams of the related areas to several of these meetings to provide the updates of the status of their activity and accomplishment of targets. As such, the participation of these departments at these meetings in 2023 was as follows: Internal Audit participated in seven (7), Compliance and Internal Control in four (4), Global Risk in five (5), Planning and Control in four (4). Finance in four (4) and Administration, Consolidation and Tax in four (4). Likewise, the committee invited the External Auditors to three (3) of these meetings.

The following table reflect the attendance of the members of the Audit, Control and Related Party Transactions Committee to its meetings held during 2023:

MEMBER	POSITION	ATTENDANCE
Acácio Piloto	Chairperson	100%
Rosa García García	Vocal	100%
José Manuel Félix Morgado	Vocal	100%

On November 14th and 15th, an extraordinary meeting of the Committee was held in Singapore to discuss the audit plan and the situation in the APAC region, with in-person meetings with the teams and leaders of this geographical area.

In addition, PwC experts conducted specialized seminars on non-financial information disclosure and reporting in September in Porto and in December in Lisbon.

36. Availability of the Members of the Audit, Control and Related Party Transactions Committee

The members of the Audit, Control and Related Party Transactions Committee are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with positions in other companies. The positions held simultaneously in other companies inside and outside the Group and other relevant activities undertaken by members of this committee throughout the financial year are listed in Annex I of this Chapter 5 of the Annual Report.

c) Powers and duties

37. Procedures for hiring additional services to the External Auditor

On July 2022, EDPR approved an internal regulation to rule the provision of services and relationship with the External Auditor, with regards to both audit and non-audit services to be hired, and the reporting and approval procedure to be applied. These regulations also establish the independence criteria to be considered.

In accordance with the rules included under this regulation, and in line with recommendation VII.2.1. of the IPCG Corporate Governance Code, in EDPR there is a policy of pre- approval by the Audit, Control and Related Party Transactions Committee of the provision of non-audit services to be provided by the External Auditor and any related entity. This policy was strictly followed during 2023. This competence is also established under Article 8. A) b) of the Committee Regulations.

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The analysis of the adequacy of the provision of non- audit services by the External Auditor and entities in a holding relationship (with or incorporated in the same network as the External Auditor) is performed considering the following aspects: (i) such services having no effect on the independence of the External Auditor and any safeguards used and (ii) the position of the External Auditor in the provision of such services – notably the External Auditor's experience and knowledge of the Company.

Furthermore, although hiring services other than auditing services to the External Auditor is admissible, it is envisaged as an exception. In 2023 such services reached only around 5.32% of the total amount of services provided to the Company.

38. Other duties of the Audit, Control Related Party Transactions Committee

Apart from the competences expressly delegated on the Audit, Control and Related Party Transactions Committee according to Article 8 of its Regulations, and in order to safeguard the independence of the External Auditor, the following additional competences of this committee were exercised during the 2023 financial year and should be highlighted:

- Pre-approval of any services to be hired from the External Auditor and perform its direct and exclusive supervision.
- Assessment of the qualifications, independence, and performance of the External Auditors, and obtaining, yearly and directly from the External Auditors, written information on all relations existing between the Company and the Auditors or associated persons, including all services rendered and all services in progress. In order to evaluate independence, the Audit Committee, obtained the information regarding External Auditors' independence in light of the Spanish Law no. 22/2015 of July 20th, 2015 ("*Ley de Auditoría de Cuentas*").
- Review of the transparency report, signed by the Auditor and disclosed at its website. This report covers the matters provided for under Law no. 22/2015 of July 20th, 2015 ("Ley de Auditoría de Cuentas") including those regarding the quality control internal system of the audit firm and the quality control procedures carried out by the competent authorities.
- Review with the External Auditors their scope, planning, and resources to be used in their provision of services.
- Following the best Corporate Governance practice, the Committee held a specific and complementary meeting with the External Auditors twice a year to discuss any remark in the process of the elaboration of the Company half year and year end accounts.

IV-V. STATUTORY AND EXTERNAL AUDITORS

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According to the Spanish law, the External Auditor ("*Auditor de Cuentas*") is appointed by the General Shareholders' Meeting and corresponds to the statutory auditor body ("*Revisor Oficial de Contas*") described on the Portuguese Law.

The information about the External Auditor is available in topics 42 to 47 of this Chapter 5 of the Annual Report.

42. External Auditor identification

The main criteria considered in the selection of the most suitable and competitive firm to be appointed as External Auditor of EDPR are the following:

- Recognized technical and professional track record as External Auditor.
- Consolidated *Know-How* about the business developed by the whole Group.
- Tailored and highly prepared working team.
- Competitive contractual conditions and working methodology (including but without limitation, the total estimation of hours required for the development of the services- both as a total for the complete provision of services, and per each professional category of the proposed team).
- Competitive fee proposal, including the final cap and a breakdown referring the price average per hour, and the remuneration per hour for each professional category of the proposed team.

As a result of a competitive process launched in 2017, during which the above criteria were exhaustively analyzed, PricewaterhouseCoopers Auditores, S.L. was appointed as EDPR SA External Auditor by the Shareholder's Meeting held on April 3rd, 2018. PricewaterhouseCoopers Auditores, S.L., is a Spanish Company registered at the Spanish Official Register of Auditors under number S0242 with Tax Identification Number B-79031290. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021, and the audit partner in charge of EDPR is Antonio Velasco Dañobeitia.

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43. Number of years of the External Auditor

PricewaterhouseCoopers Auditores, S.L. is in charge of the audit of EDPR S.A. accounts for the years 2021, 2022 and 2023, being 2018 the first year performing these duties.

44. Rotation Policy

Until year end of 2022, the personal Law of EDPR —the Spanish Law— and EDPR External Auditor Regulations, established the maximum term for an audit firm as the External Auditor of a listed company in a 10-year term. However, this reference was updated under the Spanish Law with effects January 2023, in order to establish that the maximum term will be a total of 20 years, provided that a public tender is launched after completing the tenth fiscal year.

Following the proposal of the Audit, Control and Related Party Transactions Committee presented to the Board of Directors to its submission to the General Shareholders' Meeting, on its meeting held on April 3rd 2018, it was approved to appoint PricewaterhouseCoopers Auditores, S.L as EDPR's External Auditor for the years 2018, 2019 and 2020. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021.

In view of the above, the Audit, Control and Related Parties Committee agreed at its meeting on 19 December 2023 to submit to the Board of Directors the proposal for the re-election of PwC as auditors for the period 2024-26, to be presented at the next Annual General Meeting.

Likewise, the applicable regulation requires that in case of listed companies, every five (5) years since the initial contract, the person designated by the External Auditor as its signatory of the audit report shall also rotate. For these purposes, it is hereby stated that 2023 is the first year of Antonio Velasco Dañobeitia, current partner signing the audit report of the Group, as auditor of EDPR Group.

45. External Auditor evaluation

The Audit, Control and Related Party Transactions Committee is responsible for the overview and annual evaluation of the services provided by the External Auditor according to the competences granted by its Regulations and in line with the rules established under the Regulations for the provision of services by the Statutory Auditor. In order to perform this assessment, this committee periodically includes in the agenda of its meetings a topic regarding the review of the services provided by the External Auditor (both audit and *non-audit*) and the fees already incurred and those estimated until year end. Likewise, and as exposed in topic 35 of this Chapter 5 of the Annual Report, the External Auditor attends and participates in some of the meetings held by this committee, mainly in order to analyze the results of their audit reports. As such, the Audit, Control and Related Party Transactions Committee acts as the company speaker with the External Auditor, with whom establishes a permanent contact throughout the year to assure the proper conditions for the provision of both the statutory audit services and non-audit services and being also the body in charge of monitoring its independence along the year. Likewise, the External Auditor shall sign an annual statement declaring its independence.

During 2023, according to the Audit, Control and Related Party Transactions Committee's competences and in line with Recommendation VIII.2.2, this committee was the first and direct recipient and the corporate body in charge of the permanent contact with the External Auditor on matters that may pose a risk to their independence as well as any other matters related to the auditing of accounts.

Additionally, in compliance with the auditing standards in effect, it also receives and maintains the record of information about other matters as provided in the applicable auditing and accounting legislation. The External Auditor, within the scope of its duties, verified the implementation of the remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the Audit, Control and Related Party Transactions Committee of the Company.

46. Non-Audit Services carried out by the External Auditor

As previously referred, in July 2022, it was approved the regulation on the provision of services by the Statutory Auditor or Statutory Audit Firm, which defines and promotes criteria and methodologies to safeguard the independence of the audit and non-audit services.

In accordance with such regulation, the Audit, Control and Related Party Transactions Committee closely follows the requests of non- audit services, each of which necessarily require the preapproval of this committee before its provision as per exposed in topic 29 of this Chapter 5 of the Annual Report and Article 8.A), b) of its Regulations.

The identification of such non- audit services that will eventually be provided by the External Auditors is performed under the rules issued by the European Union on this matter, in particular under Regulation 537/2014 and the Spanish Auditing Law nº 22/2015, of 20th

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July, as well as when applicable, in line with the particularities of the local regulations where the service is to be provided.

During 2023 the non-audit services provided by the External Auditor of EDP Renováveis S.A (PricewaterhouseCoopers Auditores, S.L) consisted mostly on i) limited review as of March 31, 2023, June 30th, 2023 and September 30th, 2023 of the EDPR Interim Consolidated information; ii) review of the internal control system on financial reporting for the EDPR Group; iii) review of the non-financial information related to sustainability included in the EDPR Group's annual report; and iv) access to a repository of international accounting standards as well as to the PwC Accounting Manual in digital version. Other non-audit services provided by the External Auditor or its network to EDPR's subsidiaries mainly refer to i) agreed-upon procedures related to the review of covenants in the context of bank financing agreements; ii) tax certificates in Greece according to ISAE 3000, iii) procedures for reviewing compliance with financing capacity in accordance with the criteria defined by the European Commission, within the framework of European Regulation 2021/2041, iv) average payment period for invoices to suppliers to comply with European subsidies for investment in the repowering of wind turbines and v) services in relation to compliance with the merger project of certain group companies.

PricewaterhouseCoopers Auditores, was engaged to provide the above-mentioned services due to its in-depth knowledge of the Group's activities and processes. These engagements did not risk their independence as External Auditors and were pre - approved by the Audit, Control and Related Party Transactions Committee prior to rendering the services.

47. External Auditor remuneration in 2023 for EDP Renováveis S.A. and subsidiaries

SERVICE	EUROPE	NORTH AMERICA	LATAM	APAC	TOTAL	%
Audit and statutory audit of accounts	1,809,610€	2,194,907€	387,963€	1,008,*660*€	5,401,140€	94.68%
Other non-audit services	283,049€	12,69€	8,075€	-	303,733€	5.32%
Total	2,092,659€	2,207,516€	396,038€	1,008,660€	5,704,873€	100%

The amount of other non-audit services in Europe includes among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustainability included in EDPR Annual Report, which are invoiced to a European company. This amount also includes the limited review as of June 30th, 2023, of the EDPR Consolidated Financial Statements and other reviews for Group consolidation purposes which are considered non-audit services according to the respective local regulation.

Total amount for Europe includes 969,245 Euros of services provided by PricewaterhouseCoopers Auditores S.L. in Spain from which 693,197 Euros refer to audit services and 276,048 Euros refer to non-audit services.

C. Internal organisation

I. Articles of Association

48. Amendments to the articles of association

The amendments of the Articles of Association of the Company are of the responsibility of the General Shareholders' Meeting. According to Article 17 of the Company's Articles of Association ("*Constitution of the General Shareholders' Meeting, Adoption of resolutions*"), and article 9 of the General Shareholders' Meeting Regulations ("*Competences*"). In accordance with the applicable law, and the internal regulations, to validly approve any amendment to the Articles of Association, the Ordinary or Extraordinary Shareholders' Meeting will need:

- On first call, that the Shareholders either present or represented by proxy, represent at least fifty percent (50%) of the subscribed voting capital.
- On second call, that the Shareholders either present or represented by proxy, represent at least twenty-five percent (25%) of the subscribed voting capital.

In the event that the shareholders attending represent more than fifty percent (50%) of the subscribed voting capital, the resolutions referred to in the present paragraph will be validly adopted when reached absolute majority. If the shareholders attending represent between twenty-five percent (25%) and fifty percent (50%) – but without reaching it – the favorable vote of two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting will be required in order to validly approve these resolutions.

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In 2023, there were three amendments to EDPR Articles of Association:

On March 2nd, 2023, the Board of Directors, with the prior approval of the General Shareholders' meeting held on March 31st 2022, amended article 5 ("Share capital"), in order to align its contents with the execution of a share capital increase for a nominal amount of €254,842,000.00, to be implemented through the issuance of 50,968,400 ordinary shares of the Company, with a par value of €5 each (being the subscription price of €19.62 per share and the share premium of €14.62 per share) The resulting share capital of the company will be €5,057,632,810.

The Annual General Shareholders' Meeting held on April 4th, 2023, approved the amendment of the Articles of Association to reflect the creation of a new Environmental, Social and Corporate Governance Committee by introducing a new article 30 (Environmental, Social and Corporate Governance Committee) and the amendment to Articles 10 (Governing Bodies), 26 (Remuneration of Directors) and 29 (Appointments and Remunerations Committee) of the Company Bylaws.

On 25 May 2023, the Company increased its share capital by issuing new shares out of reserves, using the rights issued under the scrip dividend program. The decision to carry out this capital increase was taken on 2 May 2023 by the Board of Directors, with the prior approval of the General Shareholders' Meeting of on 4 April 2023. The nominal amount of the capital increase was EUR 62,257,695.00 and was carried out by issuing 12,451,539 new ordinary shares with a nominal value of EUR 5 each. As a result, article 5 ("Share capital") of the Articles of Association was amended, and the share capital is now 5,119,890,505€.

II. Reporting of irregularities

49. Irregularities communication channels

Speak up channel

EDPR has always carried out its activity by consistently implementing measures to ensure the good governance and the transparency of its companies, including the prevention of incorrect practices, giving voice to those who consider that certain conducts do not comply with ethical principles, legal provisions or internal regulations.

In this sense, EDPR believes that speaking openly about the concerns we have that relate to the way we act in the workplace is crucial for creating a good environment and increasing the psychological security of both individuals and teams.

With this goal, EDPR has the "Speak Up" channel, a global channel, which has been adapted according with the requirements of the Directive (EU) 2019/1937 on the protection of persons who report violations of EU law and also of the Spanish Law 2/2023 of February 20 regulating the protection of people who report regulatory infractions and the fight against corruption, that welcomes the reporting of alleged violations, either of the Code of Ethics, or of any legal issues - among which are those provided for in the Directive (EU) 2019/1937– as well as internal policies and regulations.

Additionally, in geographies where required by local laws, EDPR has specific Speak Up channels. Specifically, in Portugal and United Sates.

These channels are published on the official website available to all the employees and also to any interested party (https://www.edpr.com/en/speak-up).

An essential aspect of the reporting process is the protection of the whistle-blowers, who can also make denounces in an anonymous way. This commitment is predicated on full respect for the principle that anyone who uses the reporting methods in good faith and with justification will be protected from censure or retaliation.

Processes have been designed and implemented to ensure that the complaints are handled and managed with total security, independence, integrity and privacy. All information exchanged is kept confidential and secured against unauthorized access, so that personal data protection is assured.

In 2023, there were seventeen (17) claims submitted through the Speak up channel 13 of them were closed and the others 4are under analysis.

Code of ethics

EDPR has a strong commitment in relation to the dissemination and promotion of compliance with ethic guidelines and principles like transparency, honesty, integrity, non-discrimination, equal opportunity, and sustainability, which is encouraged to all employees.

This commitment is faithfully reflected in the Code of Ethics which is reviewed and updated every two years to guarantee compliance with current legislation and the integration of the challenges that EDPR has, and may can come across. In this sense, the Code of Ethics has

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been reviewed and approved in October 2022 by the Ethics Committee and the Board of Directors of EDPR.

The Code of Ethics applies, regardless of functions, geographical location, or functional reporting to all employees of all EDPR companies. The employee's commitments set out in the Code are also applicable to proxies, as well as to agents and suppliers who are in any way empowered to act on behalf of EDPR.

Other suppliers are explicitly required to respect this Code, in accordance with the obligations arising from qualification procedures or signed contracts.

The Code of Ethics is an "action guide" reflecting the way EDPR believes one should work, therefore its enforcement is inevitably mandatory. and employees who do not comply with this Code should be subject to disciplinary actions under the terms of the applicable regulations. The Code is a privileged tool that helps to "do what we have to do well".

The Code of Ethics is published on the corporate website (https://www.edpr.com/en/edpr/ethics-compliance) and there is also a digital version available in the intranet. Annually all employees, including new hires, declare that they have received, read, and understood the EDPR Code of Ethics, and they agree to comply with its provisions.

Likewise, this Code has been, in 2023, widely circulated to the employees of the Group through communication initiatives where the most relevant aspects of the Code of Ethics are disseminated. In this sense, new hires receive a specific training on introduction to the Code of Ethics called "*Let's live our Code of Ethics". Additionally, in 2023, specific training actions have been developed with the members of EDPR Board Directors and all of them have received the most relevant trainings on ethics and compliance, including the training on introduction to the Code of Ethics ("Let's live our Code of Ethics").*

In order to support and achieve the Ethics Code and Ethics commitments and initiatives, and with the aim of minimizing the risk of unethical practices, generating transparency and trust in relationships, EDPR has also approved and implemented the following initiatives in the last years:

In 2021, EDPR decided to review organization and functioning of its Ethics Commission and as consequence, a new Ethics Committee was created with the following goals:

- Ensure independence from executive management.
- Decrease the number of members for more efficient operation.
- Allow the analysis and decision on ethical complaints in a more restricted context.
- Allow more participatory debates on structuring Ethics themes, as well as on the annual Ethics Plan and its regular follow-up.

In 2023, the regulation of the Ethics Committee was updated and, having in consideration the Code of Ethics and the obligations imposed by the EU Directive 2019/1937 on the protection of persons who report breaches of the Union Law, the following functions were defined:

- The assumption of the position of Responsible of the Internal Information System, as a collegiate body, in charge of ensuring its proper management.
- To appoint the Compliance Officer as designated person for the management of the Internal Information System for the purposes of notifications and dialogue with the publics authorities competent in the matter.
- To establish guidelines for complying with the Code of Ethics.
- To propose to the Board of Directors multi-annual Ethics Programs and the relevant annual Plans prepared by the Compliance Area and the Ethics Ombudsperson.
- To appraise the quarterly Reports on the implementation of the Group's annual ethics plans prepared by the Compliance area and the Ethics Ombudsperson or other elements on ethical performance.
- To review the cases of infraction of the Code of Ethics instructed by the Ethics Ombudsperson with the support of the teams that manage complaints at EDPR and to issue a binding opinion thereon.
- To issue recommendations, when requested by any of the management bodies of the companies that make the EDPR Group, on practices or codes of conduct in the fields of ethics or deontology, developed within the framework of specific, legal, or regulatory needs.
- To continuously ensure that the Code of Ethics and the procedures deriving from it are appropriate to the needs of the EDPR Group and to promote reviews of that document, at least every two years, duly supported by a review report to be sent to the Board of Directors for approval.
- To make the Board of Directors aware of the annual report on the actions undertaken by the Ethics Committee in the exercise of its powers.

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In this sense, the current Ethics Committee is composed by:

I. The Chairperson of the Appointments and Remunerations Committee, who shall chair the Committee.
II. The Chairperson of the Audit, Control, and Related Party Transactions Committee.
III. The Ethics Ombudsperson.
IV. The Compliance Officer.
V. The Human Resources Director.
VI. The General Counsel & Compliance of EDPR North America LLC.
VII. The Secretary of the Board of Directors, who shall also perform the duties of the Secretary of the Ethics Committee meetings.

Ethics Ombudsperson: receives complaints and doubts submitted through the Speak Up Channel and investigates and documents the procedure for each of them, with guaranteed confidentiality in relation to the identity of the claimant. The appointment for this position is made by the Appointments and Remunerations Committee and approved by the Board of Directors. Its main functions are therefore as follows:

- To be an independent, impartial listener, respecting confidentiality, and anonymity, at the disposal of those who seek him/her to clarify any situations on allegedly ethical grounds, bearing in mind the framework and the provisions of the EDPR Code of Ethics.
- To receive communications of an ethical nature and, where appropriate, to instruct, document and submit the respective ethical infraction processes to the Ethics Committee.
- To monitor each of the infraction proceedings, until their adjournment, establishing, whenever necessary and appropriate, the liaison with the complainant.
- To regularly promote, jointly with the Compliance Area, initiatives with the areas of the Group that are the subject of complaints, to improve procedures and practices that will enable future complaints to be avoided and especially, to promote behavior that is more in line with the EDPR Code of Ethics.
- Prepare with the Compliance Area initiatives to be included in the Compliance and Ethics Programmes and Annual Plans.
- To advice the Ethics Committee regarding strengthening the consistency of the Group´s Ethic Policy.
- To annually report on the activity with the scope of their assigned function.
- To annually review and update the procedure for managing all contacts addressed to them.

Since January 2019, the Ombudsperson of EDPR is Maria Manuela Casimiro da Silva.

Other activities: In 2023, with the goal of reinforcing the ethics culture, EDPR has launched different communication campaigns to all the employees. Specifically, a new initiative was developed called “The Energy of Ethics” where monthly different directors and leaders of all the Group have launched important messages in relation with the topics of the Code of Ethics through videos on the Intranet. As every year, the Global Ethics Day (October 18th) was celebrated and different initiatives were performed as: publication of news on the intranet, videos with messages from the Ethics Ombudsperson r, different posts on ethics themes in the internal tools (Viva Engage) and a talk about the importance to develop a Speak Up culture in the organization was took place with a known speaker specialist on the subject. Additionally, in 2023, in the context of the biennial study “Employee’s view on Ethics at EDP”, an ethics survey was launched to all the employees with the goal to know the perception of the employees on ethics matters and learn more about the evolution of ethical environment in EDP.

III. Internal Control and Risk Management

50. Internal Audit

EDPR’s Internal Audit Department (“IAD”) is composed by eleven (11) members.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Internal Audit department has the mission of enhance and protect organizational value by providing risk-based and objective assurance, advice and insight, covering the following areas of activity:

- Evaluate and issue recommendations to improve the Company's governance processes.
- Assist the organization to improve risk management processes and maintaining effective controls by evaluating their effectiveness and efficiency and by promoting

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continuous improvements covering the governance, operations and information systems of the organization, regarding to:

I. Achievement of the organization's strategic objectives.
II. Reliability and integrity of financial, non-financial and operational information.
III. Effectiveness and efficiency of operations and programs.
IV. Safeguarding assets.
V. Compliance with laws, regulations, policies, procedures and contracts.

The Internal Audit services can be divided into two categories: assurance services and consulting.

- Assurance services consist in objective analyses of evidence to provide an independent assessment of the organization's governance, risk management, and control.
- The consulting services performed at the specific request of the Company Governing Bodies or of any of its Officers. They consist of advisory activities and related services designed to add value and improve the organization's governance, risk management, and control processes without the internal auditor assuming any management responsibility.

The fulfillment of these objectives aims to reduce the risks in pursuing the activity and increase the creation of value for the Group. Therefore, approaches based on a proactive view of internal control measures geared to the relevant risks must be taken, making them a relevant support tool for management.

The IAD is not an executive body of EDPR, so it has no power in making management decisions in the Group's activities, nor any hierarchical or functional link with the audited units, thus maintaining a relationship of total independence and objectivity in relation to them. This positioning makes it possible to achieve the following objectives:

- Ensure the independence of the Internal Audit activity and fulfils its responsibilities.
- Ensure objectivity in obtaining the conclusions of work carried out and the resulting recommendations, as well improvement actions to be implemented.

As such, the Internal Audit, in development of its function, should be an instrument to support management with proactive view of internal control systems. In this sense, the collaboration of the entire Organization is essential to achieve the objective set.

The Internal Audit Department, as well as all professionals assigned to this function, will govern their performance by Internal Audit Standard, the Fundamental Principles for the Practice of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Audit approved by The Institute of Internal Auditors (IIA).

The functions of the Internal Audit Department of EDPR were evaluated by the "Instituto de Auditores Internos" for the first time in 2020, obtaining the highest qualification.

51. Organisational structure of Internal Audit

The Internal Audit function in the EDPR Group is a corporate function, carried out by the Internal Audit Department (IAD), which has administrative dependence to the CEO of EDPR and functional dependence to the Audit, Control and Related Parties Committee which supervise the activities and to which Internal Audit activities are reported.

Administrative Dependence

In terms of the IAD's administrative dependence to the CEO of EDPR, the CEO of EDPR shall:

Create adequate information flows that allow IAD to keep up to date on the company's activities, plans and initiatives.

- Support the internal audit function, positioning the IAD at an appropriate level within the EDPR's organization.
- Facilitate direct and open communication to the EDPR Group's Management and Administration bodies.
- Provide the appropriate technical, human, financial and information-gathering means that enable the IAD to fulfill its functions, in accordance with the approved Audit Plan.
- Request assurance and consultancy projects from IAD that it deems necessary considering the Organization's objectives and risks.
- Approve, annually, in coordination with the Audit, Control and Related Party Transactions Committee, the IAD Audit Plan, based on the EDPR's risk matrix and the Basic Standard for Internal Audit.
- Approve, whenever applicable, in coordination with the Audit, Control and Related Party Transactions Committee, the remuneration of the IAD Director and the process of his/her appointment, evaluation and removal.
- Assess the activity and performance of the IAD and the adequacy of working conditions, namely in terms of human resources and technical and financial means, checking if

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there are limitations or interferences within the scope of the Internal Audit function or its budget that may make it impossible to IAD to fulfill its responsibilities.

- Overseeing the effectiveness of the internal audit systems and, if necessary, proposing improvement measures.

Functional Dependence

In terms of the IAD's functional dependence to the Audit, Control and Related Party Transactions Committee, the Audit, Control and Related Parties Committee should:

- Approve, annually, in coordination with the CEO of EDPR, the IAD Audit Plan, based on the EDPR's risk matrix and the Basic Standard for Internal Audit. In this context, also approve the human and financial resources to be made available by EDPR to the IAD.
- Approve, in coordination with the CEO of EDPR, the remuneration of the IAD Director and the process for his/her appointment, evaluation and removal.
- Receive communications and individual reports and conclusions, issued by IAD, on the activity developed by IAD.
- Assess the activity and performance of the IAD and the adequacy of working conditions, namely in terms of human resources and technical and financial means, checking if there are limitations or interferences within the scope of the Internal Audit function or its budget that may make it impossible to IAD to fulfill its responsibilities.
- Overseeing the effectiveness of the internal audit systems and, if necessary, proposing improvement measures.

The functions of the Audit, Control and Related Party Transactions Committee regarding to Internal Audit are defined in its Internal Regulation.

The articulation between EDPR Internal Audit and EDP Internal Audit is carried out through the Functional Reporting of the EDPR Internal Audit Director to the EDP Internal Audit Corporate Director, in which the associated management function includes the promotion and harmonization of work policies and methodologies, the management of action plans and reporting activities to EDP Internal Audit Director.

52. Risk Management

EDPR's Enterprise Risk Management Process is an integrated and transversal management model that ensures the minimization of the effects of risk on EDPR's capital and earnings, as well as the implementation of best practices of Corporate Governance and transparency. The process aligns EDPR's risk exposure with the company's desired risk profile.

The Enterprise Risk Management Framework was approved in 2016, in accordance with the guidelines agreed at its Board of Directors level. Based on this risk framework, the Company developed a Risk Management System through individual risk policies and procedures for most relevant risks, where it is defined the methodology to calculate probability of occurrence and impacts, as well as mitigation measures and thresholds. In addition, these risk policies and procedures establish the process for control, periodic evaluation, and eventual adjustments. The approvals necessary to proceed with this system are submitted to the Management Team, which will inform the Board of Directors of the progress. Likewise, the Risk Management System is closely followed and supervised by the Audit, Control and Related Party Transactions Committee, an independent supervisory body composed of non-executive members that reports to the Board of Directors, in charge, among others, of the monitorization of the compliance and progresses of the Risk Management Plan and possible improvements to the measures and controls for mitigating potential risks identified within EDPR.

Risks that fall under the Energy Market, Financial, Strategic, Counterparty, Operational and ESG categories are identified, and their impacts regularly evaluated and checked against limits established by Risk Policies which are defined and implemented across the Company, with the aim of mitigating risks without compromising potential business opportunities, thus optimizing return versus exposure.

In 2023, following both external and internal assessments carried out on the maturity of its ERM Framework, EDPR reviewed its Risk Taxonomy and made some additional updates to its Enterprise Risk Management Framework, in order to act on the audits' recommendations and further strengthen its risk governance, policies and procedures. The revised ERM Framework and the new Risk Taxonomy, which now includes a specific section dedicated to ESG Risks, were approved during the second half of 2023.

Also, during 2023, an historical analysis was performed on the profitability of EDPR's projects at the time of approval, to understand how the different profitability risk metrics for the portfolio have evolved in the last decade and to provide higher visibility on the risk-return relationship, at approval, for different technologies and geographies. Slight changes in methodology were proposed and a set of recommendations were issued to further improve resilience of current profitability risk metrics being used.

Additionally, during the year, a deep dive on EDPR's historical and projected structural merchant exposure was performed, to understand how future capacity additions could

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impact the company's desired long term risk profile. The analysis provided insights on current trends, how average contracted life of EDPR's assets is evolving and offered recommendations to ensure exposure is aligned with the company's desired risk profile for the following years.

Another risk initiative developed throughout 2023 is related to the review of EDPR's Net Investment FX Risk strategy, which aims to mitigate the potential impact of exchange rate movements in the Group's net assets denominated in foreign currency. A thorough review of the methodology was carried out and adjustments were made to better align the Net Investment Strategy with EDPR's Business Plan and desired risk profile, while seeking out the optimization of the risk-return trade off.

Also in 2023, EDPR reassessed its internal Operational Risk, executing a bottom-up analysis across all departments, while also relying on historical data. The analysis provided an updated visibility on the main operational risks impacting the company, how they have evolved over time and whether they could be seen as representative for the future, as EDPR implements its current Business Plan.

Likewise, throughout the year, other specific analyses were carried out, covering different subjects:

- Task Force on Climate-Related Financial Disclosure (TCFD): Review of current process for annual assessment of climate risks and their impacts on the company's performance, while issuing some recommendations to further improve resilience of current disclosures under the ESG Risk management pillar.
- Counterparty Risk Policy: Overview of the current policy and its limits implemented at EDPR, with proposed amendments to better align them with current company and market reality.
- DG Community Solar: Deep-dive analysis on the risk profile of the DG Community Solar business in the US vs other DG opportunities, while recommending mitigation measures to align exposure with desired risk profile.
- Country risk: Detailed annual assessment of country risk for those geographies in which EDPR is currently present and for those that could potentially be part of EDPR's portfolio.

Finally, during 2023, a comprehensive series of trainings were performed across the organization to reinforce EDPR's risk culture and promote awareness of risk management topics among its employees. Main trainings carried out throughout the year were as follows:

- Counterparty Risk: Reinforce the importance of the topic in EDPR and the main fundamentals on how to manage it. Training was provided to the Procurement, Purchasing, Origination and M&A teams, across all platforms.
- Operational Risk: Present the results of the Operational Risk analysis carried out in 2023, including main conclusions and recommendations. Training was provided to all senior management of the company.
- Profitability and FX Risk: Overview of risk metrics and sensitivity analyses performed on FX and project profitability for investment approval. Training was provided to the M&A teams across all platforms.
- Business Continuity and Crisis Management: Detail Crisis Management Policy, processes, and procedures, while reinforcing importance of employees' awareness to prevent crises. Training was provided to all employees in the company.
- Commodities Risk: Overview of main raw materials indexes and their liquidity and how to project future prices for cost estimations. Training was provided to the Procurement, Purchasing and Storage teams in Europe, LATAM and NA.

Some of these trainings have been incorporated in EDPR's knowledge catalogue and will be provided on a recurrent basis to maintain the level of risk awareness and promote a risk culture across the company.

53. Risk Map

Risk Management at EDPR is focused on covering all risks of the company. In order to have a holistic view of risks, they are grouped in Risk Categories, which are Energy market, Financial, Strategic, Counterparty, Operational and ESG. The definition of Risk Categories at EDPR is as follows:

- **Energy Market Risk** – It refers to the risk to EDPR resulting from movements in market prices. Due to the relationship between wind and solar production and energy price, production risk is considered within market risk. Moreover, liquidity risk is also included due to its relationship with extreme changes in energy prices.
- **Financial Risk** - It refers to risks affecting EDPR's ability to fulfil its financial obligations due to movements in the financial markets. It includes movements in Interest Rates, Exchange Rates (FX), Inflation and Commodity prices. It also includes Capital Gains risk, due to the importance of EDPR's asset rotation strategy in its business.
- **Strategic Risk** – It refers to risks coming from macroeconomic, political, social, or environmental situation in geographies where EDPR is present, as well as those coming from a change in competitive landscape, from technology disruptions, or from supply

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chain issues. Investment Decisions criteria and Reputational issues also fall under this category.

- **Counterparty Risk** (credit and operational) – Risk that a counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract.
- **Operational Risk** (other than counterparty) – Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters), including the effect of a loss created by not being able to ensure business continuity.
- **ESG Risk** – It refers to risks related with Environment, such as Climate change or Circular economy; Social, such as Communities or Health & Safety, and Governance, which includes risks related to Corporate Governance or Business Ethics. They help define a set of standards for a company's behavior used by socially conscious investors to screen potential investments.

Within each Risk Category, risks are classified in Risk Groups.

1. Energy Market Risk

1. i) Energy price risk

EDPR faces limited energy price risk as it pursues a strategy of being present in geographies with long -term visibility on revenues. In most countries where EDPR is present, prices are determined through regulated framework mechanisms. In those countries with no regulated tariffs, power purchase agreements are negotiated with different off takers to eliminate price risk from Electricity and Environmental attributes (Green Certificates, Guarantees of Origin or RECs- Renewable Energy Certificates).

Despite EDPR's strategy of minimizing market price risk, EDPR still has some plants with merchant exposure.

In Europe, EDPR operates in countries where the selling price is defined by a feed-in-tariff (Portugal and France) or a contract for differences remuneration scheme (Italy, Hungary, UK or Greece). EDPR also operates in markets where, on top of the electricity price, it receives either a pre-defined regulated premium or a green certificate, whose price is achieved on a regulated market (Spain, Belgium, Poland or Romania).

In countries with a predefined regulated premium or a green certificate scheme, EDPR is exposed to energy price fluctuations.

Considering current Power Purchase Agreements (PPAs) in place, EDPR is exposed to energy price risk in Romania, in Poland, in Belgium, in Netherlands and partially in Spain. Additionally, in European countries with a green certificate scheme (Romania, Belgium and Poland), EDPR is exposed to fluctuation on the price of green certificates.

The US market does not provide a regulated framework system for the electricity price. Nevertheless, renewable generation is incentivized through PTCs (Production Tax Credits) and regional Renewable Portfolio Standard (RPS) programs that allow receiving RECs for each MWh of renewable generation. REC prices are fairly volatile and depend on the regional supply/demand equilibrium in the relevant market.

Most of EDPR's capacity in the US has predefined prices determined by bundled (electricity + REC) long-term contracts with local utilities or C&Is, in line with the Company's policy of minimizing energy price risk. Despite existing long-term contracts, some EDPR's plants in the US do not have PPA and are selling merchant with exposure to electricity and REC prices. Additionally, some plants with existing PPAs do not sell their energy where it is produced and are therefore exposed to basis risk (difference in price between the location where energy is produced and that where that energy is sold).

In Ontario (Canada), the selling price is defined by a long-term feed-in-tariff, thus, there is no energy price exposure.

In Brazilian, Colombian and Chilean operations, the selling price is defined mainly through a public auction which is later translated into a long-term contract. Energy price exposure is limited, with reduced exposure for the production above or below the contracted production.

In APAC, EDPR operates in markets where the selling price is defined by a feed-in-tariff (Vietnam, Japan, Malaysia and Taiwan) or through Power Purchase Agreements (Singapore, Cambodia, China, Malaysia, Indonesia, Korea and Thailand).

Under EDPR's global approach to minimize the exposure to market energy prices, the Company evaluates on a permanent basis, if there are any deviations to the pre-defined limits (measured through EBITDA at risk, Net Income at risk and total merchant exposure).

EDPR aims to minimize Environmental Attributes price risk with the signing of bundled PPAs with private off takers, which include the sale of the electricity and the Green

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Certificates, Guarantees of Origin or RECs. In some cases, the off taker may be interested in contracting only the Green Certificate or the REC, thus a GCPA (Green Certificate Purchase Agreement) or a RECPA (REC Purchase Agreement) is signed.

In those geographies with remaining merchant exposure, EDPR uses various commodity-hedging instruments in order to minimize the exposure to fluctuating market prices. In some cases, due to the lack of liquidity of financial derivatives, it may not be possible to successfully hedge all existing merchant exposure, after considering PPAs in place.

As aforementioned, some US plants have exposure to REC price risk and/or basis risk (difference in electricity price between locations). EDPR hedges REC prices through forward sales and basis exposure through financial swaps or FTR (Financial Transmission Rights).

1. ii) Energy Production Risk

The amount of electricity generated by EDPR's renewable plants is dependent on weather conditions, which vary across locations, from season to season and from year to year.

Variation on the amount of electricity that is generated affects EDPR's operating results and efficiency.

Not only the total wind or solar production in a specific location is relevant, but also the profile of production. Wind usually blows more at night than at daytime, and the opposite for solar, with each technology capturing a different price. Generation profile will affect the discount or add-on in price of a plant versus a baseload generation.

Finally, curtailment of a plant will also affect its net production. Curtailment occurs when the production of a plant is stopped by the TSO (Transmission System Operators) for external reasons to the Company. Examples of cases of curtailment are upgrades in transmission lines or exceptional congestion (high level of electricity generation for available transmission capacity).

EDPR mitigates wind and solar resource volatility and seasonality through geographical diversification of its asset base in different countries and regions.

EDPR acknowledges the correlation between different plants in its portfolio that allows for this geographical diversification, which enables EDPR to partially offset production variations in each region and to keep the total energy generation relatively steady. Currently, EDPR is present in 28 international markets: Belgium, Brazil, Cambodia, Canada, Chile (No generation), China, Colombia (No generation), France, Greece, Germany (no generation), Hungary (no generation), Indonesia, Italy, Japan, Malaysia, Mexico, Netherlands (No generation), Poland, Portugal, Romania, Singapore, South Korea (No generation), Spain, Taiwan, Thailand, UK, US and Vietnam.2023 was a year with actual generation below the one initially forecasted, mainly due to the effects of the El Niño phenomenon. EDPR continues to analyse the potential use of financial products to hedge wind volume risk and might use this product in future years to mitigate risk in specific cases.

Profile risk and curtailment risk are managed ex-ante. For every new investment, EDPR factors the effect that expected generation profile and curtailment will have on the output of the plant. Generation profile and curtailment of EDPR's plants are constantly monitored by EDPR's Risk department to detect potential future changes.

1. iii) Liquidity risk

Liquidity risk is the risk of EDPR not meeting its financial obligations. Liquidity risk is mainly related to extreme market movements in energy prices, interest rates, exchange rates or credit markets, which may change the expected cash flow from revenues, OPEX, margin calls or funding (due to credit downgrades).

EDPR tracks liquidity risk in the short term (margin calls, etc.) and in the long term (financing sources) in order to meet strategic targets previously set (EBITDA, debt ratio and others).

EDPR's strategy to manage liquidity risk is to ensure that its liquidity is sufficient to meet financial liabilities when due, under both normal and stressed conditions, and without incurring unacceptable losses or risking damage to EDPR's reputation.

Different funding sources are used such as Tax Equity investors, commercial banks, multilateral organizations, corporate debt and asset rotation in order to ensure long-term liquidity to finance planned projects and working capital.

The Directors have estimated cash flows that show that the Group will meet the commitments existing at the close of the 2023 financial year and those foreseen for 2024.

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2. Financial Risk

2. i) Interest Rate Risk

Given the policies adopted by EDPR Group, current exposure to variable interest rate is not significant and financial cash flows are substantially independent from the fluctuation of interest rates.

The purpose of interest rate risk management policies is to reduce the exposure of long-term debt cash flows to market fluctuations, mainly by contracting long term debt with a fixed rate.

When long-term debt is issued with floating rates, EDPR settles derivative financial instruments to swap from floating to fixed rate.

EDPR has a portfolio of interest-rate derivatives with maturities of up to 15 years. Sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations are periodically performed.

With most of interest rates being fixed, main exposure to interest rates arises at refinancing. To protect against this risk, EDPR intends to maintain a balanced maturity profile for its corporate fixed debt, thus, diversifying the risk of bad timing when refinancing occurs. Repricing calendar of debt is continuously monitored together with interest rates in order to detect good timing for restructuring debt.

Additionally, Risk and Finance teams regularly perform analyses on the possibility of carrying out pre-hedging of interest rates, in order to identify potential opportunities to further mitigate this risk.

During 2023, the EUR-denominated pre-hedges carried out in the previous year were applied to new debt raised by EDPR during the year. As for the USD-denominated pre-hedges, they were unwound due to the optimization of the EUR/USD position, following the review of EDPR's Net Investment Hedge strategy.

Taking into account risk management policies and approved exposure limits, Global Risk Area supports the Finance team in interest rate hedging decisions and the Finance team submits the appropriate financial strategy to each project/location for Management Team's approval.

2. ii) Exchange Rate Risk

As a global company present in almost 30 different markets, EDPR is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. Under construction and operating plants can have currency exposure to the US dollar, Romanian leu, Polish zloty, Brazilian real, British pound, Canadian dollar, Hungarian forint, and Colombian peso. In APAC, main FX exposure comes from Singaporean dollar, Chinese renminbi, and Taiwanese dollar, with relatively small exposure to other southeast Asian currencies. In addition, EDPR has also a marginal fiscal exposure to MXN due to its Mexican assets.

EDPR hedges risk against currency fluctuations by procuring financing in the same currency as the revenues of the project. When local financing is not available, EDPR hedges debt cash flows though cross currency interest rate swaps.

EDPR also hedges its net investment (investment after deducting local debt obligations) in foreign currency through cross currency interest rate swaps and forward instruments.

Finally, EDPR contracts foreign exchange forwards to hedge the risk for specific transactions, mainly in payments to suppliers which may be denominated in different currencies than the projects' revenues, and also to hedge proceeds from Asset Rotation deals.

EDPR's hedging efforts minimize exchange rate volatility, but do not completely eliminate this risk due to the high costs associated to hedging FX in certain situations.

2. iii) Inflation Price Risk

In certain geographies, regulated remuneration is linked to inflation. Additionally, O&M costs are considered to be linked to inflation in most cases.

Exposure to inflation in revenues may be naturally hedged with exposure to interest rates. EDPR regularly analyses inflation exposure and its relationship with interest rates to adjust the level of interest rate coverage in project finance structures.

Exposure to inflation in O&M costs for each project is managed at the moment of the investment decision, by carrying out sensitivity analyses on the evolution of O&M costs.

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2. iv) Commodity Price Risk (other than energy)

In projects in which there is a significant time lag between investment decision and the start of construction, EDPR may be exposed to the price of the materials used in turbine, solar panel and battery manufacturing, foundations, and interconnection, through escalation formulae included in the contracts signed with suppliers.

In order to manage this risk, EDPR may hedge the market exposure in OTC/future commodity markets, considering the risks (potential impact on project profitability) and the cost of the hedge.

2. v) Capital Gains Risk

Risk of depreciation in the value of assets being considered for sale, due to changes in market conditions such as exchange rates, interest rates, energy prices or inflation, among others.

To manage this risk, EDPR tries to mitigate the impacts of the abovementioned effects by hedging its exposure, whenever possible, while also performing sensitivity analysis on the estimated amount of capital gains from Asset Rotation transactions, resulting from changes in market variables.

Additionally, EDPR maintains a diversified portfolio of projects in terms of geographical location, technology and risk profile and is constantly reassessing its Asset Rotation strategy, with the aim of extracting the highest value out of its projects.

3. Strategic risk

3. i) Country Risk

Country Risk is defined as the probability of occurrence of a financial loss in a given country due to macroeconomics, political or natural disasters. EDPR has defined a Country Risk Policy that assesses country risk through an internal scoring based on publicly available data. This internal scoring is compared with external assessments from renowned entities. Each risk factor affecting country risk is evaluated independently to decide on potential mitigating actions:

- **Macroeconomic Risk:** risks from the country's economic evolution, affecting revenue or cost time of the investments.
- **Political Risk:** all possible damaging actions or factors for the business of foreign companies that emanate from any political authority, governmental body or social group in the host country.
- **Natural disaster Risk:** natural phenomena (seismicity, weather) that may impact negatively in the business conditions.

Before approving a project in a new geography, EDPR analyses the risk of the new country and compares it to its existing portfolio. Mitigation measures may be decided when this risk is above a certain threshold.

In addition, EDPR uses a Security risk index to rank countries from a security and safety standpoint, establishing mitigation measures for employees when above a pre-defined threshold.

3. ii) Regulatory Risk (renewables)

The development and profitability of renewable energy projects is subject to policies and regulatory frameworks. The jurisdictions in which EDPR operates provide different types of incentives supporting energy generated from renewable sources.

Remuneration schemes have become less competitive in some countries due to inflationary pressures affecting supply chains and construction costs, and it cannot be guaranteed that current support will be maintained in all EDPR's geographies or that future renewable energy projects will benefit from current support measures. Regulation promoting green energy has been revised or is under revision in some of the countries where EDPR is present.

In 2023, the conflict between Ukraine and Russia continued influencing electricity prices, particularly in Europe, which led the EU to maintain the emergency cap on gas prices. Some countries, like Spain, Poland or Romania also implemented their own cap measures and kept them in place throughout the whole of 2023, with the aim of limiting electricity prices.

EDPR is managing its exposure to regulatory risks through diversification, by being present in several countries and through participation as an active member in several wind and solar associations.

Regulatory Risk in each of EDPR's countries is monitored continuously, considering current regulation, potential drafts of new laws, feedback from associations, evolution of installed renewable generation capacity and other inputs. EDPR has developed an internal

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quantitative assessment of Regulatory Risk that serves as an indicator for changes in supporting schemes. This measure is updated regularly in all EDPR´s geographies.

Regulatory Risk is also considered ex-ante, at the moment of the investment, through sensitivity analyses that are performed to evaluate its impact in project profitability under different scenarios.

3. iii) Competitive Landscape Risk

In the renewables business, size can be an advantage or disadvantage in specific situations. For example, in development of renewable projects, small and dynamic companies are usually more competitive than larger companies.

On the other hand, when participating in tender processes for offshore wind farms, the size of the investment benefits larger companies.

Additionally, the consequences of a change in the competitive landscape due to mergers and acquisitions may also be a risk.

To mitigate the risks stemming from the competitive landscape, EDPR has a clear knowledge of its competitive advantages and tries to leverage on them. When EDPR has no advantage versus its competitors, alternatives are considered in order to become competitive. For example, for offshore wind farms, EDPR has partnered with large companies with previous experience in large electricity generation projects, in order to form a more competitive consortium.

3. iv) Technology Disruptions Risk

Most renewables are relatively recent technologies, which are continuously evolving and improving efficiency. As such, some initially expensive technologies can become competitive in a relatively short time.

EDPR growth focuses in the most competitive renewable technologies at the moment, which are onshore wind, offshore wind, solar PV and Distributed Generation, but also participates in other innovative projects such as floating offshore wind, batteries development or green hydrogen.

3. v) Investment Decisions Criteria and Energy Planning

Not all projects have the same risk profile. This will depend on the duration of the fixed remuneration, the amount of merchant exposure, construction risk, etc.

In order to take proper business decisions, EDPR uses Risk Adjusted Metrics for investment decisions, which take into consideration the different risks inherent to each project.

Assumptions in future evolution of energy markets affect the profitability of the investments for the period after the fixed remuneration is over (regulated tariff or PPAs). Structure of electricity markets in most of EDPR geographies (marginal setting price) were not designed to consider a great share of generation from renewable sources with zero marginal price. Thus, the increase in renewable generation could lead to lower pool prices in medium term if reforms of electricity markets are not properly undertaken.

When investing, EDPR performs sensitivity analyses to stress pool price scenarios for the period without fixed remuneration to understand the robustness of the profitability of the investment.

3. vi) Supply Chain Risk

Price of equipment is affected, not only by market fluctuations of the materials used, but also by the demand of this equipment or a possible increase in trade tariffs and levies.

For every new project, EDPR secures the demand risk by engaging in advance with manufacturers, elected through a competitive process.

The demand for new plants may offset the offer of equipment. Currently, the local component requirement in some geographies (ex: Brazil) may create this shortfall situation. In the event of a trade war, supply chain of equipment suppliers may be affected, creating further imbalances in local component requirements.

EDPR currently faces limited risk to the availability and price increase of equipment after project investment approval, due to existing framework agreements with major global suppliers. The Company uses a large mix of suppliers in order to diversify its equipment supply risk. For geographies with specific requirements of local content, EDPR typically does not engage in a project before securing the supply of that equipment. This risk is further explained on EDPR's annual report due to its current relevance to the business.

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3. vii) Reputational Risk

Companies are exposed to public opinion and today's social networks are a rapid means to express and propagate particular opinions. A bad reputation could eventually harm financial results of a company in the short and in the long term.

To address and mitigate reputational risk, EDPR is committed not only in building a better future, but also in doing it the right way, in an ethical and sustainable manner, complying with legal requirements, following best practices, and creating awareness and providing trainings to its employees.

4. Counterparty Risk

4. i) Counterparty Credit Risk

If the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default, an economic loss would occur.

To control credit risk at EDPR, thresholds of Expected Loss and Unexpected Loss are established at company level as defined under Basel Standards and re-evaluated monthly. If the threshold is surpassed by the company as a whole, mitigation measures are implemented in order to remain within the pre-established limit.

Additionally, Expected Loss limits are established for each individual counterparty or Group of counterparties (parent and subsidiaries).

4.ii) Counterparty Operational Risk

If the transactions or portfolio of transactions with a counterparty do not have a positive economic value at the time of default, it will still impact operations. Despite no direct loss at the time of default, the replacement of the counterparty could imply a cost to EDPR due to potential delays, higher contract value with a new counterparty (replacement costs), etc.

Suppliers, Construction and O&M subcontractors are counterparties to which EDPR is exposed from an operational point of view.

To minimize the probability of incurring in potential replacement costs with third parties, EDPR´s policy concerning counterparty operational risk is managed by an analysis of the technical capacity, competitiveness, credit quality and replacement cost of the counterparty.

5. Operational Risk

5. i) Development Risk

Renewable plants are subject to strict regulations at different authority levels (international, national, state, regional and local) relating to the development, construction, grid interconnection and operation of power plants. Among other things, these laws regulate landscape and environmental aspects, building licenses, land use and land securing and access to the grid issues.

While permitting processes might be different depending on the geographies, EDPR acknowledges a trend for legislations to align towards concentrating the most restrictive rules and development risks on the consenting (environmental and urban permissions) and interconnection (electricity connection of the plant to the national grid).

In this context, EDPR's experience gathered in different markets is useful to anticipate and deal with similar situations in other countries.

During the development and design phase, EDPR focuses on the optimization of its projects. By mastering the variables, such as choice of locations, layout, etc., the objective is to make the projects more resilient to permitting risks.

Additionally, EDPR mitigates development risk by generating optionality, with development activities in 28 different markets and a portfolio of projects in several stages of maturity. EDPR has a large pipeline of projects that provide a "buffer" to overcome potential delays in the development of prioritized projects, ensuring growth targets and being able to compensate permitting delays in some geographies.

5. ii) Construction Risk

During the construction of the foundations, interconnection and substation of a plant, and the installation of the equipment, different events (bad weather, accidents, etc.) might occur that could imply an over cost or a delay in the commercial operation date of the plant:

- The delay implies a postponement of cash flows, affecting profitability of the investment.
- When a plant has a PPA, a delay of the commercial operation date might imply the payment of Liquidated Damages (LDs), with the consequent loss of revenues and the impact on annual financial results.

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During the design phase, EDPR's technical and engineering teams supervise the engineering and the installation method. Construction is subcontracted to technically capable construction companies.

In both cases, a critical path analysis is performed to assess the reliability of the construction and installation plan. Also, collaterals may be required to the counterparties providing the construction services, following EDPR's Counterparty Risk Policy.

5.iii) Operation Risk

a. Damage to Physical Assets Risk

Renewable plants under construction and in operation are exposed to weather hazards, natural disasters, etc. These risks depend on the location of the assets.

All plants are insured against physical damage during construction and operation stages. Also, for operating projects, any natural disaster, weather hazard or accident will be partially insured against revenue losses caused the event.

b. Equipment Performance Risk (O&M costs)

Output from renewable plants depends upon the operating availability of the equipment.

EDPR mitigates this risk by using a mix of suppliers which minimizes technological risk, avoiding exposure to a unique manufacturer.

EDPR also engages suppliers through medium-term full-scope maintenance agreements during the first years of operation to ensure alignment with supplier in minimizing technology risk.

Finally, for older plants, EDPR has created an Operation and Maintenance (O&M) model with an adequate preventive and scheduled maintenance program. EDPR externalizes non-core technical O&M activities of its renewable plants, while primary and value-added activities continue to be controlled by EDPR.

5. iv) IT/OT Risk

IT (Information Technologies) and OT (Operational Technologies) risk may occur in the technical network (information network for plants operation) or in the office network (information network of corporate services: ERP, accounting...)

EDPR mitigates this risk creating redundancy of servers and control centers of renewable plants. Redundancy is created in a different location to anticipate potential natural disasters, etc.

5. v) Legal claims Risk (compliance, corruption, fraud)

Like any other organization, EDPR faces potential claims from third parties and could be subjected to charges of corruption and fraud of its employees.

EDPR has implemented an internal "Code of Ethics" and an Anticorruption Policy where the company commits to comply with legal obligations in every community where EDPR is established.

Additionally, the company Ombudsperson receives all the complaints sent through the "Code of Ethics" channel and decides the appropriate procedure for each one of them. An anticorruption mailbox is also available to report any questionable practice.

5.vi) Personnel Risk

EDPR identifies four main risk factors regarding personnel: turnover, health and safety, human rights, and discrimination, violence or behavior against human dignity.

- Turnover: A high turnover implies direct costs of replacement and indirect costs of knowledge loss. EDPR mitigates turnover through constant reassessment and benchmarking of remuneration schemes in different geographies. Additionally, EDPR offers flexibility to its employees to improve work life balance. In 2023, EDPR was elected as "Top Employer" in Spain by the Top Employers Institute.
- Health and safety: EDPR has deployed an H&S management system, complying with OHSAS 18001, pursuing the "zero accidents" target.
- Human rights: EDPR has committed, through its "Code of Ethics", to respect international human rights treaties and best work practices. All counterparties which sign a contract with EDPR are committed to respect EDPR's "Code of Ethics".
- Discrimination, violence or behavior against human dignity: EDPR forbids any kind of discrimination, violence or behavior against human dignity, as stated in its "Code of Ethics". Strict compliance is enforced, not only through the reporting channel of the Ombudsperson, but also through constant awareness from all employees of the company.

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5. vii) Processes Risk

Internal processes are subject to potential human errors that may negatively affect the outcome. Internal Audit Department regularly reviews internal processes and recommends the establishment of new controls or the improvement in the implementation of existing procedures.

Moreover, business continuity is ensured by a Global Crisis Plan, which defines the procedure to follow for each level of crisis and frames individual emergency plans at activity or asset level. Also, a tool to oversee different events that could impact Business Continuity is being used to ensure and support the correct management of crisis.

6. ESG Risk

6. i) Environmental Risk

Environmental risks include the actual or potential threats and economic impacts of adverse effects on the environment by activities carried out by organizations and countries. Some issues analysed under this topic include climate change, circular economy or biodiversity.

EDPR performs some analyses to Identify climate-related risks and opportunities, such as those based on the Task-Force on Climate-Related Financial Disclosures (TCFD) recommendations.

The impact of these risks and opportunities are assessed on an annual basis and mitigated through environmental measures, contingency plans and other related initiatives.

6. ii) Social Risk

Social Risk encompasses activities that affect how relations are managed with employees, suppliers, customers and communities where EDPR operates.

EDPR focuses mainly on factors such as human rights, health and safety within the company and also with its third-party contractors, and labour issues in the markets where the company is present.

6. iii) Corporate Organization and Governance

Corporate governance systems should ensure that a company is managed in the interests of its shareholders and other relevant stakeholders.

In particular, EDPR has an organization in place with a special focus on transparency, where the management body (Board of Directors) is separated from the supervision and control duties (Audit, Control and Related Party Transactions Committee). Members of this Committee are invited to attend the General Risk Committee of EDPR, which is held on a quarterly basis.

54. Risk functions and framework

A corporation can manage risks in two different ways, one risk at a time on a largely and compartmentalized basis, or all risks together within a coordinated and strategic framework. The latter approach is called “Enterprise Risk Management” and is the approach used at EDPR. Risk Management at EDPR is supported by three distinct organizational functions, each on a different role: Strategy (Risk Profiler), Management (Risk Manager) and Controlling (Risk Controller).

RISK FUNCTIONS	DESCRIPTION
Strategy – General risk strategy & policy	Global Risk Department provides analytically supported proposals to general strategic issues. Responsible for proposing guidelines and policies for risk management within the company.
Management – Risk management & risk business decisions	Implement defined policies by Global Risk Responsible for day-to-day operational decisions and for related risk taking and risk.
Controlling – Risk monitoring	Responsible for follow-up of the results of risk-taking decisions and for contrasting alignment of operations with general risk policy approved by the board.

The Risk Committee is the forum where the different Risk Functions discuss the policies to be implemented and control the risk exposure of the company. EDPR’s Risk Committee integrates and coordinates all Risk Functions and assures the link between corporate’s risk appetite and defined strategy and the operations of the company.

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EDPR created three distinct meetings of the Risk Committee in order to separate discussions on execution of mitigation strategies from those on the definition of new policies:

- **Restricted Risk Committee:** Held every month, it is mainly focused on execution risk and counterparty risk, as well as providing visibility on the decisions on energy hedging strategies taken in the Global Energy Management (GEM) Steering Committees, where EDPR's risk officer is one of the permanent members. Currently, the Restricted Risk Committee is the forum to:

c. Discuss the status of projects under development and construction.

d. Review exposure to offtakers, suppliers and financial institutions.

e. Track merchant exposure and provide visibility on hedging decisions taken in the GEM Sterring Committees.

f. Monitor compliance with risk thresholds defined in EDPR's risk policies (market, counterparty, operational and country risk).

Main participants in the Restricted Risk Committee include EDPR's Management Team and several Corporate and regional teams involved in the decision making of these topics.

- **Financial Risk Committee:** Held every quarter, it is the forum to review main financial risks and discuss the execution of mitigation strategies. Exchange rate risk, interest rate risk, liquidity risk, commodities risk and credit risk from financial counterparties are most relevant risks reviewed in this committee.

Main participants of the Financial Risk Committee include EDPR's CEO and CFO and selected members of the Finance, Planning & Control, Acccounting & Consolidation, M&A and Global Risk teams.

- **General Risk Committee:** Held every quarter, it is the forum where new strategic analysis is discussed, and new policies and procedures are proposed for approval to the Management Team. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

Main participants of the General Risk Committee include EDPR's Management Team, Global Risk, Internal Audit, Compliance & Internal Control, and other directors of the Company from selected departments. Additionally, the members of the Audit, Control and Related Party Transactions Committee are permanently invited participants of the General Risk Committee.

Moreover, the Audit, Control and Related Parties Committee receives information from the Global Risk Director, on a quarterly basis, on the company's risk management status and evaluation (see Recommendation VII.3). During these meetings, a detailed review of the level of each risk category within the risk taxonomy is conducted, comparing it with the maximum thresholds established in the ERM Framework. In addition, a comparison is made with the results from the previous quarter and the previous year, in order to assess the evolution of risks and take preventive measures if necessary. During the year 2023, the Committee received reports on EDPR's risk management status in March, June, September, and December. These reports allowed the Committee to be updated about the risks and make informed decisions to protect the interests of EDPR and its shareholders. The quarterly review of the risk taxonomy is an essential practice to ensure effective management of business risks and maintain the financial stability of the company.

To provide clarification on IPGC Recommendation V.1, EDPR's Audit, Control and Related Parties Committee conducted a review and gave a favorable opinion for the revised Enterprise Risk Management Framework, which included updated baseline limits, a revised risk taxonomy and other content additions.

Following this review, the revised ERM Framework was presented and approved by EDPR's Board of directors on its July 25th meeting.

55. Details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information

With the purpose of not only controlling risks, but also managing them ex-ante, EDPR has created Global Risk policies that are enforceable at a Global Level. These policies are proposed and discussed in the Risk Committee and approved by the Management Team.

EDPR's Enterprise Risk Management Process is inspired on Basel Committee on Banking Supervision's principles, guidelines and recommendations and is similar to other risk management frameworks. In this respect, performance of risk metrics at EDPR and their compliance with established internal risk limits are assessed on a monthly basis. Additionally, a formal review and update of each Risk Policy, and the adequacy of its limits, is performed every two years.

Internal control system over financial reporting

EDPR has an Internal Control System over Financial Reporting (SCIRF) updated and monitored in line with international standards of Internal Control.

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This system covers the main aspects of the COSO framework: maintaining a control environment for the preparation of qualified financial information, assessment of the risks of financial reporting, existence of control activities to mitigate risks of error, information and communication and evaluation mechanisms.

In addition, the SCIRF Standard was approved in 2022. The purpose of this Standard is to formalize the mission and responsibilities of the SCIRF function, as well as to define the principles and methodological rules governing the exercise of its function and the relationship model with all its stakeholders.

Scope revision and update

The SCIRF Manual includes the annual update of the scope that aims to identify companies, areas and processes that must be included in the scope of SCIRF, according to criteria of materiality and risk, including the risk of error or fraud.

The risk analysis included in the scoping process for SCIRF, includes both the different types of risk (operational, economic, financial, technological or legal) and the control objectives of financial reporting (existence and occurrence, completeness, measurement, presentation, disclosure and comparability, and rights and obligations in terms of their potential impact on the financial statements).

The results of the updated scope with the methodology outlined are communicated at all levels of the organization involved in the SCIRF and supervised by the Audit, Control and Related Party Transactions Committee.

Control activities

In documented SCIRF processes and controls, information capture mechanisms are established (including identification of the scope of consolidation) and are specified the steps and checks that are carried out for the preparation of the financial information that will be part of consolidated financial statements.

The procedures for the review and approval of financial information are provided by the areas of Planning and Control, and Administration, Consolidation and Tax. Financial information is supervised in the scope of its competences by the Audit, Control and Related Party Transactions Committee, prior to the formulation of the accounts by the Board of Directors.

The SCIRF includes control activities related to these processes, embodied in Entity Level Controls, Process Controls and General IT Controls. These processes include review and approval activities of the financial information which are described in the processes of elaboration of individual and consolidated accounts and processing of consolidated financial statements.

EDPR has descriptions of Competency Profiles for the Positions to be carried out in the exercise of the main features of each position that includes a description of the main responsibilities. These include the descriptions of the key positions involved in the preparation of financial information. These descriptions include responsibilities in the preparation of financial information and compliance with internal control procedures.

The documentation of processes and associated controls designed include among others, the completion of closure activities by completing monthly closing checklists, setting due dates for the closures, the identification of the relevance of the operations in order to be reviewed at the appropriate level, conducting analytical reviews of financial information, the existence of limitations in systems to prevent erroneous records or access by unauthorized persons, analysis of deviations from the budget, the analysis by the Management Team of relevant and significant facts that could cause a significant impact on the accounts, or the allocation of responsibilities for calculating amounts to be provisioned for them to be carried out by authorized personnel with the right skills.

In addition to the mentioned reporting processes, major transactional processes resulting from the scope are documented. The description of the activities and controls are designed with the aim of ensuring the registration, evaluation, appropriate presentation and disclosure of transactions in financial reporting.

Control activities of EDPR's SCIRF also include those relating to systems and information technology (General IT Controls) following an international reference, the COBIT framework (Control Objectives for Information and related Technologies). The importance of this area is that information systems are the tools with which financial information is prepared and is therefore relevant for transactions conducted with them.

These control activities include those related to access control to applications and systems, segregation of duties, management of corrective and preventive maintenance, new projects implementation, administration and management of the systems, facilities and operations (back-ups, security incidents) and their proper monitoring and planning. These activities are developed taking into account the requirements of control and supervision.

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Among the activities of SCIRF's scope update, there is a periodic analysis of the existence of service suppliers that perform relevant activities in relation to the processes of preparing financial information.

SCIRF supervision

The Audit, Control and Related Party Transactions Committee supervises the SCIRF in the scope of the exercise of their activities through the monitoring and supervision of the developed mechanisms for SCIRF's implementation, evolution and evaluation, and the results of the scope analysis and the extent of the situation in terms of coverage. To this extent, the Internal Control Area assists the Audit, Control and Related Party Transactions Committee.

EDPR has an Internal Control area, integrated in the Compliance and Internal Control Department, which report to the CEO. The Audit, Control and Related Party Transactions Committee supervises the Internal Control area activities.

The main functions of the Internal Control area are set out in the SCIRF Manual, which includes, among others, the evaluation of the activities of internal control systems or support in the implementation and maintenance of the Internal Control system over Financial Reporting.

Internal Control supports the Audit, Control and Related Party Transactions Committee in supervising the implementation and maintenance of SCIRF and reports the results of the evaluation, improvement actions identified and their evolution.

The entity has action plans for improvement actions identified in SCIRF's assessment processes, which are accompanied and supervised by the Internal Control area, considering their impact on the financial information.

Also, in the year 2023, as in previous years, a process of self-certification was made by the owners of the various controls and Entity Level Control regarding proper documentation update on SCIRF controls and processes in their area of responsibility and the implementation of controls with corresponding evidence.

Additionally, in 2023, additional activities have been carried out for the integration of new platforms and businesses acquired by the company within the existing Internal Control System. In this regard, a specific identification of their associated risks and a review of the control matrix have been carried out.

Finally, in 2023, the Internal Control area, as part of its supervisory functions as a second line of defense, has carried out a monitoring activity of a selection of controls, reviewing their design and risks and reviewing the evidence of execution of the controls in order to verify that they are updated, in operation and that their design is adequate.

SCIRF evaluation

Besides the monitoring and evaluation activities described in the preceding paragraphs, in case the auditors identified internal control weaknesses in the scope of their financial audit work, they are expected to communicate these circumstances to the Audit, Control and Related Party Transactions Committee, which regularly monitors the results of the audit work.

Additionally, in 2023 the EDPR Group decided to have its SCIRF audited by the external auditor. As a result of its evaluation, the external auditor issued a report with a favorable opinion on the SCIRF of the EDPR Group, according to ISAE 3000 (International Standard on Assurance Engagements 3000), included in Annex II of this Chapter 5 of this Annual Report.

Corporate Compliance

The implementation of a solid corporate culture of compliance, integrity and transparency has always been a priority for EDPR, structuring its supervision and monitoring, through a regulatory compliance conduct basis and through the adoption of ethical values and principles; both consolidated as central elements of its business model.

Taking into account the Group's priority, the Compliance Model has evolved over the years:

- during 2016 and 2017, the Compliance Officer position and the Criminal and Legal Risk Prevention Model (Specific Compliance Model) were created.
- during 2018, the Company completed the first update of the Criminal Compliance Model and started working on the definition of a criminal risk matrix at an international level including an inventory of the potential risks and its controls in each of the geographies where EDPR operates.
- in June 2019, the Compliance Area was created to support and provide assistance to the Compliance Officer. In February 2020, with the commitment of strengthening the Compliance culture and to comply with the international standards in Corporate Governance, the area evolved to the Department of Compliance and Internal Control – a new department which reports, directly, to the CEO.

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- in 2022, the Compliance Area has been working on the implementation of a Global Compliance Model with actions addressed to reinforce the establishing of a Ethic and Compliance culture in the whole Group.

Reinforcing what stated in the previous point, in 2022, the Compliance Areas has created the Ethics and Corporate Compliance Area (ECC) in the North America platform as support area of the Compliance Officer.

Global compliance model

In the definition of the Global Compliance Model, the Global Compliance structure has been defined, and a great effort has been made to develop a robust set of policies and procedures for the Group, which includes the following:

- the Compliance Standard, approved by the Board of Directors in November 2021 and reviewed and updated in October 2022, which establishes the basic principles, the methodological rules that govern the carrying out of the Compliance function and the specific Compliance functions of all employees.
- the Code of Conduct for Top Management and Senior Financial Officers, approved by the Board of Directors in July 2021, that reinforces and complements the Code of Ethics, and reflects the commitment of the people who have been given the responsibility and power to carry out the supervisory and administrative functions of the EDPR Group.

The Global Compliance Model integrates specific models depending on the risks affecting the Group:

- A specific Integrity Compliance Program focused on the prevention of corruption and bribery risks. EDPR has a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all business dealings and relationships wherever the Group operates. For this reason, the specific Integrity Compliance Program has as its central axis the Integrity Policy, which replaces the previous Anticorruption Policy; was approved by the Board of Directors in July 2021 and reviewed and updated in October 2022. The Integrity Policy has been complemented by other procedures that facilitate the application of this Policy. Among others:
    i. The Donations and Sponsorships Procedure, approved by the Management Team in June 2021.
    ii. The Offers and Events Procedure, approved by the Management Team in June 2021 and reviewed and updated in December 2022.
    iii. The Conflict-of-Interest Procedure, approved by the Management Team in June 2021.
    iv. The Integrity Due Diligence Procedure and the Procedure for relationship with Public Officials and Politically Exposed Persons, approved on 2020 and developed during 2021 through different electronic platforms. The creation of a technological platform for third-party analysis, which can be used by all Group employees, is noteworthy. Both of them have been reviewed and updated in December 2022.
    v. The Intermediary Agreements Procedure, approved by the Management Team in July 2022.
    vi. A specific Criminal Compliance Program focused on the prevention of criminal risks in Spain taking into consideration the regulation in Spain.
- during this 2022 the Criminal Compliance Policy has been updated (initially approved in December 2017).
- the risk and control matrix has been updated. All the Areas/departments of EDPR Group have reviewed the assigned controls and have validated the applicable controls (self-assessment).
- a Control Audit Plan has been established and the controls assigned in the Plan have been audited by an independent third party.

In addition, the Risk Assessment Methodology has been updated in order to have a more objective risk assessment.

A specific Personal Data Protection Compliance Program focused on the protection of personal data to which EDPR has access and for which it is responsible. In this context, EDPR has been strengthening its management system to ensure the compliance and adequacy of EDPR Group's entities to the applicable legal requirements regarding Data Protection in the different geographies. The specific Personal Data Protection Compliance Program has as its central axis in the principles reflected on the Personal Data Protection Policy, approved by the Board of Directors in 2020. The main matters involved this Program are periodically reviewed taking into account new requirements and the expansion of the Group in new geographies. The Cookie Policies across different geographies have been updated in 2022.

Since September 2022, the internal Data Protection Procedures and Methodologies, defined and developed at a group level in 2021, are being reviewed taking in to account the regulatory requirements established in the legislations of the new geographies in which EDPR has a presence.

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In October 2022, EDPR started a Project for the review and identification of International Personal Data Transfers accompanied by the elaboration of a Gap Analysis and Action Plan for the subsequent regularization of those transfers that may require it.

In December 2022, EDPR has started the development of a new Master Data Protection Policy at a Group Level.

All this normative development has implied a strong work to make the new policies and procedures of the Group known, having made special focus this year in training and communication in the field of Compliance.

Training and communication

Training and communication are fundamental tools to strengthen and disseminate the ethic and compliance culture. In this sense, the following training courses have been developed:

- *Compliance at EDP* with the goal of showing all the employees how the EPDR's Compliance Management System works.
- *ComplianceFLIX "how I met integrity"* which aims to make employees reflect on situations that may involve illegal acts and improper/unethical conducts and show them how they should act to comply with the EDPR Integrity Policy. *ComplianceFLIX The Personal Data Protection Lady* with the goal of reflecting on situations involving the processing of personal data, sometimes resulting in personal data incidents, and showing all the employees how they should act to comply with the law and internal regulations on data protection.
- *Follow Criminal Compliance* which contains the main guidelines of EDPR's Criminal Compliance Policy and the consequences of not complying with them. This training is addressed to new hires or employees who had not completed this training last year.
- *Ethics is value: Let's live our Code of Ethics,* which is based on different videos of the Directors of EDPR who describe the structure and the main elements of the Code of Ethics.
- Ethics for leaders to guarantee that middle management knows the relevant ethics tools to apply in the management of their teams.
- Specific trainings online to different areas (Procurement, M&A, Legal) and geographies in order to guarantees the correct implementation of the Integrity Due Diligence Process.
- Training sessions in person in different geographies (Italy, Greece, France, Romania, Brazil, Colombia and Hungary) in order to assure the correct acknowledge of all compliance policies and procedures.

These trainings have been complemented with communication activities as the (i) monthly Ethics and Compliance Comic which shows practices cases where apply the Code of Ethics and the Compliance policies and procedures, (ii) Global Ethics Day campaign, (iii) periodic posts on the intranet and internal platforms over compliance topics and (iv) different thematic campaigns as the Privacy Day, GRPD anniversary or Anticorruption Day.

Reporting system

Lastly, the reporting system to Top Management and Senior Management has also been improved, establishing reports about the Global Compliance Model to: (i) the CEO (monthly), (ii) the Audit Control and Related Party Transactions Committee (CAUD) (quarterly), (iii) the Management Team (at least quarterly) and (iv) to the Board of Directors (yearly).

Operation, methodology and certifications

The entire operation and methodology for the management of the Criminal Compliance Program and the Integrity Compliance Program has been compiled in an internal departmental document called Integrated Management System for Criminal Compliance and Antibribery Handbook updated during 2022. Additional documents, for the support and documentation of this system, have been also drafted.

All this development has allowed EDPR, at the end of 2021, to obtain a double certification from AENOR that verifies and accredits that the company has developed a system of criminal and anti-bribery compliance that meets the requirements of reference standards UNE 19601 and ISO 37001.

With said recognitions, EDPR demonstrates that it has an effective anti-bribery management system (ISO 37001) and that its Spanish criminal risks Prevention Model complies with best practices to prevent crime, reduce risk, and foster an ethical and legally compliant business culture (UNE 19601).

In 2022, EDPR has renewed its AENOR certifications in Criminal Compliance and Anti Bribery, reinforcing, once more time, EDPR's commitment to promote a culture of compliance and strengthen values such as integrity, accountability and transparency.

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IV. Investor Assistance

56. Investor Relations department

EDPR seeks to provide to shareholders, investors, financial analysts and other stakeholders and the market in general, all the relevant information about the Company and its business environment, on a regular basis and whenever a relevant fact takes place. The promotion of transparent, consistent, rigorous, easily accessible, and high-quality information is essential to an accurate perception of the Company's strategy, financial situation, accounts, assets, prospects, risks, and significant events.

EDPR, therefore, looks to provide the market with accurate information that can support them in making informed, clear and concrete investment decisions.

The Investor Relations Department was created to ensure a direct and permanent contact with all market related agents and stakeholders, to guarantee effective communication, equality between shareholders and to prevent imbalances in the information access.

The EDPR Investor Relations Department (IR) is the intermediary between EDPR and its actual and potential shareholders, the financial analysts that follow Company's activity, all investors and other members of the financial community. The main purpose of the department is to guarantee the principle of equality among shareholders, by preventing asymmetries in the access of the information and reducing the gap between market perception and Company's strategy and intrinsic value. The Investor Relations department centralizes all relevant and material information that could impact EDPR share price. This information is prepared by the different departments of EDPR, with the support, when necessary, of external experts, and always managed in a strictly confidential basis. The department responsibility also comprises developing and implementing EDPR's communication strategy and preserving an appropriate institutional and informative relationship with the financial market, the stock exchange at which EDPR shares trade and the regulatory and supervisory entities (CMVM – *Comissão de Mercado de Valores Mobiliários* – in Portugal and CNMV – *Comisión Nacional del Mercado de Valores* – in Spain.

EDPR is clearly aware of the importance of detailed and transparent information, delivered on-time to the market. Consequently, EDPR publishes Company's price sensitive information before the opening or following the closing of the Euronext Lisbon stock exchange through CMVM's information system and, simultaneously, make that same information available on the website investors' section and through the IR department's mailing list. In 2023, EDPR made more than 30 market notifications, in addition to quarterly, semi-annual and annual results presentations, handouts and operating data statement elaborated by the IR Department. In addition, the IR Department also elaborates key data files and interim presentations which are available on the website investors' section.

On each earnings announcement, EDPR promotes a conference call and webcast, opened to the market in general, at which the Company's management updates the market on EDPR's activities. On each of these events, shareholders, investors and analysts had the opportunity to directly submit their questions and to discuss EDPR's results as well as the Company's outlook and strategy.

EDPR IR Department is coordinated by Miguel Viana and is located at the Company's head offices in Madrid, Spain. The department structure and contacts are as follows:

- Miguel Viana, Head of Investor Relations and Sustainability
- Avenida de Burgos, 89; Edificio Adequa 1 A – 7th floor; 28050 – Madrid – España
- Website: www.edpr.com/en/investors
- E-Mail: ir@edpr.com
- Phone: +34 900 830 004

EDPR IR Department was in continuous contact with capital markets agents, namely shareholder and investors, along with financial analysts who evaluate the Company. In 2023, as far as the Company is aware, sell-side analysts issued more than 90 reports evaluating EDPR's business and performance.

At the end of the 2023, as far as the Company is aware of, there were 26 institutions elaborating research reports and following actively EDPR activity. As of December 31st 2023, the average price target of those analysts was of Euro 20.67 per share with 14 "Buy", 11 "Neutral" and 1 "Sell" recommendations.

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COMPANY	ANALYST	PRICE TARGET	DATE	RECOMMENDATION
Alantra	Fernando Lafuente	€ 22.35	22-Dec-23	Buy
Bank of America	Ekaterina Smyk	€ 18.50	17-Mar-23	Underperform
Barclays	Jose Ruiz	€ 20.20	21-Dec-23	Equalweight
Bestinver	Daniel Rodríguez	€ 19.75	31-Oct-23	Buy
Berenberg	Lawson Steele	€ 27.00	10-Oct-22	Buy
BNP Paribas	Manuel Palomo	€ 18.8	31-Oct-23	Outperform
CaixaBank BPI	Flora Trindade	€ 19.40	24-Oct-23	Buy
Citi	Jenny Ping	€ 23.50	6-Nov-23	Neutral
Deutsche Bank	Olly Jeffery	€ 16.00	17-Oct-23	Hold
Goldman Sachs	Alberto Gandolfi	€ 19.5	3-Nov-23	Buy
HSBC	Charles Swabey	€ 20.00	7-Dec-23	Buy
Intermoney	Guillermo Barrio	€ 23.00	23-Oct-23	Buy
JB Capital	Jorge Guimarães	€ 24.00	11-Oct-23	Buy
Jefferies	Skye Landon	€ 27.50	22-Jul-22	Buy
JP Morgan	Javier Garrido	€ 22.00	30-May-23	Neutral
Kepler Cheuvreux	Jose Porta	€ 23.30	14-Dec-23	Buy
Morgan Stanley	Arthur Sitbon	€ 19.00	24-Oct-23	Overweight
Morning Star	Tancrede Fulop	€21.00	5-Dec-23	Buy
MedioBanca	Enrico Bartoli	€ 18.20	1-Nov-23	Neutral
Mirabaud	Sonia Ruiz de Garibay	€ 21.00	31-Oct-23	Hold
ODDO BHF	Philippe Ourpatian	€ 20.50	14-Sep-23	Neutral
RBC	Fernando Garcia	€ 18.00	6-Nov-23	Equalweight
Redburn	Fawwaz Janjua	€ 22.00	2-Feb-23	Neutral
Santander	Bosco Muguiro	€ 20.85	23-Jun-23	Neutral
Société Générale	Jorge Alonso	€ 19.30	20-Sep-23	Buy
UBS	Gonzalo Sanchez-Bordona	€ 16.35	25-Oct-23	Neutral

57. Market Relations Representative

EDPR representative for relations with the market at CNMV and CMVM is Rui Teixeira, Chief Financial Officer.

58. Information Requests

EDPR's aims to communicate to the market with objective and transparent information that is understandable to all stakeholders. In order to achieve such intent and bearing in mind the importance of keeping a trustworthy and sustainable behavior, EDPR has adopted a financial reporting policy based on transparent and consistent information properly conveyed to investors and analysts.

In 2023, the Investor Relations received several requests for information during the year and the average response time to queries was less than 24 hours, with complex requests being replied within one-week time.

V. Website – Online information

59-65.

EDPR considers online information a powerful tool in the dissemination of material information, updating its website with all the relevant documents. Apart from all the required information by CMVM and CNMV regulations, EDPR website also carries financial and operational updates of Company's activities ensuring an easy access to the information.

EDPR website: www.edpr.com

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INFORMATION	LINK
Company information	www.edpr.com/en/who_we_are
Corporate by-laws and bodies/committees' regulations	www.edpr.com/en/investors/corporate-governance/company-data
Members of the corporate bodies and management structure	https://www.edpr.com/en/investors/corporate-governance/governing-bodies-and-management-structure
Market relations representative, IR department	www.edpr.com/en/investors
Information channels	www.edpr.com/en/edpr
Financial statements documents	www.edpr.com/en/investors/investors-information/reports-and-results
Corporate events Agenda	www.edpr.com/en/investors

D. Remuneration

I. Power to establish

66. Competences to determine the Remuneration of the Corporate Bodies and Executive Staff

The Appointments and Remunerations Committee is a permanent body belonging to the Board of Directors with an informative and advisory nature. Its recommendations and reports are non-binding.

The Appointments and Remunerations Committee has no executive functions. The main functions of the Appointments and Remunerations Committee are to assist and inform the Board of Directors regarding the appointments (including by co-option), re-elections, dismissals, and the remuneration of the Directors and executive staff. It also informs the Board of Directors on general remuneration and incentive policies and incentives for Board members and executive staff.

As such, the Appointments and Remunerations Committee is the body responsible for proposing to the Board of Directors the remuneration of the Executive and Non-Executive Directors, the members of the Board Committees and the Executive Staff; the Remuneration Policy; the evaluation and compliance of the KPI's (Key Performance Indicators); the annual and multi annual variable remuneration, if applicable.

The Board of Directors is responsible for the approval of the above-mentioned proposals except the Remuneration Policy which is approved by the General Shareholders' Meeting. The Board of Directors also evaluates with an annual periodicity its own performance and the performance of its delegated Committees. The evaluation of the performance of the Board of Directors, is then additionally submitted for the approval of the General Shareholders' Meeting.

The proposal on the Remuneration Policy is submitted by the Board of Directors for the approval of the General Shareholders' Meeting as an independent proposal, which will be in effect for a maximum of a three-year period. According to the Company's Articles of Association the Board of Directors remuneration is subject to a maximum value that can only be modified by a Shareholders' agreement.

II. Appointments and Remunerations Committee

67. Appointments and Remunerations Committee composition. Relevant service providers in 2023.

The composition of the Appointments and Remunerations Committee is reflected on topic 29 of this Chapter 5 of the Annual Report.

The Company has not stablished any restrictions within its Articles of Association, Regulations or internal policies limiting the competence of the Appointments and Remunerations Committee to hire any consulting services that may be considered necessary to carry out its duties. additionally in case such services would be hired, it should be noted that they should be rendered independently, ensuring that the service provider do not provide any other services to EDPR or to any company in controlling or group relationship.

In 2023 the Committee hired the services of Egon Zehnder for the identification of the best Independent Directors profiles to cover potential vacancies, and the provision of these services strictly complied with the referred requirements.

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68. Knowledge and experience regarding Remuneration Policy

The members of the Appointments and Remunerations Committee have knowledge and experience regarding Remuneration Policy.

III. Remuneration structure

69. Remuneration Policy

Pursuant to Article 26 of the Company's Articles of Association, the Directors shall be entitled to a remuneration which consists of a fixed amount to be determined annually by the General Shareholders' Meeting for the whole Board of Directors. The above-mentioned article also establishes the possibility of the Directors of receiving attendance fees or being remunerated with Company shares, share options, or other securities granting the right to obtain shares or by means of share-indexed remuneration systems. In any case, the system chosen must be approved by the General Shareholders' Meeting and comply with current legal provisions.

The total amount of the remunerations that the Company will pay to its Directors shall not exceed the amount determined by the General Shareholders' Meeting.

Pursuant to Article 26.5 of the Company's Articles of Association, the rights and duties of any kind derived from the condition of Board Member shall be compatible with any other rights and obligations either fixed or variable that could correspond to the Board Members as a consequence of other employment or professional engagements, if any, carried out in the Company.

Variable remuneration resulting from said contracts or from any other relationship, including being a Board Member, will be limited to a maximum annual amount to be also established by the General Shareholders' Meeting.

For these purposes, the General Shareholders' Meeting held on May 13th, 2008, set a maximum annual amount for the Board of Directors for fixed remuneration of EUR 2,500,000. and at its meeting held on April 8th, 2014, also resolved to establish a maximum annual amount for variable remuneration of EUR 1,000,000 for executive directors.

For 2023 onwards, the maximum annual amount for fix and variable remuneration for the Board of Directors has been set in EUR 3,500,000 by the approval of the General Shareholders' Meeting held on March 31st, 2022. This amount results of the merge of the former EUR 2,500,000 that was stablished for fix renumeration and the EUR 1,000,000 that was established for variable annual remuneration.

EDPR, in line with EDP Group corporate governance practices, has signed a Management Services Agreement with EDP, under which the Company bears the cost for such services to some of the members of the Board of Directors to the extent their services are devoted to EDPR.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work as Directors and a complement as Member or Chairperson of the Appointments and Remunerations Committee, and /or the Audit, Control and Related Party Transactions Committee and/or the Environmental, Social and Corporate Governance Committee. Such amounts are cumulative, except for the Chairman of the Board of Directors who does not receive any complement derived from his role at any Committee.

EDPR has not incorporated any share remuneration or share purchase options plans as components of the remuneration of its Directors.

No Director has entered into any contract with the Company or third parties that have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company.

In EDPR there are not any payments for the dismissal or termination of Director's duties.

70. Remuneration Structure

The General Shareholders' Meeting held on March 31, 2022, approved the Renumeration Policy to be applied for 2023-2025 term, following the proposal of the Appointments and Remunerations Committee. This Remuneration Policy maintains a structure with a fixed remuneration for all members of the Board of Directors, whereas for the Executive Directors also defines a fixed and a variable remuneration, with an annual component and a multi-annual component. In 2023, the Board of Directors Remuneration Policy in place for this term was duly applied.

71. Variable Remuneration

Variable annual and variable multi-annual remuneration apply to the Executive Directors.

Variable annual and multi-annual remuneration will be a percentage of fixed annual component, with a superior weight for multiannual vs. annual component (120% vs. 80%).

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Thus, the value of the variable remuneration may range between 0% and 85% of the 80% in the case of the annual variable, and between 0% and 85% of the 120% in the case of the multi-annual variable. Such percentages are applied over the gross annual fixed remuneration. According to the Remuneration Policy approved by the General Shareholders' Meeting, the maximum variable remuneration (annual and multi-annual) is applicable if all the KPI's were achieved, and the performance evaluation is equal or above 110%.

The key performance indicators (KPIs) used to determine the amounts of the annual and multi - annual variable remuneration for each year of the term are proposed by the Appointments, and Remunerations Committee with the aim of aligning them with the strategic pillars of the Company: growth, risk control and efficiency. The KPIs considered for the variable remuneration paid in 2023 (as a result of the performance developed in 2022), as well as those to be considered in 2024 for the appraisal of the performance of year 2023 were the following:

CLUSTER	WEIGHT		KEY PERFORMANCE INDICATOR	CEO / CFO WEIGHT	CEO / CFO EDPR RESULTS
Total Shareholder return	15%	100%	TSR vs. Wind peers & PSI 20	100%	96%
Shareholders	80%	60%	Operating Cash Flow (€ million)	10%	76%
			AR/Sell-down + Tax Equity (€ million)	10%	98%
			EBITDA+ sell down gains (€ million)	10%	120%
			Net Profit (€ million)	10%	120%
			Core Opex Adjusted (€ thousand/MW)	10%	93%
			Projects with FID (% of total '19-'22 additions in BP)	10%	111%
Clients		10%	Renewable Capacity Built (in MW)	10%	0%
Assets & Operations		10%	Technical Energy Availability (%)	5%	98%
			Capex per MW (€ thousand)	5%	97%
Environment & Communities		5%	Certified MW (%)	5%	100%
Innovation & partners		5%	H&S frequency rate (employees + contractors)	5%	84%
People[5] Management		10%	People Management	10%	108%
Remuneration Committee	5%	100%	Appreciation remuneration committee	100%	100%

[5] The policy has considered the labour conditions and the remuneration of the Company employees in order to define its terms, and in particular, has established this KPI, that includes the results of the Climate Survey launched to the employees in which the satisfaction level with the performance and applicable conditions is reflected.

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72. Deferral period applicable to variable Remuneration

In line with corporate governance practices, the Remuneration Policy incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any willful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

73. Variable Remuneration based on shares

EDPR has not allocated variable remuneration on shares and does not maintain Company shares that the Executive Directors have had access to.

74. Variable Remuneration based on options

EDPR has not allocated variable remuneration on options.

75. Annual Bonus and non-monetary benefits

The key factors and grounds for any annual bonus scheme are described on topics 71 and 72.

No non-monetary benefits are paid by EDPR to its Board Members, except for a company car for the Chairman of the Board of Directors (whose total related cost for four years was borne and reported in in 2021) and the retirement savings plan for Executive Directors referred in the following section.

It is disclosed, as recommended by VI.2.3. of the IPGC, that no additional costs were incurred by the Company in connection with the termination of Miguel Setas' mandate in 2023.

76. Retirement Savings Plan

The retirement savings plan applicable to 2023, which is included within the Remuneration Policy applicable for such term was defined and proposed by the Appointments and Remunerations Committee to the Board of Directors for its submission to the General Shareholder's Meeting, which was duly approved. For the Executive Directors of EDPR (Miguel Stilwell d' Andrade and Rui Teixeira) it was stablished in a 5% of the fixed fee under the Management Services Agreement. For the year 2023, EDPR paid a fee to EDP under the Management Services agreement of 27,500€ corresponding to the retirement saving plan of Miguel Stilwell d' Andrade, and of 18,000€ corresponding to the retirement saving plan of Rui Teixeira.

IV. Remuneration disclosure

77. Board of Directors remuneration

Below the list of EDPR Directors that composed the Board during 2023, and the amounts paid by EDPR either (i) as remuneration to them for their functions at the Board level or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration). The following figures reflect the period of 2023 in which each relevant Director was member of the Board:

DIRECTOR	REMUNERATION	FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR	
EXECUTIVE DIRECTORS		FIXED COMPONENT	VARIABLE COMPONENT
Miguel Stilwell d' Andrade	0€-	550,000€*	455,835€
Rui Teixeira	0€-	360,000€*	344,250€
NON-EXECUTIVE DIRECTORS		FIXED COMPONENT	
António Mota	230,000€		-
Vera Pinto Pereira	0€-	65,000€*	-
Ana Paula Marques	0€-	65,000€*	-
Miguel Setas(***)	0€-	21,667€*	-
Manuel Menéndez	65,000€		-
Acácio Piloto(**)	120,000€		-
Allan J.Katz(**)	75,000€		-
Rosa García(**)	110,000€		-

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DIRECTOR	REMUNERATION		FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR
José Morgado(**)	110,000€		-
Kay Mc Call (**)	75,000€		-
Sub-Total	785,000€	1,061,667€	800,085€
Total			2,646,752€

*These amounts correspond to the service fee paid by EDPR to EDP under the Management Services Agreement for the services rendered in 2023 by such director. In addition, EDPR pays to EDP a 5% of such service fee which is applied to the retirement savings plan for Executive Directors described in topic 76 of this Chapter 5 of the Annual Report.
**These Directors also received remuneration for their participation in the Delegated Committees that is detailed at Chapter 6 of this Annual Report.
*** Miguel Setas presented the resignation to his positions as Board Members with effects April 12th, 2023, and therefore the amounts indicated in the table above reflect the remuneration accrued in 2023 until his resignation.

78. Remuneration from other Group Companies

The members of the Board of Directors as of end of December 2023 do not receive any payment from any company under EDPR control or subject to EDPR common control.

79. Remuneration paid in form of profit sharing and/or bonus payments

In EDPR there is no payment of remuneration in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

80. Compensation for contract termination of Executive Board Members

In 2023 there was no compensation paid or owed to former Executive Directors concerning contract termination during the financial year.

Should be noted for these purposes that in 2022, the General Shareholders' Meeting approved the Remuneration Policy to be applied for 2023-2025 under which, except as provided in section below, is specifically established that no severance payment shall be made to Directors for termination of their duties before the end of the term of office for which they were appointed, and that Executive Directors shall not sign contracts, either with EDPR or with third parties, that have the effect of mitigating the risk inherent in the variability of the remuneration set by EDP.

Considering the terms laid down by law and market practice, and approved under the Remuneration Policy for 2023-2025, as on the remuneration of Executive Directors in the event of early termination of office it has been established that:

- In the event of termination for reasons not attributable to the Executive Director, he/she shall be entitled to receive the full fixed component until the end of the term of office for which he/she was elected, and the variable component accrued until the date of termination of office, but shall lose the right to receive any other benefits inherent to the effective exercise of functions for periods of annual or multi-annual performance not completed in their entirety.
- In the event of resignation not arising from an early termination agreement with EDPR, the Executive Director shall be entitled to receive only the fixed and variable remuneration accrued up to the date of resignation, the payment of which shall be made on the same terms and conditions as for serving executive Directors.
- In the event of termination of service by agreement with EDPR whereby the Executive Director agrees to resign, the Executive Director shall be entitled to receive the amount agreed at that time, which shall not exceed (i) the amount of the fixed component until the end of the term of office, plus (ii) the full variable component for the annual or multi-year period payable after it is determined at the end of the relevant period, as if the Executive Director had remained in office.

81. Audit, Control and Related Party Transactions Committee Remuneration

Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board. Below the list of members of the Audit, Control and Related Party Transactions Committee as of December 31st 2023, and the amounts paid by EDPR as remuneration to them for the functions performed at this body.

COMMITEE MEMBER	POSITION	REMUNERATION
Acácio Piloto	Chairman	55,000€
Rosa García García	Vocal	25,000€
José Félix Morgado	Vocal	25,000€

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82. Remuneration of the Chairperson of the General Shareholders' Meeting

In 2021 it was decided to adopt the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders Meeting to be chaired by the Board of Directors Chairman. Therefore, there are no additional remunerations applies for the chairmanship of the General Shareholders' Meeting, as it is performed by the Chairperson of the Board of Directors (António Gomes Mota).

83-84 Agreements with remuneration implication.

EDPR has no agreements with remuneration implication.

For avoidance of doubt, the Company has not adopted any mechanism that imply payments or assumption of fees in the case of change in the composition of the managing body (Board of Directors), and which could be likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of this managing body.

85-88 Share-allocation and/or Stock Option Plans.

EDPR does not have any Share-Allocation and/or Stock Option Plans.

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E. Related-Party Transactions

I. Control mechanisms and procedures

89. Related-Party Transactions Controlling Mechanisms

The Spanish Companies Act sets the regulation and requirements for Related Party Transactions, including the definition of Related Party Transactions, and the approval and disclosure procedures of these type of operations.

This definition of Related Party Transactions under Spanish Law considers those performed by a company or its subsidiaries, with Directors, shareholders holding a 10% or more of the voting rights or represented at the Board of the company, or with whomever that shall be considered as related party under the International Accounting Standards.

With regards the competence to approve Related Party Transactions, as of such amendment, it has been stablished an assignation of competence to different governing bodies depending on the amount as follows:

- The Shareholders Meeting: transactions of an amount equal or above a 10% of the total assets according to the last annual balance sheet. These transactions shall be submitted together with a supporting report issued by the Audit Committee of the Company.
- The Board of Directors: transactions of an amount below a 10% of the total assets according to the last annual balance sheet. These transactions shall be also submitted together with a supporting report issued by the Audit Committee of the Company.

Delegated Bodies: the Board of Directors may delegate the approval of: (i) transactions performed between companies of the same group that are performed in the ordinary management of the company and under market conditions, and (ii) that are executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, the amount of which does not exceed the 0.5% of the net amount of the annual company business value.

The transactions approved by the delegated body will not require the issuance of the Audit Committee report, but the Board shall establish a periodic internal reporting and control procedure involving the Audit Committee, which will verify the fairness and transparency of the transactions and the compliance with the applicable legal criteria.

- In light of the above, on July 27th, 2021, the Board of Directors approved to implement the necessary adjustments in the process of analysis and approval of Related Party Transactions, and in particular resolved to take the following decisions:
- To approve the delegation in the Audit, Control and Related Party Transactions Committee of the competence to approve Related Party Transactions that are delegable under the law.
- To approve a procedure for reporting and control of such transactions involving the Audit, Control and Related Party Transactions Committee.
- To approve a new definition of Related Party Transactions to be regulated under the Audit, Control and Related Party Transactions Committee, considering as Related Party the following:(i) any company of the EDP Group, (ii) any company in which both EDPR SA and a Related Party have a stake, (iii) any shareholder holding a 10% or more of the voting rights or with representation at the Board of the Company, and (iv) any party deemed as related Party under the International Accounting Standards, including without limitation, Board members, Key Employees[6] and Relatives[7].
- In order to formalize the above referred delegations, to amend article 8.B. (“Nature and Competence”) of the Regulations of the Audit, Control and Related Party Transactions Committee including the necessary competences to perform its duties, as follows:
    i. Analise and, where appropriate, approve the (i) (a) intragroup transactions or (b) transactions performed between EDPR Group and EDP Group when their amount is below 10% of the total assets at the last annual balance sheet approved by the company, as long as they are in the ordinary management of the company and under market conditions. (ii) transactions executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, and which amount does not exceed the 0,5% of the net annual company turnover, and
    ii. Periodically inform the Board of Directors about the transactions approved by this Committee in the exercise of the above referred delegation, stating the fairness

[6] To this extent the following shall be considered as Key Employees: (i) the members of the Management Team of EDP Renováveis, S.A., (ii) the General Secretary of the Company, (iii) the Directors of Internal Audit, Compliance and Internal Control, Global Risk, Finance, ACT, Planning and Control, Investor Relations, Legal, IT, as well as (iv) any other that the Audit, Control, and Related Party Transactions Committee may designate.

[7] To this extent the following shall be considered as Relatives: the spouse or assimilated partners of a Board Member and or/ of a Key Employee, the children of a Board Member and/or of a Key Employee, or of his/her spouse or assimilated partner, as well as the dependent individuals of the Board Member and/or Key Employee or of his/her spouses or assimilated partners.

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and transparency of such transactions, and as the case may be, the compliance with the applicable legal criteria.

iii. Analise and inform about any modification of the Framework Agreement signed by EDP and EDP Renováveis on 7 May 2008.[8]

iv. Submit a report to the Board of Directors of the Company regarding the Related Party Transactions that shall be approved by the Board of Directors of EDPR SA or by its Shareholder's Meeting in accordance with the law, and that shall include: (i) the information regarding the nature of the operation and the relation with the Related Party, (ii) the identity of the Related Party, the date and value or amount of the compensation of the transaction, and any other information necessary to appraise if the operation is fair and reasonable for the company and for the shareholders that are not Related Parties.

v. Request EDP for access to the information needed to perform its duties.

It should be also noted that in accordance with article 13.3 of the Regulations of the Audit, Control and Related Party Transactions Committee, the resolutions adopted by this committee are reported to the Board of Directors at the first Board meeting held following the meeting of the committee in which such proposals were discussed. That means that in case there are Related Party Transactions, they are reported to the Board of Directors at least every quarter (maximum period elapsed between Board of Directors Meeting in accordance with Article 22 of its Regulations).

90. Transactions subject to control during 2023

During 2023, EDPR has not signed any contracts with the members of its corporate bodies or with holders of qualifying holdings, excluding EDP, as mentioned below.

The contracts signed between EDPR and its related parties have been analyzed by the Audit, Control and Related Party Transactions Committee according to its competences, as mentioned on the previous topic, and have been concluded according to the market conditions.

The total amount of supplies and services in 2023 incurred with or charged by the EDP Group was EUR 44,293,208 thousand corresponding to 10% of the total value of Supplies & Services for the year (EUR 438,973,930 thousand).

The most significant contracts in force during 2023 are the following:

Framework agreement

The framework agreement was signed by EDP and EDPR on May 7th 2008 and came into effect when the latter was admitted to trading. The purpose of the framework agreement is to set out the principles and rules governing the legal and business relations existing when it came into effect and those entered into subsequently.

The framework agreement establishes that neither EDP nor the EDP Group companies other than EDPR and its subsidiaries can engage in activities in the field of renewable energies without the consent of EDPR. EDPR shall have worldwide exclusivity, with the exception of Brazil, where it shall engage its activities through a joint venture with EDP Energias do Brasil S.A., for the development, construction, operation, and maintenance of facilities or activities related to wind, solar, wave and/or tidal power, and other renewable energy generation technologies that may be developed in the future. Nonetheless, the agreement excludes technologies being developed in hydroelectric power, biomass, cogeneration, and waste in Portugal and Spain.

It lays down the obligation to provide EDP with any information that it may request from EDPR to fulfil its legal obligations and prepare the EDP Group's consolidated accounts. The framework agreement shall remain in effect for as long as EDP directly or indirectly owns more than 50% of the share capital of EDPR or appoints more than 50% of its Directors.

Management services agreement

On November 4th, 2008 EDP and EDPR signed a Management Services Agreement that has been amended during the last years in accordance of the variations in the services rendered by EDP to the Company.

Through this contract, EDP provides management services to EDPR, including matters related to the day-to- day running of the Company. As of 31 December 2023, under this agreement EDP renders management services corresponding to five (5) people from EDP which are part of EDPR's Management: (i) two Executive Directors, who are also the CEO and CFO of EDPR, and (ii) two Non-Executive Directors (there were three Non-Executive Directors until April 12th, 2023, when Miguel Setas resigned), for which EDPR pays EDP an amount defined both by the Appointments and Remunerations Committee and by the Audit, Control and Related Party Transactions Committee, and approved by the Board of

[8] This Framework Agreement was signed between EDP and EDPR in order to regulate the transactions closed between companies of EDP Group and EDPR Group, stating that in compliance with the transparency purposes for future investors, such shall continue to be developed in line with the market prices, in an arm's length basis, and following certain predefined principles and rules (considering criteria as parties involved, scope and amount).

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Directors and the Shareholders Meeting. Under this contract, EDPR incurred an amount of EUR 1,861,752 for the management services rendered in 2023.

Finance agreements and guarantees

The most significant finance agreements between EDP Group companies and EDPR Group companies were established under the above-described Framework Agreement and currently include the following:

Loan agreements

EDPR and EDPR Servicios Financieros SA ("EDPR SF" as the borrower) have loan agreements with EDP Finance BV and EDP Servicios Financieros España ("EDP SFE" as the lender), companies 100% owned by EDP. Such loan agreements can be established both in EUR and SGD, up to 10-year tenor and are remunerated at rates set at an arm's length basis. As of December 31st 2023, such loan agreements totaled USD 2,813,967,282 EUR 2,267,754,189 and SGD 1,000,000,000.

Current account agreement

EDPR SF and EDP SFE signed an agreement through which EDP SFE manages EDPR SF's cash accounts. The agreement also regulates the current account scheme on arm's length basis. As of December 31st 2023, there are two different current accounts with the following balance and counterparties:

- in USD, for a total amount of USD 219,937,523 in favour of EDPR SF
- in EUR, for a total amount of EUR 338,081,671in favour of EDP SFE

The agreements in place are valid for one year as of date of signing and are automatically renewed for equal periods.

Counter-guarantee agreement

A counter-guarantee agreement was signed, under which EDP or EDP Energias de Portugal S.A., Sucursal en España (hereinafter guarantor or EDP Sucursal) undertakes on behalf of EDPR, EDP Renewables Europe SLU (hereinafter EDPR EU), and EDP Renewables North America LLC (hereinafter EDPR NA) to provide corporate guarantees or request the issue of any guarantees, on the terms and conditions requested by the subsidiaries, which have been approved on a case by case basis by the EDP's Executive Board.

EDPR will be jointly liable for compliance by EDPR EU and EDPR NA. The subsidiaries of EDPR undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under the agreement and to pay a fee established in arm's length basis.

Nonetheless, certain guarantees issued prior to the date of approval of these agreements may have different conditions. As of December 31st 2023, such counter-guarantee agreements totaled in EUR equivalent 705,961,014.

A counter-guarantee agreement was signed between EDPR Group and EDP Sucursal, under which, EDPR Group can request the issue of any guarantee, on the terms and conditions requested by the subsidiaries of EDPR. EDPR group undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under this agreement and to pay a fee established in arm's length basis. As of December 31st 2023, the amount of guarantees issued under this agreement totalled EUR 2,629,249

Cross currency interest rate swaps

Due to the net investments in North America, Canada, Brazil, United Kingdom, Poland, Romania and in Colombian companies, EDPR's accounts were exposed to the foreign exchange risk. With the purpose of hedging this foreign exchange risk, EDPR Group companies settled the following Cross Currency Interest Rate Swap (CIRS). As of December 31st 2023 the total amount of CIRS by geography and currency are as following:

- in USD/EUR, with EDP for a total amount of USD 3,142,365,770
- in CAD/EUR, with EDP for a total amount of CAD 80,698,472
- in BRL/EUR, with EDP for a total amount of BRL 1,222,500,000
- in GBP/EUR, with EDP for a total amount of GBP 35,100,000
- in PLN/EUR, with EDP for a total amount of PLN 526,338,966

Hedge agreements – exchange rate

EDPR Group companies entered into several hedge agreements with EDP, with the purpose of managing the transactional exposure related to the short term or transitory positions, in Brazil, Colombian, Canada, Hungary, Chile, APAC, Polish, United Kingdom and other subsidiaries, with USD exposure, fixing the exchange rate mainly for USD and EUR, in accordance to the prices in the forward market in each contract date. As of December 31st 2023, the total amount of Forwards ("FWDs") and Non Delivery Forwards ("NDFs") by geography and currency are as following:

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- APAC operations, for EUR/JPY, a total amount of EUR 22,876,840.50 (FWDs), for EUR/KRW a total amount of EUR 4.108.622.95 (NDF), for EUR/SGD a total amount of EUR 54,478,473.65 (FWDs plus NDFs), and for EUR/TWD a total amount of EUR 22,179,858 (FWDs plus NDFs) for SGD/CNY a total amount of SGD 52,641,438.74 and for SGD/TWD a total amount of SGD 33,264,242.55.
- Brazilian operations, for EUR/BRL, a total amount of EUR 47,187,618 (NDFs) and, for USD/BRL, a total amount of USD 103,406,841.03 (NDF)
- Colombian operations, for EUR/COP, a total amount of EUR 224,233,467.35 (NDFs) and USD/COP a total amount of USD 137,165,369.08 (FWDs and NDFs) and EUR/USD a total amount of EUR 71.402.210,90
- Canada operations, for USD/CAD, a total amount of USD 114.096.000 (FWDs) and EUR/CAD, a total amount of EUR 173,033,602 (FWDs)
- Hungary operations, for EUR/HUF, a total amount of EUR 16.121.795,42 (FWDs)
- Polish operations, for EUR/PLN, a total amount of EUR 238,287,567 (FWDs plus NDFs) and for USD/PLN, a total amount of USD 21,081,727(FWDs)
- United Kingdom operations, for GBP/EUR a total amount of EUR 182,281,511.31(FWDs)
- Chile operations, for EUR/USD, a total amount of EUR 8.257.444,07 (FWDs)
- Other Subsidiaries operations in Europe (Spain, Portugal, Italy and Netherlands), for EUR/USD, a total amount of EUR 99,708,256 (FWDs)

Hedge agreements – commodities

EDP and EDPR SA (and its affiliates) entered into hedge agreements (settled) in 2023 for a total volume of 2,605,438.41 MWh (sell position) and 42,794.00 MWh (buy position) at the forward market price at the time of execution related with the expected sales of energy in the Spanish market.

Consultancy service agreement

On June 4th 2008, EDP and EDPR signed a consultancy service agreement. Through this agreement, and upon request by EDPR, EDP (or through EDP Sucursal) shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The price of the agreement is calculated as the cost incurred by EDP plus a margin. For the first year, it was fixed at 8% based on an independent expert on the basis of market research. For 2023 the estimated cost of these services is EUR 14,687,322. This was the total cost of services provided for EDPR, EDPR EU, and EDPR NA.

The duration of the agreement is one (1) year tacitly renewable for equal periods.

Research and development agreement

On May 13th, 2008, EDP Inovação S.A. (hereinafter EDP Inovação), an EDP Group Company, and EDPR signed an agreement regulating relations between the two companies regarding projects in the field of renewable energies (hereinafter the R&D Agreement).

The object of the R&D Agreement is to prevent conflicts of interest and foster the exchange of knowledge between companies and the establishment of legal and business relationships. The agreement forbids EDP Group companies other than EDP Inovação to undertake or invest in companies that undertake the renewable energy projects described in the agreement.

The R&D Agreement establishes an exclusive right on the part of EDP Inovação to project and develop new renewable energy technologies that are already in the pilot or economic and/or commercial feasibility study phase, whenever EDPR exercises its option to undertake them. The fee corresponding to this agreement in 2023 is EUR 0.

The agreement shall remain in effect for as long as EDP directly or indirectly maintains control of more than 50% of both companies or appoint the majority of the members of the Board and Executive Committee of the parties to the agreement.

Management support services agreement between EDP Renováveis Portugal S.A., and EDP GLOBAL SOLUTIONS - GESTÃO INTEGRADA de Serviços S.A.

On January 1st, 2003, EDPR – Promoção e Operação S.A., and EDP Global Solutions - Gestão Integrada De Serviços S.A. (hereinafter EDP Global Solutions), an EDP Group Company, signed a management support service agreement.

The object of the agreement is the provision to EDPR – Promoção e Operação S.A. by EDP Global Solutions of services in the areas of procurement, economic and financial management, fleet management, property management and maintenance, insurance, occupational health and safety, and human resource management and training.

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The remuneration accrued by EDP Global Solutions by EDPR Promoção e Operação S.A. and its subsidiaries for the services provided in 2023 totaled EUR 2,029,343. The initial duration of the agreement was five (5) years from date of signing on January 1st 2008, and tacitly renewable for equal periods of one (1) year. Either party may renounce the contract with one (1) year's notice.

Information techonology management services agreement between EDP Renováveis S.A. and EDP Energias de Portugal S.A.

There exists an IT management services agreement effective since January 1st, 2020, which supersedes the existing IT management services agreement from that date.

The object of the agreement is to provide to EDPR the information technology services described on the contract and its attachments by EDP.

The amount incurred for the services provided in 2023 totaled EUR 6,514,952.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year. Either party may renounce the contract with one (1) month notice.

Consultancy agreement between EDP Renováveis Brasil S.A., and EDP Energias do Brasil S.A.

The object of the agreement is to provide to EDP Renováveis Brasil S.A. (hereinafter EDPR Brasil) the consultancy services described on the contract and its attachments by EDP – Energias do Brasil S.A. (hereinafter EDP Brasil).

Through this agreement, and upon request by EDPR Brasil, EDP Brasil shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The amount incurred by EDP Brasil for the services provided in 2023 totalled BRL 293,524.

The initial duration of the agreement is one (1) year from the date of signing and it is tacitly renewed for a new period of one (1) year.

General Services Agreement between EDPR Renováveis S.A. and EDP Energias de Portugal, S.A. Sucursal en España

On October 1st, 2023, EDPR and EDP Energias de Portugal Sucursal en España signed a General Services Agreement.

The object of the agreement is the provision by EDPR of preventive and corrective maintenance of the offices leased by EDP in Edificio Adequa, Avenida de Burgos, 89 (Madrid), as well as the management of accuses to the facilities, the supply of food and the use of canteen.

The remuneration accrued by EDPR Group by EDP Sucursal for the services provided in 2023 under this agreement totaled EUR 67,400. The duration of the agreement is unlimited from date of signing.

Sub-lease Agreement between EDPR Renováveis S.A. and EDP Energias de Portugal, S.A. Sucursal en España

Since 2023EDPR Group and EDP Energias de Portugal Sucursal en España entered in a Sub-lease Agreement on the offices leased by EDP in Edificio Adequa, Avenida de Burgos, 89 (Madrid).

The remuneration accrued by EDPR by EDP Sucursal for the sub-lease provided in 2023 under this agreement totaled EUR 1,670,124.10. The duration of the ends on December 31st, 2028.

Additional Transactions analysed in 2023

Likewise, in the development of the delegation made by the Board of Directors to the Audit, Control and Related Party Transactions Committee regarding the supervision of Related Party Transactions, during 2023, the following were analyzed and approved by this body, and further reported to the Board of Directors:

- PPA between EDP Renováveis though EDP Renovables España S.L.U (Seller) and EDP-Energias de Portugal S.A. (Buyer) for Lomillas solar hybrid project, located in Spain with a total capacity of 32MWac.
- PPA between EDP Renováveis though EDP Renovables España S.L.U (Seller) and EDP-Energias de Portugal S.A. (Buyer) for 4 solar projects, Palma, Pedregal, La Herrera, Señora de la Paz, located in Spain with a total capacity of 79.43MWac.

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- PPA between EDP Renováveis though EDP Renováveis Portugal (Seller) and EDP-Energias de Portugal S.A. (Buyer) for Monte de Vez solar hybrid project, located in Portugal with a total capacity of 18.8MWac.
- Termination of the agreement with GEM for solar hybrid projects (Cesaredas, Charneca das Lebres and Serra da Carva), located in Portugal.
- Amendment to the current account agreement signed between EDP Servicios Financieros España S.A. (Lender) and EDP Renováveis Servicios Financieros S.A. (Borrower) to update the interest in accordance with the currents markets rates.
- Framework agreement for financial transactions between EDP Renováveis, S.A. and EDP - Energias de Portugal, S.A.
- Contract between EDP Renovavéis, S.A. and EDP Energias de Portugal, S.A. Sucursal en España for the provision of services in Madrid offices.
- Shared use contract between EDP Renovables España, S.L.U. and Viesgo Distribución Eléctrica, S.L. for the use of a part of the Sierra del Acebo wind farm substation for the instalation of a communications cabinet.
- PPA between EDP Renováveis though EDP Renewables Italia Holding S r l (Seller) and EDP-GEM PORTUGAL, S.A. (Buyer) for Monte di Eboli (10.65MWdc) and Boccadoro (9.77MWdc) solar PV project, located in Italy.
- Market representation agreement for Coentral-Safra Sobreequipamento (EDP Renováveis Portugal, S.A) as generator with GEM (EDP GEM Portugal, S.A.) as Market Agent.
- Amendment to the current account agreement signed between EDP Servicios Financieros España S.A. (Lender) and EDP Renováveis Servicios Financieros S.A. (Borrower) to update the interest in accordance with the currents markets rates.
- New Long-Term Loans with EDP Group with a maximum amount of SGD 1.000M.
- Rollover Pre-Hedge of EUR 212M derivatives for 6 Months.
- EDP Group spreads update to new long-term intercompany loans (EDP to EDPR).
- Brazil: Contract between EDP Renováveis (through EDP Renováveis Brasil S.A.) and EDP - Energias do Brasil S.A. (through EDP Trading Comercialização e Serviços de Energia S.A. (EDPT)) for the sale of energy from Monte Verde wind cluster in 2023.
- Brazil: Termination of the PPA between EDP Renováveis (through EDP Renováveis Brasil S.A.) and EDP - Energias do Brasil S.A. (through EDP Trading Comercialização e Serviços de Energia S.A. (EDPT)) for the sale of energy from Monte Verde wind cluster in 2023.
- Portugal: Market representation agreement for Alto da Coutada Sobreequipamento (Eólica da Coutada II, S.A.) as generator with GEM (EDP GEM Portugal, S.A.) as Market Agent.
- Five PPAs between EDP Renováveis (Seller), through EDPR Renovables España S.L. U. and EDP – GEM PORTUGAL, S.A (Buyer) for Oliva, Viñas, Tudela I, Tudela II and Isar Yudego projects and, one PPA beteween EDPR Europe. S.L.U and EDP EDP – GEM PORTUGAL, S.A. for Las Sardas project.
- Sale of Guarantees of Origin (GOs) between EDPR Europe S.L.U. and EDPR PT - Promoção e Operação, S.A.as selling parties (“EDPR”) and EDP Energia Italia s.r.l. as buying party (“EDPC Italy”).
- Long term hedge in Spain for Operational assets from 2024 between EDPR Servicios Financieros SL and EDP SA.
- Environmental Attributes Transfer Agreement between EDP Renewables S.A. and its subsidiaries and EDP GEM PORTUGAL S.A.
- Market Access Services Agreement between EDP Renewables S.A. and its subsidiaries, and EDP GEM PORTUGAL S.A.
- Energy Transfer Master Agreement between EDP Renewables S.A. and its subsidiaries and EDP GEM PORTUGAL S.A.
- Short term hedge in Spain for Operational assets for 2024 between EDP Renewables S.A. and its subsidiaries and EDP GEM PORTUGAL S.A.
- Market representation agreement for Cerca SF (Fotovoltaica Lote A, S.A.) as generator with GEM (EDP GEM Portugal, S.A.) as Market Agent.
- Amendment to the current account agreement signed between EDP Servicios Financieros España S.A. (Lender) and EDP Renováveis Servicios Financieros S.A. (Borrower) to update the interest in accordance with the currents markets rates.
- New Long-Term (LT) Shareholder Loan (SHL) of EUR 500M (5Y Tenor).
- Alto da Coutada short-term hedge in 2H2023.
- EDPR/OW: UK Moray East - Partial Hedging.
- MOU between EDPR, EDP and the Generation Business Units for hydrogen projects in thermal generation transition sites-
- Early Repayment of 3 Shareholder Loans, in a total amount of USD 280m, between EDP Finance BV, S.A. and EDP Renováveis Servicios Financieros S.A.
- New PPA contractual conditions to be applied on PPAs between EDPR and GEM.
- PPA between EDP Renováveis through Farma Fotowoltaiczna Budzyn sp z o. o. and EDP-GEM PORTUGAL, S.A. (Buyer) for for Budzyn PV project, located in Poland.

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- 1-year Market representation contract between EDP Renováveis, through EDPR Spain and its SPVs (Seller) and (ii) EDP Spain (Buyer), for the Spanish portfolio.
- Portugal: Market representation agreement for Monte de Vez (Malhadizes - Energia Eólica, S.A.) as generator with GEM (EDP GEM Portugal, S.A.) as Market Agent.
- PPA between EDP Renováveis (Seller), through Ekoenergia Solar 3 sp z o. o. and EDP-GEM PORTUGAL, S.A. (Buyer) for Recz project (composed by Recz North and Recz South PV projects), located in Poland.
- Extension of up to 800 MUSD of EURUSD XCCY Swaps.
- Amendment to the current account agreement signed between EDP Servicios Financieros España S.A. (Lender) and EDP Renováveis Servicios Financieros S.A. (Borrower) to update the interest in accordance with the currents markets rates.
- Auto PV pilot project between EDP Inovação SA, EDP Renováveis SA, EDP Renovables España SLU.

91. Description of the procedures applicable to the supervisory body for the assessment of the business deals.

Non applicable.

II. Data on business deals

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data.

The information on business dealings with related parties is available on Note 39 of the Financial Statements.

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PART II – Corporate Governance Assessment

I. Details of the Corporate Governance code implemented

Following the protocol signed between the CMVM and the Portuguese Institute of Corporate Governance (IPCG) on October 13th, 2017, the CMVM revoked its Corporate Governance Code (2013), which was replaced by a single applicable code, the new Corporate Governance Code of the IPCG, which entered into force on January 1st, 2018, and that was reviewed in 2020 and recently in 2023.

For the purposes of the proper preparation of corporate governance reports for the year beginning in 2023, and to be reported in 2024, they should continue to be prepared in accordance with the structure of contents referred the annex to CMVM Regulation No. 4/2013 available at the CMVM website (www.cmvm.pt). The report template is divided into two parts:

- Part I – mandatory information on shareholder structure, organisation and governance of the company. This information shall be referred within points 1 to 92 of this Corporate Governance Report in accordance with the structure included in that Annex.
- Part II – Corporate governance assessment: should include a declaration in which they must: (i) identify the applicable code, (ii) state whether or not they adhere to each of the recommendations of this code and, (iii) with respect to recommendations that do not follow, explain reasonably why.

The agreement between CMVM and IPCG on the new Corporate Governance Code may be found on the Protocol signed on October 13th, 2017, which is available at the website of CMVM (http://www.cmvm.pt/). Likewise, the reviewed version Corporate Governance Code of the IPCG is published on the website of IPCG and of the Monitoring Committees (https://cam.cgov.pt/)

II. Analysis of Compliance with the Corporate Governance code implemented

The following table shows the recommendations set forth in the Corporate Governance Code of the IPCG and indicates EDPR's compliance with it and the place in this report in which they are described in more detail.

Also in order to comply with the best Corporate Governance recommendations, and according to the results of the reflection made by the Appointments and Remunerations Committee, the governance model that was adopted has been ensuring an effective performance and articulation of EDPR Governing Bodies and proved to be adequate to the Company's governance structure without any constraints to the performance of its checks and balances system adopted to justify the changes made in the governance practices of EDPR.

The explanation of the Corporate Governance Code of the IPCG recommendations that EDPR does not adopt or that the Company deems not applicable, reasoning and other relevant comments as well as reference to the part of the report where the description may be found, are in the table below.

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In this context, EDPR states that it has adopted the Corporate Governance recommendations on the governance of listed companies provided in the Corporate Governance Code of the IPCG, with the exceptions indicated in the following table.

CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
CHAPTER I · COMPANY'S RELATIONSHIP WITH SHAREHOLDERS, INTERESTED PARTIES AND THE COMMUNITY AT LARGE		
I.1.		
The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives and what are the main contributions resulting herefrom for the community at large.	Adopted	Chapter 2.2. of the Management Report
I.2.		
The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental and social objectives.	Adopted	Section B- II, c) Topic 29
CHAPTER I I · COMPOSITION AND FUNCTIONING OF THE CORPORATE BODIES		
II.1. Information		
II.1.1.		
The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.	Adopted	Section B - II, a) Topic 15 Section C) -III, Topic 55 Section C-IV, Topic 56 Section C-V, Topics 59 – 65
II.2. Diversity in the Composition and Functioning of the Corporate Bodies		
II.2.1.		
Companies establish, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body and of the balance in its composition.	Adopted	Section B-II, a) Topics 16 and 29
II.2.2.		
The management and supervisory bodies and their internal committees are governed by regulations – notably regarding the exercise of their powers, chairmanship, the frequency of meetings, operation and the duties framework of their members – fully disclosed on the website of the company, whereby minutes of the respective meetings shall be drawn up.	Adopted	Section B-II, a) Topic 15
II.2.3.		

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
The composition and number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	Adopted	Section B-II, a) Topic 15 Section B-II b), Topic 23 Section B-II, c) Topic 29 Section B – III, b) Topic 35 Section C-V, Topics 59 – 65
II.2.4.		
The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication and an internal reporting channel that also includes access for nonemployees, as set forth in the applicable law.	Adopted	Section C-II, Topic 49
II.2.5.		
The companies have specialised committees for matters of corporate governance, remuneration, appointments of members of the corporate bodies and performance assessment, separately or cumulatively. If the Remuneration Committee provided for in Article 399 of the Portuguese Commercial Companies Code has been set up, the present Recommendation can be complied with by assigning to said committee, if not prohibited by law, powers in the above matters.	Adopted	Section B - II, a) Topic 15 Section B-II, c), Topics 27 and 29
II.3. Relations between Corporate Bodies		
II.3.1.		
The Articles of Association or equivalent means adopted by the company set out the mechanisms to ensure that, within the limits of the applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.	Adopted	Section B-II, a) Topic 15
II.3.2.		
Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.	Adopted	Section B-II, a) Topic 15 Section B-II, c) Topic 29
II.4 Conflicts of Interest		
II.4.1.		
By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.	Adopted	Section B-II, a) Topic 18

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
II.4.2.		
The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.	Adopted	Section B-II, a) Topic 18
II.5. Transactions with Related Parties		
II.5.1.		
The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.	Adopted	Section E-I, Topic 89
CHAPTER III · SHAREHOLDERS AND GENERAL MEETING		
III.1.		
The company does not set an excessively large number of shares to be entitled to one vote and informs in the corporate governance report of its choice whenever each share does not carry one vote.	Adopted	Section B-I, b) Topics 12 and 13
III.2.		
The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.	Not applicable	Section B-I, b) Topic 12
III.3.		
The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that foreseen by law.	Adopted	Section B-I, b) Topic 14
III.4.		
The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.	Adopted	Section B-I, b) Topic 13
III.5.		
The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.	Adopted	Section B-I, b) Topic 13
III.6.		
The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision – without quorum requirements greater than that provided for by law – and that in said resolution, all votes issued are to be counted, without applying said restriction.	Not applicable	Section A-I, Topic 5 Section B-I, b) Topic 12

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
III.7.		
The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.	Adopted	Section A-I, Topic 4 Section D – IV, Topic 80 Section D – V, Topics 83- 84
CHAPTER IV · MANAGEMENT		
IV.1. Management Body and Executive Directors		
IV.1.1.		
The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.	Adopted	Section A -II, Topic 9
IV.1.2.		
The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.	Adopted	Section B-II, b) Topic 26
IV.2. Management Body and Non-Executive Directors		
IV.2.1.		
Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors – or, if there are not enough independent directors, the non-executive directors – shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination.	Not applicable	Section B-II, a) Topic 18
IV.2.2.		
The number of non-executive members of the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report.	Adopted	Section B-II, a) Topic 18
IV.2.3.		
The number of non-executive directors is greater than the number of executive directors.	Adopted	Section B-II, a) Topic 18

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
IV.2.4.		
The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of: i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate. ii. Having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years. iii. Having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person. iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director. v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake. vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake.	Explain	Section B-II, a) Topic 18
IV.2.5.		
The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period).	Adopted	Section B-II, a) Topic 18
CHAPTER V · SUPERVISION		
V.1.		
With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines and evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body.	Adopted	Section A -II, Topic 9 and 29 Section C -III, Topic 54
V.2.		

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
The number of members of the supervisory body and of the financial matters committee should be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement should be included in the corporate governance report.	Adopted	Section B-II, a) Topic 18 Section C -III, Topic 54
CHAPTER VI · PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS		
VI.1. Annual Performance Assessment		
VI.1.1.		
The management body — or committee with relevant powers, composed of a majority of non-executive members — evaluates its performance on an annual basis, as well as the performance of the executive committee, of the executive directors and of the company committees, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.	Adopted	Section A -II, Topic 9 Section B-II b), Topic 24 Section D — I Topic 66 Section D — III, Topic 71
VI.2 Remunerations		
VI.2.1.		
The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to Article 399 of the Portuguese Commercial Companies Code.	Adopted	Section B - II, c) Topic 27 Section B- II, c) Topic 29 Section D - I, Topic 66
VI.2.2.		
The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon proposal of such committee.	Adopted	Section D — I, Topic 66 Section D — III, Topic 69
VI.2.3.		
The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amounts of all costs related to the termination of office borne by the company, for any reason, during the financial year in question.	Adopted	Section D -I, Topic 75
VI.2.4.		
In order to provide information or clarification to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by shareholders.	Adopted	Section B-I, a) Topic 11 Section B-II, a) Topic 29
VI.2.5.		

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.	Adopted	Section D – II Topic 67
VI.2.6.		
The remuneration committee ensures that such services are provided independently.	Adopted	Section D – II Topic 67
VI.2.7.		
The providers of said services are not hired by the company itself or by any company controlled by or in group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee.	Adopted	Section D – II Topic 67
VI.2.8.		
In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.	Adopted	Section D – III, Topics 70 -72
VI.2.9.		
A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.	Adopted	Section D – III, Topic 72
VI.2.10.		
When the variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years.	Not applicable	Section D – III, Topics 73 and 74
VI.2.11.		
The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of its value.	Adopted	Section D – III, Topic 69 Section D – IV, Topic 77
VI.3. Appointments		
VI.3.1.		
The company promotes, in the terms it deems adequate, but in a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed.	Adopted	Section B-II, a) Topics 16, 17
VI.3.2.		
The committee for the appointment of members of corporate bodies includes a majority of independent directors.	Adopted	Section B- II, c) Topic 29

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
VI.3.3.		
Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee.	Adopted	Section B- II, c) Topic 29
VI.3.4.		
The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that for selection those are proposed who present the greatest merit, are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality.	Adopted	Section B-II, a) Topics 16, 17
CHAPTER VI I · INTERNAL CONTROL		
VII.1.		
The management body discusses and approves the strategic plan and risk policy of the company, which includes setting limits in matters of risk-taking.	Adopted	Section A -II, Topic 9 Section C) - III, Topic 52
VII.2.		
The company has a specialised committee, or a committee composed of specialists in risk matters, which reports regularly to the management body.	Adopted	Section C) –III, Topic 54
VII.3.		
The supervisory body is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body.		Section B -III,b), Topic 35 Section C– III, Topic 52
VII.4.		
The internal control system, comprising the risk management, compliance, and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary.	Adopted	Section B- II, c) Topic 29 Section B- III, Topic 30 Section B -III, b), Topic 35 Section C– III, Topics 50-55
VII.5.		
The company establishes procedures of supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework.	Adopted	Section C) -III, Topics 52, 54, 55
VII.6.		

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business, (ii) the probability of their occurrence and respective impact, (iii) the instruments and measures to be adopted in order to mitigate such risks, and (iv) the monitoring procedures, aimed at following them up.	Adopted	Section C) – III, Topics 52 – 55 Chapter 2 of this Annual Report
VII.7.		
The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation.	Adopted	Section B- II, c) Topic 29
VII.8.		
The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes.	Adopted	Section B- II, c) Topic 29
VII.9.		
The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.	Adopted	Section B- II, Topic 23
VII.10.		
The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose adjustments as deemed necessary.	Adopted	Section B- II, Topic 29 Section B – III, b) Topic 35
VII.11.		
The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance, and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities are concerned.	Adopted	Section B- II, Topic 29 Section B – III, b) Topic 35
CHAPTER VIII · INFORMATION AND STATUTORY AUDIT OF ACCOUNTS		
VIII.1. Information		
VIII.1.1.		
The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner.	Adopted	Section B- II, Topic 29 Section B – III, b) Topic 35
VIII.2. Statutory Audit and Supervision		

PUBLIC

CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
VIII.2.1.		
By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor.	Adopted	Section B- II, c) Topic 29 Section B – III, c) Topics 37 and 38 Section B – IV-V, Topics 45, 46 and 47
VIII.2.2.		
The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports, and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company.	Adopted	Sections B – II, c) Topic 29 Section B – V, Topics 45, 46
VIII.2.3.		
The supervisory body annually evaluates the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so.	Adopted	Section B – II, c) Topic 29 Section B – III a), Topic 30 Section B – III, c) Topics 37 and 38 Section B- IV- V, Topic 45

PUBLIC

Annex I

Curriculum vitae of the Board of Directors EDP Renováveis, S.A.

Full Name	ANTÓNIO GOMES MOTA
Position	Independent Board Member and Chairman of the Board of Directors – EDP Renováveis, S.A. Chairman of the Appointments, Remunerations and Corporate Governance Committee – EDP Renováveis, S.A.
Academic Qualifications	◦ PhD in management – ISCTE, University Institute of Lisbon ◦ MBA – Nova School of Business and Economics ◦ Bachelor's degree in management – ISCTE, University Institute of Lisbon
Skills and Experience	◦ Non-executive director and Chair of Nominations and Remuneration Committee – CIMPOR ◦ Non-executive director as member of the Supervisory Board and Chair of the Audit Committee – EDP ◦ Non-executive director as Chair of the Audit Committee and then as Chairman of the Board – CTT ◦ Dean – ISCTE Business School ◦ He has been a consultant for large corporations in the areas of corporate restructuring and valuation, regulation, corporate governance and remuneration policies ◦ President – Portuguese Institute of Corporate Governance ◦ He is the author of several books in the areas of corporate finance, investments and risk management and a regular invited speaker at professional and industry conferences
Current External Appointments	◦ Full Professor of finance – ISCTE Business School ◦ Chair of the Audit Committee – MYSTICINVEST HOLDING ◦ Chair of the Remuneration Committee – PHAROL, SGPS

PUBLIC

Full Name	MIGUEL STILWELL D'ANDRADE
Position	CEO – EDP – Energias de Portugal, S.A. CEO – EDP Renováveis, S.A.
Academic Qualifications	◦ MBA – MIT Sloan (2003) ◦ MEng with Distinction – University of Strathclyde (1998)
Skills and Experience	◦ President of the Board of Directors of EDP Energias do Brasil, S.A (current) ◦ Vice-Chairman of Board of Directors – EDP Renováveis, S.A. (current) ◦ CFO – EDP – Energias de Portugal S.A. (2018-2021) ◦ Member of Executive Board of Directors – EDP – Energias de Portugal S.A. (since 2012) ◦ Member of Board of Directors – EDP – Energias do Brasil (2018-2020) ◦ CEO – EDP Comercial and EDP Soluções Comerciais, S.A. (2012-2018) ◦ CEO – Hidroeléctrica del Cantábrico (Spain) (2012-2018) ◦ CEO – Naturgás Energia Grupo (2012-2015) ◦ Member of Board of Directors – EDP Distribuição (2009-2012) ◦ Member of Board of Directors – EDP Inovação, EDP Ventures (2007-2012) ◦ Strategy, M&A and Corporate Development – EDP – Energias de Portugal S.A. (2000-2001 and 2003-2009) ◦ UBS Investment Bank (1998-2000)
Current External Appointments	◦ Member of the Executive Committee of WBCSD (since 2023) and Vice-Chair (since 2024) ◦ Member of the Alliance of CEO Climate Leaders ◦ Co-Chair of the European Clean Hydrogen Alliance ◦ Member of the Business Roundtable Portugal ◦ Member of General Council of FAE – Forum de Administradores e Gestores de Empresas ◦ Member of the Board of Governors – St. Julian's School

PUBLIC

Full Name	RUI MANUEL RODRIGUES LOPES TEIXEIRA
Position	CFO – EDP - Energias de Portugal, S.A. CFO – EDP Renováveis, S.A.
Academic Qualifications	◦ Advanced Management Programme – Harvard Business School (2013) ◦ MBA – Nova University, Lisbon (2001) ◦ Naval Architecture and Marine Engineering Graduate – Instituto Superior Técnico, Lisbon (1995)
Skills and Experience	◦ Member of Board of Directors – EDP Renováveis, S.A. (current) ◦ Vice Chairman of Executive Board of Directors – Ocean Winds (current) ◦ Member of Board of Directors – EDP - Energias do Brasil, S.A (current) ◦ Member of Board of Directors – EDP España (current) ◦ Member of Executive Board of Directors – EDP (since 2015) ◦ CEO – EDP España S.A.U. (2018-2021) ◦ CEO – EDP - Gestão da Produção de Energia, S.A. (2015-2020) ◦ Member of Board of Directors – EDP Renováveis, S.A. (2008-2015) ◦ Head of Corporate Planning and Control – EDP (2004-2007) ◦ Consultant – McKinsey & Company (2001-2004) ◦ Ship Surveyor – Det Norske Veritas (1997-2001) ◦ Commercial – Gellweiler – Sociedade de Equipamentos Marítimos e Industriais, Lda. (1996-1997)
Current External Appointments	• Strategic Board Member – ISEG MB • Vice-Chairman of the Board – BCSD Portugal

PUBLIC

Full Name	VERA DE MORAIS PINTO PEREIRA CARNEIRO
Position	Member of Executive Board of Directors – EDP - Energias de Portugal S.A. Non-executive Member of Board of Directors - EDP Renováveis, S.A.
Academic Qualifications	◦ Executive Education Program – Harvard Business School (2021) ◦ MBA – INSEAD Fontainebleau (2000) ◦ Economics Degree and Post-Graduate Degree – Nova University, Lisbon (1996 and 1998)
Skills and Experience	◦ CEO – EDP Comercial – Comercialização de Energia, S.A. (current) ◦ Chairman of the Board of Directors– Fundação EDP (current) ◦ Member of Board of Directors – EDP Energias do Brasil, S.A. (current) ◦ Member of Board of Directors – EDP España S.A.U. (current) ◦ Executive Vice-President and General Director Portugal & Spain and Member of Executive Leadership Team Europe & Africa – Fox Networks Group (2014-2018) ◦ Member of Board of Directors – Pulsa Media (2014-2018) ◦ Head of TV Business Unit – MEO (2007-2014) ◦ Head of TV Business Unit – TV Cabo – PT Multimédia (2003-2007) ◦ Founder – Innovagency Consulting (2001-2003) ◦ Mercer Management Consulting (today Oliver Wyman) (1996-1999)
Current External Appointments	◦ Board Member – Charge Up Europe ◦ Board Member – Fundação Alfredo de Sousa ◦ Board Member – Confederação Empresarial de Portugal

PUBLIC

Full Name	ANA PAULA GARRIDO DE PINA MARQUES
Position	Member of Executive Board of Directors – EDP - Energias de Portugal S.A Non-executive Member of Board of Directors – EDP Renováveis S.A.
Academic Qualifications	◦ Executive Education Program – IMD in Lausanne and Harvard Business School (2009, 2008, 2005) ◦ MBA – INSEAD (2002) ◦ Degree in Economics – Faculdade de Economia do Porto (1991-1996)
Skills and Experience	◦ CEO – EDP - Gestão da Produção de Energia, S.A. (current) ◦ CEO – EDP España, S.A.U. (current) ◦ CEO – EDP Labelec - Estudos, Desenvolvimento e Actividades Laboratoriais, S.A. (current) ◦ Member of Board of Directors – EDP - Energias do Brasil, S.A. (current) ◦ Executive Vice-President – NOS (2019-2021) ◦ Executive Board Member – NOS (2013-2019) ◦ Non-Executive Board Member – Sport TV (2016-2020) ◦ President – APRITEL (Associação Portuguesa de Operadores de Telecomunicações) (2011-2014) ◦ Executive Board Member – Optimus (2010-2013) ◦ Marketing and Sales Director (Mobile Residential Business Unit) and Brand Director – Optimus (2002-2008) ◦ SMEs Business Unit Director – Optimus (1998-2001) ◦ Marketing – Procter & Gamble (1996-1998)
Current External Appointments	◦ Board Member – Eurelectric ◦ President of the Board – Elecpor ◦ Board Member – AELEC ◦ Board Member – Enerclub (Club Español de la Energía) ◦ Member of the General and Supervisory Board – Porto Business School ◦ Member of the General Board – COTEC Portugal ◦ Member of the General Board – Instituto Português de Corporate Governance ◦ Non-Executive Board Member – SOGRAPE

PUBLIC

Full Name	MANUEL MENÉNDEZ MENÉNDEZ
Position	External Member of the Board of Directors – EDP Renováveis, S.A.
Academic Qualifications	○ PhD in Economic Sciences - University of Oviedo ○ Degree in Economics and Business Administration -University of Oviedo
Skills and Experience	○ CEO – Unicaja Banco, S.A. ○ CEO – Liberbank, S.A. ○ Chairman – Cajastur ○ Chairman – EDP España, S.A.U. ○ Chairman – Naturgás Energía Grupo, S.A. ○ Member of the Board – Confederación Española de Cajas de Ahorro (CECA) ○ Member of the Board – AELÉC ○ Member of the Board of Directors - EDP Renewables Europe, S.L.U. ○ University Professor in the Department of Business Administration and Accounting - University of Oviedo
Current External Appointments	-

PUBLIC

Full Name	ACÁCIO PILOTO
Position	· Independent Member of the Board of Directors EDP Renováveis, S.A. · Chairman of the Audit, Control and Related-Party Transactions Committee – EDP Renováveis, S.A.
Academic Qualifications	· Degree in Law – Lisbon University · Post- Graduation in Economic Law – Ludwig Maximilian University (scholarship Hanns Seidel Foundation, Munich) · Post - Graduate in European Community Competition Law – Max Planck Institute (scholarship Hanns Seidel Foundation, Munich) · INSEAD Executive Program · Nova SBE Executive Program on Corporate Governance and Leadership of Boards · Several professional education courses in banking, finance, and asset management, namely the International Banking School, Dublin and the Asset and Liability Senior Management Program, Merrill Lynch International, London
Skills and Experience	· International Division – Banco Pinto e Sotto Mayor · International and Treasury Division – Banco Comercial Português · Head – BCP International Corporate Banking · Member of the Executive Committee - AF Investimentos SGPS · Chairman & CEO - AF Investimentos SGPS group companies: AF Investimentos, Fundos Mobiliários; AF Investimentos, Fundos Imobiliários; BPA Gestão de Patrimónios; BCP Investimentos International; AF Investimentos Internacional and Prime International · Member – BCP Group Investment Committee · Executive Board Member – BCP - Banco de Investimento, in charge of Investment Banking · Treasurer and Head of Capital Markets - Millennium BCP Group · Millennium BCP Chair – Group ALCO · CEO – Millennium Gestão de Ativos SGFIM · Chairman & CEO – Millennium SICAV, Luxembourg · Chairman & CEO – BII International, Luxembourg · Member of the Board of Directors and Member of the Audit Committee – INAPA IPG, S.A. · Member of the Supervisory Board and Chairman of the Risk Committee – Caixa Económica Montepio Geral. · Member of the Nominations and Remunerations Committee – EDP Renováveis, S.A. · Member of the Related-Party Transactions Committee – EDP Renováveis, S.A.
Current External Appointments	· Member of the General Board – Instituto Português de Corporate Governance (representing EDP Renováveis, S.A.)

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Full Name	ALLAN KATZ
Position	Independent Member of the Board of Directors– EDP Renováveis, S.A.
Academic Qualifications	◦ JD – Washington College of Law at American University in Washington DC (1974) ◦ Degree – UMKC (1969)
Skills and Experience	◦ National Director of the Public Policy practice group – firm of Akerman Senterfitt ◦ Assistant Insurance Commissioner and Assistant State Treasurer – State of Florida ◦ Legislative Counsel – Congressman Bill Gunter and David Obey ◦ General Counsel – Commission on Administrative Review of the US House of Representatives ◦ Member of the Board – Florida Municipal Energy Association ◦ President - Brogan Museum of Art & Science in Tallahassee, Florida ◦ Board member – Junior Museum of Natural History in Tallahassee, Florida City of Tallahassee Commissioner ◦ First Chair – State Neurological Injury Compensation Association ◦ Member – State Taxation and Budget Commission ◦ City of Tallahassee Commissioner ◦ Ambassador of the United States of America to the Republic of Portugal ◦ Distinguished Professor – University of Missouri Kansas City ◦ Board Member – International Relation Council of Kansas City
Current External Appointments	◦ Founder – the American Public Square ◦ Executive Committee Chair of the Academic and Corporate Board – ISCTE Business School in Lisbon Portugal ◦ Board Member – WW1 Commission Diplomatic Advisory Board ◦ Creator – Katz, Jacobs and Associates LLC (KJA) ◦ Frequent speaker and moderator on developments in Europe and on American Politics

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Full Name	ROSA MARÍA GARCÍA GARCÍA
Position	· Independent Member of the Board of Directors – EDP Renováveis, S.A. · Member of the Audit, Control, and Related Party Transactions Committee – EDP Renováveis, S.A. · Member of the Appointments, Remunerations and Corporate Governance Committee – EDP Renováveis, S.A. · Member of the Environmental, Social and Governance Committee – EDP Renováveis, S.A.
Academic Qualifications	· Bachelor's degree in Mathematics – Universidad Autónoma de Madrid
Skills and Experience	· She has more than thirty years of international experience in the fields of Information Technology, Energy, Infrastructure, and Manufacturing. The majority of her career was spent at Microsoft and at Siemens · Director of Corporate Strategy – Microsoft working at the company's headquarters in Redmond United States (1996-1999) · General Manager – Microsoft Worldwide Partner Group. She directed Microsoft's worldwide strategy for more than 640,000 independently owned-and-operated partner companies (1999-2002) · Executive Chair - Microsoft in Spain (2002-2008) · Consumer & Online Vice-President – Microsoft Western Europe (2008- 2011) · Executive Chair – Siemens in Spain (2011-2018) · Non-Executive Chair - Siemens Gamesa immediately after the merger of Siemens Wind Power and Gamesa (2017-2018) · She has more than ten years of experience as a Non-Executive Director of the Board for several IBEX companies including Banesto, Bolsas y Mercados Españoles, Acerinox and Bankinter. In every company, she has been either a member of the audit and control committee or of the nominations and remuneration committee · Non-Profit work: Member of the Board at the Asociación para el Progreso de la Dirección (2002-2019). President of the German Chamber of Commerce in Spain (2016-2018). Member of the Advisory Board for the Universidad Europea de Madrid and Vice-president of Consejo Social de la Universidad Carlos III de Madrid (2008-2018) · Awarded by AED (the most prestigious Spanish CEO association) as "Spanish CEO of the Year" · Awarded by the President of Germany the Cross of Merit, one of the highest civilian honor that can be granted in the country
Current External Appointments	· Member of the Board – Mapfre and Sener · Non-Executive Chair – Exolum

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Full Name	JOSÉ MANUEL FÉLIX MORGADO
Position	Independent Member of the Board of Directors –EDP Renováveis S.A. Member of the Audit, Control, and Related Party Transactions Committee – EDP Renováveis S.A. Member of the Appointments and Remunerations Committee – EDP Renováveis, S.A. Member of the ESG Committee – EDP Renováveis, S.A.
Academic Qualifications	◦ ESG IMD Programme ◦ Postgraduate degree in Corporate Governance – Universidade de Lisboa – Law Department ◦ International Directors Programme – IDP Certification Corporate Governance at INSEAD in Fontainebleau ◦ Degree in Business and Management – Universidade Católica
Skills and Experience	◦ Employed in the investment banking arm of Midland Bank and HSBC (1984) ◦ Joined BCP Investimento in Lisbon as an investment banker and within Banco Comercial Português (1997-1999) ◦ Member of the Board and Chief Financial Officer – Seguros e Pensões SGPS, and member of the board of the insurance companies of the group in Portugal and Mozambique as well as Chairman of the Board of Império Vida y Diversos, S.A. (2000-2005) ◦ Vice President and Chief Financial Officer – ONI SGPS (2005-2007) ◦ CEO – INAPA IPG SGPS (2007-2015) ◦ Chairman – EUGROPA, European Paper Merchant Association in Brussels (2012-2015) ◦ Board Member – REN – Redes Energéticas Nacionais SGPS (2011 - 2012) ◦ Chairman of the Board – OZ Energia, S.A. (2011 -2015) ◦ CEO - Banco Montepio (2015 - 2018) ◦ Member of the Board – Associação Portuguesa de Bancos (2015 - 2018)
Current External Appointments	◦ Chairman of the Board – VERLINGUE – Corretores de Seguros ◦ Member of the Board – NORFIN – SGOIC ◦ Corporate Governance adviser of family-owned groups

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Full Name	CYNTHIA KAY McCALL
Position	Independent Member of the Board of Directors –EDP Renováveis, S. A.
Academic Qualifications	◦ Juris Doctor and Bachelor of Arts degrees – University of Houston ◦ Certificates in Sustainable Energy Development (2020), ESG for Energy Companies (2021) and the Hydrogen Economy (2021) -University of Houston
Skills and Experience	◦ Senior energy industry executive – with broad expertise, including strategy, operational optimization, acquisitions, and governance; with more than a decade of experience in the renewable energy industry working in the conventional power, engineering and construction, and capital equipment manufacturing industries ◦ President, CEO and Board Member - Noble Environmental Power, LLC (2010-2018), a wind energy company backed by private equity ◦ Senior Vice President, General Counsel and Chief Compliance Officer – Noble Environmental Power, LLC (2008-2010) ◦ Member of the leadership team entrusted with addressing global governance and compliance issues – General Electric Company
Current External Appointments	◦ Chairperson Board of Directors – Flexitallic Group ◦ Chairperson Board of Directors – Renewable Energy Alliance Houston ◦ Member of the Board of Advisors – University of Houston Bauer College of Business – Gutierrez Energy Management Institute ◦ Guest lecturer – on topics of leadership in energy at Texas A&M University, Rice University, and the University of Houston

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Full Name	MARÍA GONZÁLEZ RODRÍGUEZ
Position	Secretary non-Member of the Board of Directors– EDP Renováveis, S.A. Executive Director – EDP Renováveis, S.A. Legal Department
Academic Qualifications	◦ Bachelor of Laws (LL.B.) and Bachelor Degree in Economics - Universidad Pontificia de Comillas (ICADE) ◦ Executive Program – IE Business School ◦ International Directors Program – INSEAD
Skills and Experience	◦ Between 1997 and 2000 she worked as Corporate Lawyer at the Madrid office of Squire, Sanders & Dempsey LLP (American law firm) ◦ Between 2000 and 2008 she worked as Senior Lawyer at Duro Felguera, S.A. (Spanish EPC contractor, listed at the Spanish Stock Exchange) being responsible for its international legal area ◦ Joined EDPR Legal Department in 2008 ◦ Has served from 2019 as Vice-Secretary and from 2021 as Secretary of the Board of Directors and Board Committees
Current External Appointments	-

PUBLIC

Report from Management concerning responsibility for the System of Internal Control over Financial Reporting

The board of directors and management are responsible for establishing and maintaining an adequate System of Internal Control over Financial Reporting (SCIRF).

The SCIRF of EDP Renováveis Group is a set of processes designed to provide reasonable assurance as to the reliability of the financial information and the preparation of the consolidated annual accounts for external purposes, in accordance with the applicable financial information reporting framework.

Due to the limitations inherent to all internal control systems, it is possible that the system of internal control over financial reporting does not prevent or detect all errors that could occur and may only provide reasonable assurance with respect to the presentation and preparation of the consolidated annual accounts. Fur-thermore, extrapolating the effectiveness assessment to future years entails a risk that controls may cease to be adequate due to changing conditions or erosion in the level of compliance with policies and procedures.

Management has assessed the effectiveness of the SCIRF at 31 December 2023 based on the criteria established in the Internal Control - Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

As a result of this assessment, and based on the aforementioned criteria, management concludes that at 31 December 2023 EDP Renováveis Group had an ef-fective system of internal control over financial reporting.

The SCIRF of EDP Renováveis Group at 31 December 2023 has been audited by the independent auditors PricewaterhouseCoopers Auditores, S.L., as indicated in their report included in the Annual Corporate Governance Report.

Chief Executive Officer

Miguel Stilwell De Andrade

Chief Financial Officer

Rui Manuel Rodrigues Lopes Teixeira

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Independent reasonable assurance report on the design and effectiveness of the System of Internal Control over Financial Reporting (SICFR)

To the board of directors of EDP Renováveis, S.A.

We have carried out a reasonable assurance engagement on the design and effectiveness of the System of Internal Control over Financial Reporting (hereinafter SICFR) and the accompanying description thereof included in section 55 of the Corporate Governance Report of EDP Renováveis, S.A (the Company), prepared in accordance with legislation applicable in Portugal, as at 31 December 2023. This system is based on the criteria and policies defined by EDP Renováveis, S.A. pursuant to the guidance of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provided in its "Internal Control-Integrated Framework" report, in its most recent framework published in 2013.

A System of Internal Control over Financial Reporting is a process designed to provide reasonable assurance on the reliability of financial information, in accordance with the applicable financial reporting framework and includes those policies and procedures that: (i) permit the maintenance, in reasonable detail, of records that accurately reflect the transactions performed; (ii) provide reasonable assurance that the transactions are appropriately recorded to permit the preparation of financial information, in accordance with the applicable financial reporting framework and that these transactions are only performed pursuant to the pertinent authorisation; and (iii) provide reasonable assurance in relation to the timely prevention or detection of unauthorised acquisitions, use or disposal of assets which could have a material effect on the financial information.

Inherent limitations

In this respect, it should be borne in mind that, in view of the inherent limitations of all Systems of Internal Control over Financial Reporting, irrespective of the quality of their design and operation, such systems only permit the provision of reasonable, but not absolute, assurance in relation to the objectives pursued, such that errors, irregularities or fraud may occur which may not be detected. Also, projections of the evaluation of internal control to future periods are subject risks such as that internal control may become inadequate as a result of future changes in applicable conditions or that in the future, the degree of compliance with the policies or procedures established may deteriorate.

Responsibility of the directors

The directors of EDP Renováveis, S.A. are responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of an adequate System of Internal Control over Financial Reporting, as well as for the evaluation of its effectiveness, the development of improvements to this system and the preparation and generation of the content of the accompanying information relating to the SICFR.

Our responsibility

Our responsibility is to issue a reasonable assurance report on the design and effectiveness of the System of Internal Control over Financial Reporting of EDP Renováveis, S.A., based on the work carried out and evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

A reasonable assurance engagement includes understanding the System of Internal Control over Financial Reporting, assessing the risk that there may be material internal control weaknesses, that controls are not adequately designed or do not operate effectively, performing tests and evaluations of the design and effective application of that system, based on our professional judgement, and carrying out those other procedures which may be considered necessary.

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

Independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, EDP Renováveis, S.A. maintained, as at 31 December 2023, in all material respects, an effective System of Internal Control over Financial Reporting for the financial year ended 31 December 2023, which is based on the criteria and policies defined by the management of EDP Renováveis, S.A. in accordance with the guidance of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provided in its "Internal Control-Integrated Framework" report in its most recent framework published in 2013.

Similarly, the accompanying description of the SICFR Report included in section 55 of the Corporate Governance Report of EDP Renováveis, S.A. as at 31 December 2023 has been prepared, in all material respects, in accordance with the requirements established in the Code of recommendations of the *Instituto Português de Corporate Governance* (IPCG) and Appendix I of Regulation Nº. 4/2013 of the *Comissão do Mercado de Valores Mobiliários* (CMVM) for the purposes of describing the SICFR in Corporate Governance Reports.

Our work does not constitute an audit and is not subject to prevailing auditing regulations in Spain. We therefore do not express an audit opinion in the terms envisaged in the aforementioned legislation.

PricewaterhouseCoopers Auditores, S.L.

Antonio Velasco Dañobeitia

28 February 2024

Why we choose to be Net Zero by 2040

Pereira Barreto Solar Park, Brazil

edp Renewables

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06 Remunerations Report

Remunerations Report 306

Because We Choose Earth

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Remuneration Report

In compliance with both the Portuguese Securities Code, and the Spanish Companies Act, EDP Renováveis S.A. ("EDPR" or "Company") issues this Remuneration Report with the aim to provide a comprehensive view of the remuneration received by the members of its Governing Bodies, including all benefits, regardless of their form, attributed or due during the 2023 financial year.

The Remuneration Policy of EDPR for 2023 was defined by its Appointments and Remunerations Committee and presented to its Board of Director for its final approval at the Shareholders' Meeting level.

Approval procedure of the Remunerations Policy of the Board of Directors

The definition of the proposal of the Remuneration Policy for the members of the Board of Directors of EDPR is incumbent on the Appointments and Remunerations Committee which is a delegated body of the Board of Directors, that in order to avoid any conflict of interest, is entirely composed by non- executive and independent members. Under such competences this Committee takes the responsibility for proposing to the Board of Directors the determination of the remuneration of the Executive Directors of the Company; the Remuneration Policy, the evaluation and compliance of the KPI's (Key Performance Indicators); the annual and multi annual variable remuneration, and also proposes the remuneration of the Non-Executive Directors and members of the Board Committees.

As such, this Committee prepares a proposal that defines the remuneration to be attributed to Directors, with the purpose that it reflects the performance of each of them, establishing for the Executive Directors a variable component which is consistent with the maximization of the Company's long term performance (variable annual and multi-annual remuneration for a three-year period), for the achievement of the most challenging objectives of the business plan, thereby guaranteeing the alignment of the performance of the governing bodies with the interests of the shareholders.

The Board of Directors is responsible for the approval of the above-mentioned proposals except to the extent it concerns the Remuneration Policy which is approved by the General Shareholders' Meeting as an independent item of the agenda.

As a Company integrated in a multinational business group, EDPR aims to maintain a solid culture that ensures the management, monitoring, control and supervision of the risks that the Group, its shareholders, employees, customers and, in general, all its stakeholders face, including those arising from the remuneration systems it adopts. EDPR adopts the transversal remuneration practices applied in EDP group, consistent and based on common principles that comply with the regulations applicable in the jurisdictions where it operates.

As such, the remuneration systems applied, including those applicable to the Executive Directors, are defined to promote a culture of merit and high performance that ensures that people and teams are recognized, encouraged and awarded on the basis of responsibility, availability, loyalty and competence placed at Group's service, ensuring actions aligned with the long-term interests of shareholders and promoting sustainable initiatives.

The proposal for remuneration policy of the Executive Directors also aimed at simplifying, and provide transparency and clarity, favouring a complete understanding of the framework of principles and rules that constitute it, and which will be applied and evaluated by the Appointments and Remunerations Committee.

Definition, revision and renewal of the Policy

The definition of the Remuneration Policy of EDPR is submitted for approval by the General Meeting, on a proposal from the Board of Directors, based on the proposal presented by the Appointments and Remunerations Committee. Likewise, and in line with EDP Group corporate governance practices, EDPR has signed a Management Services Agreement with EDP under which the Company bears the cost for such services to some of the members of the Board of Directors (Executive and Non-Executive) to the extent their services are devoted to EDPR; and the Audit, Control and Related Party Transactions Committee (which is also entirely composed by non-executive and independent members) is involved in any revision and/or amendment of this agreement.

The definition and possible proposals for revision of the Remuneration Policy by the Appointments and Remunerations Committee are based on the articulation of EDPR long-term objectives, measured according to its strategic plan at all times, in the conclusions of comparative remuneration studies with national listed companies and with foreign sectoral

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peers and on an articulation of principles with the remuneration plan of other employees of the Group.

The Appointments and Remunerations Committee may hire the external consultants and support necessary for the performance of comparative remuneration studies within the framework of directors' remuneration policies, assessing their conditions of independence for the provision of the services that may be requested.

Regulatory Framework and principles of the Remuneration Policy applied in 2023

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. The corporate organization of EDPR is subject to its personal law and to the extent possible, to the recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance ("IPCG"). As such, the Company intends to comply with both legal systems but always taking into account that its personal law is the Spanish one, and that in case of discrepancy, the aim is to adopt the law that entails more protectionism for its shareholders.

The Remuneration Policy applied in 2023 (duly approved by its Shareholders' Meeting) complies comply with Article 26 – C of the Securities Code (as amended by Law No. 99 A/2021 of 31st December), with article 529 novodecies of the Spanish Companies Act, with the IPCG Corporate Governance Code adopted by EDPR and with the international good practices, being aligned and consistent with the remuneration policy and remuneration practices applied to all employees of the Group.

Total remuneration, and the remuneration model in general, should be competitive, aligned with the practices of the international electricity sector and the renewables market, facilitating the attraction and retention of talent, and the commitment to the challenges and ambitions of the company.

A. Remuneration structure and disclosure

Pursuant to Article 26 of the Company's Articles of Association the Directors shall be entitled to a remuneration which consists of a fixed amount to be determined annually by the General Shareholders' Meeting for the whole Board of Directors. This article also establishes the possibility of the Directors of receiving attendance fees or being remunerated with Company shares, share options, or other securities granting the right to obtain shares or by means of share-indexed remuneration systems. In any case, the system chosen must be approved by the General Shareholders' Meeting and comply with current legal provisions.

The remuneration policy applicable for 2023 defines a structure with a fixed remuneration for all members of the Board of Directors, whereas for the Executive Directors defines a fixed and a variable remuneration, with an annual component, and a multi-annual component.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work exclusively as Directors or, if such is the case, considering their membership/chairmanship of the Appointments and Remunerations Committee, the Audit, Control and Related Party Transactions Committee and the Environmental, Social and Corporate Governance Committee. Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board.

As already indicated, EDPR has signed a Management Services Agreement with EDP, under which the Company bears the cost for such services to some of the members of the Board of Directors to the extent their services are devoted to EDPR. In 2023 these Directors were Miguel Stilwell d'Andrade and Rui Teixeira (Executive Directors), and Vera Pinto, Ana Paula Marques and Miguel Setas (non-Executive Directors). The latter served until April 12th, 2023, the date of his resignation.

The total amount of the remunerations that the Company will pay to its Directors shall not exceed the amount determined by the General Shareholders' Meeting. For these purposes, the General Shareholders' Meeting held on May 13th, 2008, set a maximum annual amount for the Board of Directors for fixed remuneration of EUR 2,500,000; and at its meeting held on April 8th, 2014, also resolved to establish a maximum annual amount for variable remuneration of EUR 1,000,000 for executive directors.

For 2023 onwards, the maximum annual amount for fix and variable remuneration for the Board of Directors has been set in EUR 3,500,000 by the approval of the General Shareholders' Meeting held on March 31st, 2022. This amount results of the merge of the former EUR 2,500,000that was stablished for fix renumeration and the EUR 1,000,000 that was established for variable annual remuneration.

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I) Remuneration of EDPR Directors for their functions as Members of the Board

This section includes the information regarding the remuneration received by EDPR Board members in 2023 for their functions at the Board of Directors.

Fixed component – base remuneration

Conditions

The fixed remuneration of the members of the Board of Directors is aligned with the base salary strategy practiced by a number of companies comparable to EDPR, the national market and the international electricity sector; in terms of size, market capitalization, risk profile, relevance and geographical implementation, while also considering, at all times, the complexity of the functions performed, the remuneration conditions of its employees and the non-increase of the average market pay gap between workers and administrators.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work as Directors and if such is the case, a complement as Member or Chairperson of the Appointments and Remunerations Committee, the Audit, Control and Related Party Transactions Committee and/or the Environmental, Social and Corporate Governance Committee. Such amounts are cumulative, except for the Chairman of the Board of Directors who does not receive any complement derived from his role at any Committee.

Figures 2023

Hereunder it is detailed the list of EDPR Directors that composed the Board during 2023, and the amounts paid by EDPR either (i) as remuneration to them or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration), for their functions performed at the Board of Directors level:

		FIXED COMPONENT
DIRECTOR	**REMUNERATION**	**FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR**
EXECUTIVE DIRECTORS		
Miguel Stilwell d' Andrade	0€-	550,000€*
Rui Teixeira	0€-	360,000€*
NON-EXECUTIVE DIRECTORS		
António Mota	230,000€	
Vera Pinto	0€-	65,000€*
Ana Paula Marques	0€-	65,000€*
Manuel Menéndez	65,000€	-
Acácio Piloto(**)	65,000€	-
Allan J.Katz(**)	65,000€	-
Rosa García(**)	65,000€	-
José Morgado(**)	65,000€	-
Kay Mc Call (**)	65,000€	-
Miguel Setas (***)		*21,667€**
Sub- Total	620,000€	1,061,667€
Total		1,681,667€

*These amounts correspond to the service fee paid by EDPR to EDP under the Management Services Agreement for the services rendered in 2023 by such director. In addition, EDPR pays to EDP a 5% of such service fee which is applied to the retirement savings plan for Executive Directors described in topic 76 of this Chapter 5 of the Annual Report.
**These Directors also received remuneration for their participation in the Delegated Committees that is detailed at section A) II) of this Chapter 6 of the Annual Report.
*** Miguel Setas presented the resignation to his positions as Board Member with effects April 12th, 2023, and therefore the amounts indicated in the table above reflect the remuneration accrued in 2023 until her resignation.

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Variable component

Conditions

The annual variable remuneration has the nature of incentive/performance premium linked to financial and non-financial objectives (linked to the Business Plan and budget) of short-term, evaluated annually, reflecting in the year under analysis and possible repercussion in the following years, being paid in cash.

The amount of the annual performance premium shall be determined within three months of the approval of EDPR's accounts at the ordinary General Meeting in each year, by reference to the previous year/annual performance period.

Variable annual and multi-annual remuneration will be a percentage of fixed annual component, with a superior weight for multiannual vs. annual component (120% vs. 80%). Thus, the value of the variable remuneration may range between 0% and 85% of the 80% in the case of the annual variable, and between 0% and 85% of the 120% in the case of the multi-annual variable. Such percentages are applied over the gross annual fixed remuneration. According to the Remuneration Policy approved by the General Shareholders' Meeting, the maximum variable remuneration (annual and multi-annual) is applicable if all the KPI's were achieved, and the performance evaluation is equal or above 110%.

In line with corporate governance practices, the Remuneration Policy incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any wilful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

The key performance indicators (KPIs) used to determine the amounts of the annual and multi – annual variable remuneration for each year of the term are proposed by the Appointments, and Remunerations Committee with the aim of aligning them with the strategic pillars of the Company: growth, risk control and efficiency. The remuneration policy establishes that the indicators shall be set in accordance with 6 clusters: (i) Shareholders, (ii) People, (iii) Environment & Communities, (iv) Assets and Operations, (v) Innovation & Partners, and (vi) Clients; each of such clusters shall have at least one indicator. The KPIs considered for the variable remuneration paid in 2022 (as a result of the performance developed in 2021), as well as those to be considered in 2023 for the appraisal of the performance of year 2022, were the following:

CLUSTER		WEIGHT	KEY PERFORMANCE INDICATOR	CEO / CFO WEIGHT	CEO / CFO EDPR RESULTS
Total Shareholder return	15%	100%	TSR vs. Wind peers & PSI 20	100%	96%
Shareholders	80%	60%	Operating Cash Flow (€ million)	10%	76%
			AR/Sell-down + Tax Equity (€ million)	10%	98%
			EBITDA+ sell down gains (€ million)	10%	120%
			Net Profit (€ million)	10%	120%
			Core Opex Adjusted (€ thousand/MW)	10%	93%
			Projects with FID (% of total '19-'22 additions in BP)	10%	111%
Clients		10%	Renewable Capacity Built (in MW)	10%	0%
Assets & Operations		10%	Technical Energy Availability (%)	5%	98%
			Capex per MW (€ thousand)	5%	97%
Environment & Communities		5%	Certified MW (%)	5%	100%
Innovation & partners		5%	H&S frequency rate (employees + contractors)	5%	84%
People[1] Management		10%	People Management	10%	108%
Remuneration Committee	5%	100%	Appreciation remuneration committee	100%	100%

[1] The policy has considered the labour conditions and the remuneration of the Company employees in order to define its terms, and in particular, has established this KPI, that includes the results of the Climate Survey launched to the employees in which the satisfaction level with the performance and applicable conditions is reflected.

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Figures 2023

The variable remuneration only applies to Executive Directors, and the evaluation of compliance with the indicators and related level of performance is appraised by the Appointments and Remunerations Committee, which in turn submits it to the Board of Directors for approval.

Variable Annual

As of December 31st 2023, the Executive Directors of EDPR were Miguel Stilwell d'Andrade and Rui Teixeira. As a result of the analysis of their performance, the following amounts were paid in 2023 by EDPR to EDP as management fee, for the variable annual component amounts accrued for their services provided in 2022:

VARIABLE COMPONENT		
REMUNERATION		
DIRECTOR		FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR
EXECUTIVE DIRECTORS		
Miguel Stilwell d' Andrade	0€	455,835€
Rui Teixeira	0€	344,250€
Total		800,085€

Variable multiannual

The multiannual variable component (three years) applies to Executive Directors. As the current Executive Directors of EDPR (Miguel Stilwell d' Andrade and Rui Teixeira) were appointed in 2021, no multiannual variable component was still paid to them for their functions performed at EDPR.

Non-Monetary Benefits

No non-monetary benefits are paid by EDPR to its Board Members, except for a company car for the Chairman of the Board of Directors, (whose total related cost for four years was borne and reported in 2021) and the retirement savings plan for Executive Directors referred in the following section. No non-monetary benefits have been paid to members of the Board of Directors who have resigned from their positions in the current year.

Retirement Savings Plan

The retirement savings plan applicable to 2023, which is included within the Remuneration Policy applicable for 2022 onwards, was defined and proposed by the Appointments and Remunerations Committee to the Board of Directors for its submission to the General Shareholder's Meeting. For the Executive Directors of EDPR (Miguel Stilwell d' Andrade and Rui Teixeira) it was stablished in a 5% of the fixed fee under the Management Services Agreement. For the year 2023, EDPR paid a fee to EDP under the Management Services agreement of 27,500€ corresponding to the retirement saving plan of Miguel Stilwell d' Andrade, and of 18,000€ corresponding to the retirement saving plan Rui Teixeira.

II) Remuneration of EDPR Directors for their functions as Members of the Delegated Committees

Conditions

In line with Spanish Law and as specifically foreseen in Article 10 of the Company's Articles of Association, the Board of Directors of EDPR is entitled to create delegated bodies. The Board of Directors of EDPR has set up three committees that are composed exclusively by non-executive and independent members:

- Audit, Control and Related-Party Transactions Committee
- Appointments and Remunerations Committee
- Environmental, Social and Corporate Governance Committee

Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board.

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Figures 2023 – Audit, Control and Related Party Transactions Committee

Below the list of members of the Audit, Control and Related Party Transactions Committee as of December 31st 2023, and the amounts paid by EDPR as remuneration to them for the functions performed at this body in 2023:

COMMITEE MEMBER	POSITION	REMUNERATION
Acácio Piloto	Chairperson	55,000€
Rosa García García	Vocal	25,000€
José Félix Morgado	Vocal	25,000€

Figures 2023 – Appointments and Remunerations Committee

Below the list of members of the Appointments and Remunerations Committee as of December 31st 2023, and the amounts paid by EDPR as remuneration to them for the functions performed at this body in 2023. As indicated at the beginning of this section, the Chairman of this Committee, António Gomes Mota, does not receive a complement to its remuneration as Chairperson of the Board for the functions performed at this Committee:

COMMITEE MEMBER	POSITION	REMUNERATION
António Gomes Mota	Chairperson	0
Rosa García García	Vocal	10,000€
José Félix Morgado	Vocal	10,000€

Figures 2023 – Environmental, Social and Corporate Governance Committee

Below the list of members of the Environmental, Social and Corporate Governance Committee as of December 31st 2023, and the amounts paid by EDPR as remuneration to them for the functions performed at this body in 2023. Likewise, as indicated at the beginning of this section, the Chairman of this Committee, António Gomes Mota, does not receive a complement to its remuneration as Chairperson of the Board for the functions performed at this Committee:

COMMITEE MEMBER	POSITION	REMUNERATION
António Gomes Mota	Chairperson	0
Rosa García García	Vocal	10,000 €
José Félix Morgado	Vocal	10,000 €
Allan J. Katz	Vocal	10,000 €
Kay Mc Call	Vocal	10,000 €

B. Alignment of the application of the remuneration with the Remuneration Policy adopted. Contribution of the Remuneration Policy to the long-term performance of the Company and criteria taken into account.

In 2023, the Board of Directors Remuneration Policy in place for this term was duly applied.

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As a summary of all the above breakdowns detailed, it is hereby provided a summary table including the total amounts paid by EDPR in 2023 either (i) as remuneration to them for Director functions at the Board level and Delegated Committees or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration):

DIRECTOR	(I) REMUNERATION	(II) FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR		
EXECUTIVE DIRECTORS		FIXED COMPONENT	ANNUAL VARIABLE COMPONENT	RETIREMENT SAVINGS PLAN
Miguel Stilwell d'Andrade	-	550,000€*	455,835€	27,500€
Rui Teixeira	-	360,000€*	344.250€	18,000€
NON-EXECUTIVE DIRECTORS				
António Mota	230,000€			
Vera Pinto	-	65.000€		
Ana Paula Marques	-	65,000€		
Manuel Menéndez	65,000€			
Acácio Piloto	120,000€			
Allan J.Katz	75,000€			
Rosa García	110,000€			
José Morgado	110,000€			
Kay Mc Call	75,000€			
Miguel Setas		21,667€		
Sub- Total 1	785,000€	1,061,667€	800,085€	45,500€
Sub- Total 2	785,000€			1,907,252€
Total				2,692,252€

The total amount paid by EDPR in 2023 either (i) as remuneration and (ii) as fee to EDP under the Management Services Agreement, for the services performed by its Directors as members of its Board (including the retirement savings plan) was of 1,907,252€, which is below the maximum amount agreed by the Shareholders' Meeting for 2022 and subsequent years (2,500,000€). Likewise, the total amounts that were paid as fee to EDP under the Management Services Agreement for the variable remuneration paid to the Executive Directors in 2023 was of 800,085€ which is also aligned with the maximum amount agreed by the General Shareholders' Meeting for these purposes (1,000,000€).

The remuneration policy adopted by EDPR in 2022 also effective for 2023, included key elements to enhance a Company's management performance not only focused on short-term objectives, but also incorporate as part of its results the interests of the Company and

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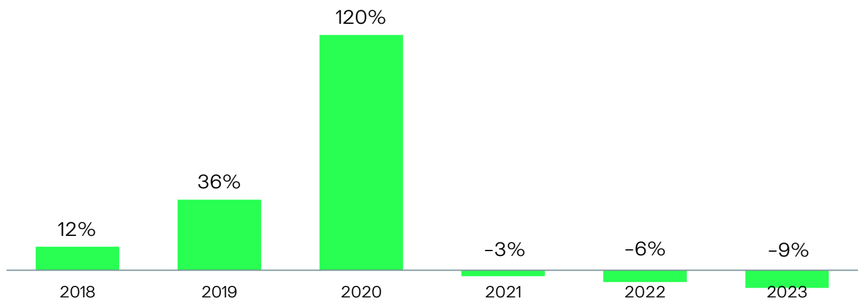
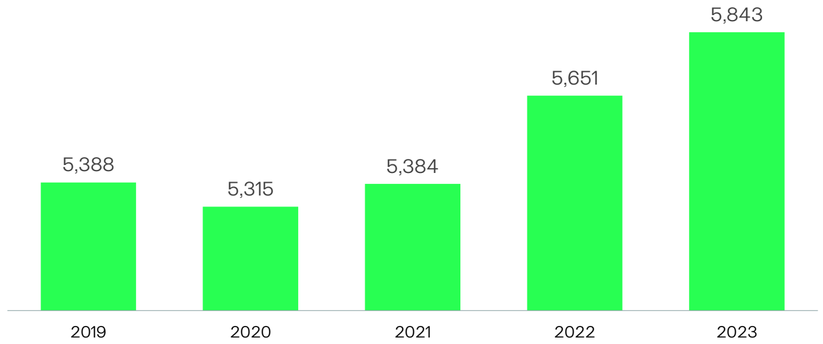
of shareholders in the medium and long term. These elements are: (i) the definition of the indicators in accordance with the 6 clusters, (ii) the relative weight assigned to each KPIs to calculate annual and multiannual variable remuneration (iii) the relevance associated with the achievement of such KPIs (iv) the three-year term considered for determining the value of variable multi-annual component of the remuneration (v) the deferral in three years for the payment of the variable multi-annual as recommended by CMVM as a good corporate governance practices, as well as conditioning its payment to the fact of there has not been unlawful actions known after the performance evaluated that may jeopardize the sustainability of the company's performance, (vi) the use of the qualitative criteria focused on a strategic and medium term perspective of the development of the Company, and (vii) the existence of a maximum limit for the variable remuneration.

C. Performance of the company and remuneration average of the employees

Total shareholder return



Average employees' remuneration (€)



Note: Exchange rate at constant values (average from 2015 to 2017) 3.72 EUR/BRL, applied to the period 2019 to 2023.

D. Remuneration from other Group Companies

The members of the Board of Directors as of end of December 2023 do not receive any payment from any company under EDPR control or subject to EDPR common control.

E. Share-allocation and/or Stock Option Plans

EDPR does not have any Share-Allocation and/or Stock Option Plans.

F. Refund of a variable remuneration

In line with corporate governance practices, the Remuneration Policy of EDPR incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any willful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

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G. Compliance with the applicable Policy during 2023

The remuneration policy for 2023 was applied without exceptions since its approval in 2022.

Other remunerations

i) Remuneration of the Chairman of the General Shareholders' Meeting

Since 2021, EDPR decided to adopt the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders Meeting to be chaired by the Board of Directors Chairman. Therefore, there are no additional remunerations applies for the chairmanship of the General Shareholders' Meeting, as it is performed by the Chairperson of the Board of Directors (António Gomes Mota).

ii) External Auditor remuneration in 2023 for EDP Renováveis S.A. and subsidiaries

According to the Spanish law, the External Auditor ("Auditor de Cuentas") is appointed by the General Shareholders' Meeting and corresponds to the statutory auditor body ("Revisor Oficial de Contas") described on the Portuguese Law.

As a result of a competitive process launched in 2017, and following the proposal of the Audit, Control and Related Party Transactions Committee to the Board of Directors, PricewaterhouseCoopers Auditores, S.L. was appointed as EDPR SA External Auditor by the Shareholder's Meeting held on April 3rd, 2018. PricewaterhouseCoopers Auditores, S.L., is a Spanish Company registered at the Spanish Official Register of Auditors under number S0242 with Tax Identification Number B-79031290. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021, and the current audit partner in charge of EDPR is Antonio Velasco Dañobeitia.

On July 2022, EDPR approved an internal regulation to rule the provision of services and relationship with the External Auditor, with regards to both audit and non-audit services to be hired, and the reporting and approval procedure to be applied. These regulations also establish the independence criteria to be considered.

Figures 2023

SERVICE	EUROPE	NORTH AMERICA	LATAM	APAC	TOTAL	%
Audit and statutory audit of accounts	1,809610€	2,194,907€	387,963€	1,008,660€	5,401,140€	94,68%
Other non-audit services	283,049€	12,609€	8,075€	-	303,733€	5.032%
Total	2,092,659€	2,207,516€	396,038€	1,008,660€	5,704,873€	100%

The amount of other non-audit services in Europe includes among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustainability included in EDPR Annual Report, which are invoiced to a European company. This amount also includes the limited review as of June 30th, 2023 of the EDPR Consolidated Financial Statements and other reviews for Group consolidation purposes which are considered non-audit services according to the respective local regulation.

Total amount for Europe includes 969,245 Euros of services provided by PricewaterhouseCoopers Auditores S.L. in Spain from which 693,197Euros refer to audit services and 276,048 Euros refer to non-audit services.

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Part II
Financial Statements

Solar Panels Installed on the Roof of Singapore's Public Housings

edp Renewables

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Independent auditor's report on the consolidated annual accounts

To the shareholders of EDP Renováveis, S.A.

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of EDP Renováveis, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, and the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2023, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matters	How our audit addressed the key audit matters
Assessment of the recovery of the carrying amount of certain non-current assets of the Group The accompanying consolidated annual accounts present goodwill, intangible assets, right of use assets and property, plant and equipment amounting to 2,235,601 thousand euros, 379,872 thousand euros, 935,637 thousand euros and 20,252,164 thousand euros, respectively, as at 31 December 2023. These assets mainly relate to electricity generating facilities by means of renewable sources in Europe, North America, Asia and Latin America, that are directly affected by the regulatory framework (note 1) applicable in each of the countries in which the Group operates. These assets are allocated to cash generating units (CGUs) as indicated in note 19 and are tested for impairment on an annual basis, as described in note 2.M, by determining the recoverable amount of these assets on the basis of the present value of future cash flows generated by the assets, considering the business plans approved by management. The key assumptions used in the preparation of these cash flows are detailed in note 19. In addition, management carries out a sensitivity analysis on the key assumptions which, based on prior experience, may reasonably give rise to variations, as detailed in note 19. As a result of the previous analyses, Group management has concluded that it is necessary to recognise a net impairment charge during the 2023 financial year for an amount of 186,783 thousand euros (note 13). This area is key because it entails the application of critical judgements and significant estimates by management (note 4) concerning the key assumptions used in the calculations performed, which are subject to uncertainty, regarding significant future changes which could have a significant impact on the Group's consolidated annual accounts.	We started our analysis by obtaining an understanding of the process and the relevant controls that the Group has in place to analyse the recovery of these non-current assets. In addition, we considered the adequacy of the allocation of assets to the CGUs and the process for identifying those requiring an assessment of impairment, in accordance with accounting standards. In addition, we assessed the adequacy of the valuation models employed, the assumptions and estimates used in the calculations, including, among others, the estimated performance of electricity prices, consistency with the applicable regulatory framework and the evolution of discount rates. With respect to discount rates, in collaboration with our valuation experts, we verified that the methodology used in their estimation is adequate and that their value is within a reasonable range. In addition, we checked the mathematical accuracy of the calculations and models prepared by management and assessed their sensitivity calculations, and compared the recoverable value calculated by the Group with the assets' carrying amount. Finally, we assessed the sufficiency of the information disclosed in the consolidated annual accounts with respect to the assessment of the recoverable amount of these assets. Based on the procedures carried out, we consider that management's approach and conclusions and the information disclosed in the accompanying consolidated annual accounts, are consistent with the evidence obtained.

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Key audit matters	How our audit addressed the key audit matters
Sale transactions of controlling interests in subsidiaries	
As indicated in note 6 to the accompanying consolidated annual accounts, during the 2023 financial year the Group sold its holdings in various subsidiaries in Brazil, Spain and Poland, with the consequent loss of control over those subsidiaries. These transactions have generated a profit amounting to 502,181 thousand euros (note 9) recognised in the "Other income" line item of the consolidated income statement as at 31 December 2023. The accounting for these transactions according to the policies described in note 2.B requires the analysis of whether the Group maintains control or not, once the transaction has taken place, which entails the application of critical judgments as indicated in note 4, assumes the existence of relevant estimates in relation to the results of the sale, and requires special attention in our audit because of the magnitude of the amounts indicated, and so we have therefore considered this to be a key audit matter.	In auditing the sale transactions carried out by the Group, we applied, amongst others, the following procedures: • Obtaining, reading and analysing the sale and purchase agreements, as well as the accounting analyses performed by management. • Analysis of compliance with the contractual conditions for the loss of control over these subsidiaries by the Group as a result of the operations performed. • Understanding and verifying the calculations performed by management to determine the profit on each operation. • Assessing the disclosures included in the consolidated annual accounts regarding these sale transactions. Based on the procedures performed, we consider that the accounting treatment followed by management for the operations mentioned, and the disclosures included in the accompanying consolidated annual accounts, are consistent with the evidence obtained.
Recognition and measurement of derivative financial instruments	
As indicated in note 5 to the accompanying consolidated annual accounts, the Group is exposed to certain financial risks, namely, exchange rate risk, interest rate risk and electricity price risk, due to the activities performed and the countries where it operates. In order to manage these risks, management has contracted several derivatives accounted for at fair value, whose values as at 31 December 2023 amount to 395,850 thousand euros and 850,841 thousand euros in assets and liabilities, respectively (note 37). The fair value of the derivatives is estimated by means of valuation techniques of varying complexity that require the application of judgement and, in certain cases, the use of	We started our analysis by understanding the procedure established by management to identify and measure the derivative financial instruments, as well as the relevant controls in existence in this area. For a sample of derivative financial instruments in existence, we checked their main characteristics with their respective contracts. In addition, and with the involvement of our experts in the valuation of derivative financial instruments, we assessed the valuation methodology used and, for a sample of instruments, we contrasted the valuation performed by management.

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Key audit matters	How our audit addressed the key audit matters
On the other hand, derivatives designated as accounting hedges are required to meet certain criteria in relation to the documentation of the hedge as indicated in note 2.D. Due to the uncertainty associated with the estimations of the fair value of these instruments and the complexity of complying with accounting standards on the application of hedge accounting, we consider this area to be one of the key matters of our audit.	Moreover, for a sample of the instruments designated as accounting hedges, we assessed that the documentation is in accordance with requirements established in prevailing accounting standards regarding hedging. Finally, we analysed the sufficiency of the disclosures included in the accompanying consolidated annual accounts regarding derivative financial instruments. As a result of our procedures, we consider that the measurement of derivative financial instruments and the information disclosed in the accompanying consolidated annual accounts, are consistent with the information available.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2023 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information, certain information included in the Corporate Governance Report and the Remuneration Report, both prepared in accordance with legislation applicable in Portugal, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2023 financial year, and its content and presentation are in accordance with applicable regulations.

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Responsibility of the directors and the audit, control and related party transactions committee for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit, control and related party transactions committee is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

PUBLIC

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit, control and related party transactions committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit, control and related party transactions committee with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent company's audit, control and related party transactions committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of EDP Renováveis, S.A. and its subsidiaries for the 2023 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of EDP Renováveis, S.A. are responsible for presenting the annual financial report for the 2023 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

PUBLIC

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit, control and related party transactions committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit, control and related party transactions committee of the Parent company dated 28 February 2024.

Appointment period

The General Ordinary Shareholders' Meeting held on 12 April 2021 appointed us as auditors of the Group for a period of 3 years, as from the year ended 31 December 2021.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of 3 years and we have audited the accounts continuously since the year ended 31 December 2018.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 45 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Antonio Velasco Dañobeitia (22286)

28 February 2024

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PUBLIC

2023 and 2022

THOUSAND EUROS	NOTES	2023	2022
Revenues	7	2,007,789	2,137,981
Income from institutional partnerships in North America	8	231,055	233,505
		2,238,844	2,371,486
Other income	9	583,203	526,026
Supplies and services	10	-474,525	-438,974
Personnel costs and employee benefits	11	-244,066	-240,611
Other expenses	12	-282,390	-237,769
Impairment losses on trade receivables and debtors	23	-133	-2,218
		-417,911	-393,546
Joint ventures and associates	20	13,738	179,267
		1,834,671	2,157,207
Provisions	32	-16,467	5,608
Amortisation and impairment	13	-943,661	-751,311
Operating profit		874,543	1,411,504
Financial income	14	678,450	680,632
Financial expenses	14	-991,662	-1,129,734
Financial result – net		-313,212	-449,102
Profit before tax and CESE		561,331	962,402
Income tax expense	15	-98,932	-142,225
Extraordinary contribution to the energy sector (CESE)	15	-2,964	-3,075
Net profit for the year		459,435	817,102
Attributable to			
Equity holders of EDP Renováveis	28	309,014	616,231
Non-controlling interests	30	150,421	200,871
Net profit for the year		459,435	817,102
Earnings per share basic and diluted – Euros	28	0.31	0.64

PUBLIC

ended at 31 December 2023 and 2022

THOUSAND EUROS	2023 EQUITY HOLDERS OF THE PARENT	2023 NON-CONTROLLING INTERESTS	2022 EQUITY HOLDERS OF THE PARENT	2022 NON-CONTROLLING INTERESTS
Net profit for the year	309,014	150,421	616,231	200,871
Items that will never be reclassified to profit or loss				
Actuarial gains/(losses)	59	3	113	8
Tax effect of actuarial gains/(losses)	-7	-	-19	-
	52	3	94	8
Items that are or may be reclassified to profit or loss				
Fair value reserve (Equity instruments at fair value)	-13,471	-220	5,239	368
Tax effect of fair value reserve (Equity instruments at fair value)	930	-121	-	-
Fair value reserve (cash flow hedge)	1,144,934	2,949	-467,915	1,567
Tax effect from the fair value reserve (cash flow hedge)	-288,123	-946	108,228	-132
Share of other comprehensive income of joint ventures and associates, net of taxes	-80,172	-	89,946	-
Reclassification to profit and loss due to changes in control	-5,309	-	-29,325	-
Exchange differences arising on consolidation	2,474	-18,089	32,740	55,916
	761,263	-16,427	-261,087	57,719
Other comprehensive income for the year, net of income tax	761,315	-16,424	-260,993	57,727
Total comprehensive income for the year	1,070,329	133,997	355,238	258,598

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2023 and 2022

THOUSAND EUROS	NOTES	2023	2022 (*)
ASSETS			
Property, plant and equipment	16	20,252,164	17,890,854
Right-of-use assets	17	935,637	988,302
Intangible assets	18	379,872	380,846
Goodwill	19	2,235,601	2,289,912
Investments in joint ventures and associates	20	1,079,576	1,157,249
Equity instruments at fair value	40	24,785	43,321
Deferred tax assets	21	621,505	625,357
Debtors and other assets from commercial activities	23	57,944	36,006
Other debtors and other assets	24	824,476	462,174
Collateral deposits associated to financial debt	31	31,914	23,311
Total Non-Current Assets		26,443,474	23,897,332
Inventories	22	259,822	252,844
Debtors and other assets from commercial activities	23	500,948	569,687
Other debtors and other assets	24	577,490	1,222,906
Current tax assets	25	341,335	302,384
Collateral deposits associated to financial debt	31	35,213	26,734
Cash and cash equivalents	26	1,371,768	1,171,932
Assets held for sale	27	516,602	9,198
Total Current Assets		3,603,178	3,555,685
Total Assets		30,046,652	27,453,017
EQUITY			
Share capital	28	5,119,891	4,802,791
Share premium	28	2,254,555	1,599,013
Reserves	29	-410,482	-1,171,745
Other reserves and Retained earnings	29	3,789,279	3,179,241
Consolidated net profit attributable to equity holders of the parent		309,014	616,231
Total Equity attributable to equity holders of the parent		11,062,257	9,025,531
Non-controlling interests	30	1,590,169	1,545,134
Total Equity		12,652,426	10,570,665
LIABILITIES			
Medium / Long term financial debt	31	6,049,441	4,869,851
Provisions	32	315,746	269,490
Deferred tax liabilities	21	857,100	638,290
Institutional partnerships in North America	33	2,188,245	2,212,162
Trade and other payables from commercial activities	34	572,179	633,049
Other liabilities and other payables	35	1,991,785	2,804,292
Total Non-Current Liabilities		11,974,496	11,427,134
Short term financial debt	31	1,190,035	1,290,103
Provisions	32	4,060	723
Trade and other payables from commercial activities	34	3,142,107	2,918,744
Other liabilities and other payables	35	608,880	1,010,244
Current tax liabilities	36	200,832	235,404
Liabilities held for sale	27	273,816	-
Total Current Liabilities		5,419,730	5,455,218
Total Liabilities		17,394,226	16,882,352
Total Equity and Liabilities		30,046,652	27,453,017

* See note 2.A) for details regarding the restatement as a result of the Purchase Price Allocation assessment closing during 2023.

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31 December 2023 and 2022

THOUSAND EUROS	TOTAL EQUITY	SHARE CAPITAL	SHARE PREMIUM	RESERVES AND RETAINED EARNINGS	EXCHANGE DIFFERENCES	HEDGING RESERVE	FAIR VALUE RESERVE	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF EDP RENOVÁVEIS	NON-CONTROLLING INTERESTS
Balance as at 31 December 2021	10,174,907	4,802,791	1,599,013	3,275,735	-159,922	-754,882	4,146	8,766,881	1,408,026
Comprehensive income									
– Fair value reserve (equity instruments at fair value) net of taxes	5,607	–	–	–	–	–	5,239	5,239	368
– Fair value reserve (cash flow hedge) net of taxes	-358,252	–	–	–	–	-359,687	–	-359,687	1,435
– Share of other comprehensive income in joint ventures and associates, net of taxes	89,946	–	–	–	-3,043	82,637	10,352	89,946	–
– Reclassification to profit and loss due to changes in control	-29,325	–	–	–	-9,116	-20,209	–	-29,325	–
– Actuarial gains/(Losses)	102	–	–	94	–	–	–	94	8
Exchange differences arising on consolidation	88,656	–	–	–	32,740	–	–	32,740	55,916
– Net profit for the year	817,102	–	–	616,231	–	–	–	616,231	200,871
Total comprehensive income for the year	613,836	–	–	616,324	20,581	-297,259	15,591	355,238	258,598
Dividends paid	-86,450	–	–	-86,450	–	–	–	-86,450	–
Dividends attributable to non-controlling interests	-62,867	–	–	–	–	–	–	–	-62,867
Share capital increase	40,620	–	–	–	–	–	–	–	40,620
Other	-109,381	–	–	-10,138	–	–	–	-10,138	-99,243
Balance as at 31 December 2022	10,570,665	4,802,791	1,599,013	3,795,472	-139,341	-1,052,141	19,737	9,025,531	1,545,134
Comprehensive income									
– Fair value reserve (equity instruments at fair value) net of taxes	-12,882	–	–	–	–	–	-12,541	-12,541	-341
– Fair value reserve (cash flow hedge) net of taxes	858,814	–	–	–	–	856,811	–	856,811	2,003
– Share of other comprehensive Income in joint ventures and associates, net of taxes	-80,172	–	–	–	-117	-76,137	-3,918	-80,172	–
– Reclassification to profit and loss due to changes in control	-5,309	–	–	–	-5,275	-34	–	-5,309	–
– Actuarial gains/(Losses)	55	–	–	52	–	–	–	52	3
Exchange differences arising on consolidation	-15,615	–	–	–	2,474	–	–	2,474	-18,089
– Net profit for the year	459,435	–	–	309,014	–	–	–	309,014	150,421
Total comprehensive income for the year	1,204,326	–	–	309,066	-2,918	780,640	-16,459	1,070,329	133,997
Dividends paid	-20,580	–	-20,580	–	–	–	–	-20,580	–
Dividends attributable to non-controlling interests	-59,122	–	–	–	–	–	–	–	-59,122
EDPR Capital Increase	993,222	317,100	676,122	–	–	–	–	993,222	–
Other changes resulting from acquisitions/sales and equity increases	-29,247	–	–	–	–	–	–	–	-29,247
Other	-6,838	–	–	-6,245	–	–	–	-6,245	-593
Balance as at 31 December 2023	12,652,426	5,119,891	2,254,555	4,098,293	-142,259	-271,501	3,278	11,062,257	1,590,169

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December 2023 and 2022

THOUSAND EUROS	2023	2022
OPERATING ACTIVITIES		
Cash receipts from customers	2,222,156	2,402,923
Payments to suppliers	-811,570	-793,374
Payments to personnel	-239,107	-300,607
Other receipts / (payments) relating to operating activities	-169,791	-203,364
Net cash from operations	1,001,688	1,105,578
Income tax received / (paid)	-157,080	-56,818
Net cash flows from operating activities	844,608	1,048,760
INVESTING ACTIVITIES		
Cash receipts relating to:		
Changes in cash resulting from perimeter variations*	5,046	155,314
Property, plant and equipment and intangible assets	41,739	36,714
Interest and similar income	81,568	41,031
Dividends	40,746	54,616
Loans to related parties	564,957	679,783
Sale of subsidiaries with loss of control	1,380,999	1,476,044
Other receipts from investing activities	22,891	10,938
	2,137,946	2,454,440
Cash payments relating to:		
Changes in cash resulting from perimeter variations**	-71,060	-99,485
Acquisition of subsidiaries	-40,987	-1,169,852
Property, plant and equipment and intangible assets	-4,113,832	-2,349,595
Loans to related parties	-449,867	-718,064
Other payments in investing activities	-203,671	-36,067
	-4,879,417	-4,373,063
Net cash flows from investing activities	-2,741,471	-1,918,623
FINANCING ACTIVITIES		
Payments/receipts related with transactions with non-controlling interest without change of control	-	-
Receipts / (payments) relating to loans from third parties	-5,934	323,438
Receipts / (payments) relating to loans from non-controlling interests	-15,354	-65,542
Receipts / (payments) relating to loans from Group companies	1,223,900	1,481,949
Interest and similar costs including hedge derivatives from third parties***	-78,269	-90,868
Interest and similar costs from non-controlling interests	-1,746	-5,002
Interest and similar costs including hedge derivatives from Group companies***	-111,957	-149,789
Payments of lease liabilities	-61,686	-54,612
Dividends paid	-66,397	-155,052
Receipts / (payments) from derivative financial instruments	-80,027	-147,472
Receipts / (payments) from institutional partnerships in North America	370,866	-77,385
Increases /(decreases) in capital and share premium by non-controlling interests	-38,156	-94,562
Other cash flows from financing activities	4,945	689
Share capital increases/ Decreases	993,222	-
Net cash flows from financing activities	2,133,407	965,792
Changes in cash and cash equivalents	236,544	95,929
Effect of exchange rate fluctuations on cash held	-36,708	72,219
Cash and cash equivalents at the beginning of the period	1,171,932	1,003,784
Cash and cash equivalents at the end of the period	1,371,768	1,171,932

*Refers to the acquisition portfolio (see note 6 and 42).
**Refers mainly to sale transactions (see note 6, 9 and 27)
***Net of interests capitalized

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during the period ending December 31, 2023 are as follows:

THOUSAND EUROS	BANK LOANS*	GROUP LOANS	NON-CONTROLLING INTERESTS LOANS	U.S. INSTITUTIONAL PARTNERSHIPS	DERIVATIVES **	TOTAL
Balance as of December 31, 2022	1,322,457	4,758,186	100,302	2,212,162	65,666	8,458,773
Cash flows						
– Receipts / (payments) relating to loans from third parties	-5,934	–	–	–	–	-5,934
– Receipts / (payments) relating to loans from non-controlling interests	–	–	-15,354	–	–	-15,354
– Receipts / (payments) relating to loans from Group companies	–	1,223,900	–	–	–	1,223,900
– Interest and similar costs including hedge derivatives from third parties	-70,063	–	–	–	-8,207	-78,269
– Interest and similar costs from non controlling interests	–	–	-1,746	–	–	-1,746
– Interest and similar costs including hedge derivatives from Group companies	–	-55,544	–	–	-56,413	-111,957
– Receipts/ (payments) from derivative financial instruments	–	–	–	–	-80,027	-80,027
– Receipts / (Payments) from institutional partnership in North America	–	–	–	370,866	–	370,866
Changes of perimeter	-116,676	–	–	-166,754	9,459	-273,971
Exchange differences	-3,015	-110,692	2,159	-78,032	-3,058	-192,638
Fair value changes	–	–	–	–	76,864	76,864
Accrued income/expenses(***)	119,371	99,767	4,100	–	55,163	278,400
Unwinding	–	–	–	81,058	–	81,058
Changes in U.S. Institutional Partnerships related to ITC/PTC	–	–	–	-231,055		-231,055
Balance as of December 31, 2023	1,246,140	5,915,617	89,461	2,188,245	59,447	9,498,910

*Net of collateral deposits
**The Group considers as financing activities all derivative financial instruments excluding derivatives related with commodities;
***Net of interest capitalized

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EDP Renováveis, Sociedad Anónima (hereinafter referred to as “EDP Renováveis” or “EDPR”) was incorporated in Spain on 4 December 2007. Its main corporate objective is to engage in activities related to the electricity sector, namely the planning, construction, operation and maintenance of electricity generating power stations, using renewable energy sources, mainly wind and solar. The registered offices of the company are located in Oviedo, Plaza de la Gesta 2, Spain. On 18 March 2008 EDP Renováveis was converted into a company incorporated by shares (Sociedad Anónima).

The Company belongs to the EDP Group, of which the ultimate parent company is EDP Energias de Portugal, S.A., with registered offices at Avenida 24 de Julho, 12, Lisbon. As at 31 December 2023, EDP Energias de Portugal, S.A through its Spanish branch EDP S.A. – Sucursal en España Energías de Portugal S.A. ("EDP Branch") held a qualified shareholding of 71.27% (74.98 %as at 31 December 2022) of the share capital and voting rights of EDPR and 28.73% (25.02% as at 31 December 2022) of the share capital was free floated in the Euronext Lisbon.

As of 31 December 2023, EDP Renováveis S.A. directly holds a 100% stake in the share capital of the following companies: EDP Renewables Europe, S.L. (EDPR EU), EDP Renewables North America, LLC (EDPR NA), EDP Renewables Canada, Ltd. (EDPR Canada), EDP Renováveis Brasil, S.A. (EDPR BR), Colombian companies Eolos Energía S.A.S. E.S.P., Vientos del Norte S.A.S. E.S.P., Solar Power Solutions S.A.S. E.S.P, Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P, Vietnamese company EDP Renewables Vietnam Ltd., Singaporean companies Trung Son SG Pte. Ltd., Sunseap Group Pte. Ltd., Chilean company EDP Renewables Chile SpA. and the Mexican company Parque Solar Los Cuervos, S. de R.L. de C.V. Refer to note 6 for the changes in the perimeter.

During 2022, following the acquisition of Sunseap by EDP Renováveis S.A. and consequent entry into the Asian Market, EDP and CTG updated the Strategic Partnership Agreement (concluded in December 2011). This update aims to make the growth strategies of both companies more flexible, ensuring the application of the most demanding corporate governance standards in their future relationships.

The Group essentially operates in the European (Spain, Portugal, Poland, Romania, France, Italy, Greece, UK and Belgium), American (U.S., Brazil, Canada and Mexico) and Asian (Vietnam, Singapore, Taiwan, China, Thailand, Japan and Cambodia) energy sectors.

EDPR Group is currently developing wind and solar onshore projects in other countries such as, Germany, Netherlands, Chile, Colombia, Hungary, South Korea, Indonesia, Philippines and Australia. Further, EDPR Group signed an agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L. (Ocean Winds), in fixed and floating offshore wind business. This entity is the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide.

EDP Renováveis Group, through its subsidiaries has an installed capacity, as follows:

INSTALLED CAPACITY MW	31 DEC 2023	31 DEC 2022
United States of America	6,891	6,025
Spain	2,042	2,166
Portugal	1,413	1,168
Brazil	1,165	1,114
Poland	798	733
Romania	521	521
Mexico	496	496
Canada	427	130
Italy	412	295
Vietnam	402	405
Singapore	315	230
France	244	214
China	123	44
Chile	83	-
Greece	80	45
Taiwan	43	32
Belgium	11	11
Netherlands	9	-
Thailand	7	1
United Kingdom	5	5

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installed capacity, attributed to EDPR, as follows:

INSTALLED CAPACITY MW	31 DEC 2023	31 DEC 2022
United States of America	592	592
Spain	120	156
Portugal	20	31
APAC	16	15
Rest of Europe	322	311
	1,070	1,105

Regulatory framework for the activities in North America

EDP Renewables operates in most of the electricity markets in the U.S., Canada, and Mexico. The nature of regulations and market rules vary from market to market with different degrees of influence from Federal and State/Provincial regulators in each market. The opportunities and constraints for EDPR assets and prospects are significantly defined by these regulations and market rules.

Regional Transmission Organizations ("RTO"), Independent System Operators ("ISO") exist throughout much of North America to operate a region's electricity grid, administer the region's wholesale electricity markets, and provide reliability planning for the region's bulk electricity system. RTOs carry additional responsibility for the region's transmission network. U.S. markets with RTOs and ISOs fall under greater Federal influence through the Federal Energy Regulatory Commission ("FERC") which results in more transparent tariff and market rules.

Regulation and market rules for regions not in RTO/ISO footprints tend to be influenced by various combinations of entities including State regulators, vertically integrated utilities, municipal governments, and Federal Agencies. In Canada, the regulatory framework varies depending on the particular Province or Territory. Provincial regulators have jurisdiction over their province's energy generation, intra-provincial transmission, distribution, retail pricing and wholesale markets (if such markets exist).

In general, EDPR seeks to build assets in North American markets where long-term contracts are available for the bulk of the output of its generation facilities. In addition to electrical power, our facilities can produce capacity and ancillary services in regions with demand for these products. Many states have enacted Renewable Portfolio Standards ("RPS") require obligated entities to provide a certain percentage of their energy supply from qualifying renewable sources, similar to the Renewable Energy Directive in the EU. In Canada, Provincial Governments have required utilities to procure supply from renewable facilities with programs such as Ontario's Large Renewable Procurement Programs. Over the last few years, U.S. states have expanded these targets such that renewable portfolio standards in over fifteen states require 50% or more of their energy supply to be delivered via renewable resources in the next ten to twenty years. Further, more than ten states have set requirements to achieve 100% clean energy supply by 2050. Certain facilities within the EDPR wind and solar portfolio, given their location, produce renewable energy credits ("REC"), certificates of clean energy ("CEL") and other environmental attributes which are typically sold, along with the energy, capacity, and ancillary services, from the plants under long-term contracts. These RECs generated via renewable production may also be sold separately from the wind and solar generation, if not already included in the long-term contracts. The party owning the RECs is solely entitled to the benefits of the environmental attributes.

U.S. federal, state and local governments have established various incentives to support the development of renewable energy projects. Included in these incentives are the Investment Tax Credit ("ITC"), Production Tax Credit ("PTC"), cash grants, and tax equity financing. Pursuant to the U.S. federal Modified Accelerated Cost Recovery System, wind and solar projects are fully depreciated for tax purposes over a five-year period even though the useful life of such projects is generally much longer than five years.

Owners of utility-scale wind facilities are eligible to claim the ITC upon initially achieving commercial operation or PTCs for generation from qualifying facilities. The PTC is awarded based on the volume of electricity produced by the wind facility during the first ten years of commercial operation. This incentive was established by the U.S. Congress as part of the 1992 Energy Policy Act and has been extended several times, most recently as part of the $1.4 trillion omnibus and COVID-19 relief package. The ITC and PTC levels for a given facility depend on that facility's start of construction date and commissioning date and remain fixed at this level for the first ten years of operation.

The COVID-19 crisis continued to create challenges for clean energy companies seeking to advance the development of wind and solar projects. Delays in equipment manufacturing, shipment deliveries, work stoppages, and labour force restrictions, among other things, caused project development and construction timelines to slip and created some risk of projects not meeting their safe harbor deadlines for placement into service.

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The U.S. Department of the Treasury (Treasury) determines eligibility under the federal law

qualifying for the tax credit available in the year construction commenced, so long as the project subsequently was placed in service within a certain period of years.

Guidance from Treasury (issued 20 June 2020) continues to apply:

- Extends the placed-in-service safe harbor to six years for facilities that began construction in 2016, 2017, 2018 or 2019;
- Extends the placed-in-service safe harbor to five years for facilities that began construction in 2020; and,
- Provides that taxpayers not relying on the continuity safe harbor may demonstrate continuity by using the "continuous efforts" standard rather than the more restrictive "continuous construction" standard, regardless of whether the project started construction under the physical work pathway.
- Qualifying equipment procured in 2016 can now be deployed in 2022 and be eligible for the full PTC (previously it would have had to be deployed in 2021); and
- Qualifying equipment procured in 2017 can now be deployed in 2023 and be eligible for the 80% PTC (previously it would have had to be used in 2022).

In January 2022, the Biden Administration's first year came to a close. The key component of the Administration's domestic agenda, "Build Back Better," which would have extended existing renewables tax credits and expanded credit eligibility among other policies, was rejected by Senator Manchin (D-WV) in a statement published in December 2021. Without this 50th Senate vote, the omnibus did not pass. The tax credits are still being considered as part of the budget reconciliation process, though the scope of policies included is unclear – it may range from a simple production tax credit (PTC) and investment tax credit (ITC) extension to the introduction of a direct-pay provision – and economic concerns over rising inflation and gas prices have emerged as top political priorities. Despite these headwinds, several appointees are advancing energy transition goals. Secretary Haaland of the Department of the Interior announced the "Offshore Wind Path Forward" plan to organize as many as seven offshore wind lease auctions by 2025, including the February 2022 New York Bight lease sale.

In May 2022, President Biden also announced his intent to nominate FERC Chairman Richard Glick to a second five-year term. Glick's current agenda includes overhauling transmission planning and generation interconnection rules and better incorporating distributed energy resources in wholesale markets.

In June 2022 President Biden signed an Executive Order protecting southeast Asian solar PV panel imports for the next 2 years from any additional tariff resulting from the Department of Commerce's Anti-Dumping and Countervailing Duty (AD/CVD) tariff investigation, as well as authorizing use of the Defence Production Act (DPA) to increase domestic manufacturing of five clean energy technologies including solar PV panels.

In August 2022, President Biden signed into law the Inflation Reduction Act of 2022 (IRA2022). For renewable energy development, the IRA2022 supports expansion of the domestic supply change for clean energy technologies, especially solar panel production, as well as providing major extensions and improvements to the ITC and PTC while making these incentives available for a wider set of technologies. The Act also allows improved transferability of the tax credits.

Prior to the IRA2022, the maximum ITC was set at 30% of qualified solar project capex, with the declining according to a defined schedule depending on year when construction began and the ultimate date of commercial operation. The IRA2022 changes the rate structure making projects eligible for a base rate along with bonuses on top of that base rate that depend on certain criteria being satisfied related to the nature of labour and materials used in construction of the project along with location specific criteria. The base rate set the ITC at 6% of qualified costs. Labour requirements include the payment of prevailing wages during construction and during any repairs and the employment of a specified percentage of qualified apprentices. Meeting the labour requirements adds 24% additional ITC on top of the 6% base rate. Building with qualifying materials adds 10% to the project ITC rate if domestic content requirements are met. The location of the project can also add bonuses to the ITC rate with low income and energy communities being favoured with additional 10% ITC bonuses, respectively.

In addition, IRA2022 changes the structure of the PTC similarly. Prior to the Act, the maximum PTC was set at $26 per MWh for wind project generation for the first ten years of project operation. The value of the PTC declined according to a defined schedule also dependent on the year construction started and the date of commercial operation. The IRA2022 changes this rate structure to set the PTC value to a base rate set at $5 per MWh plus bonuses for contracted labour adding $21 per MWh. Use of domestic materials adds $3 per MWh while building in qualified energy communities adds an additional $3 per MWh. Additionally, the PTC becomes technology neutral in 2025 such that solar could receive the PTC in lieu of the ITC.

Regulatory framework for the activities in Spain

The main piece regulating the Spanish electricity sector is Law 24/2013 that replaced Law 54/1997. This law is part of a comprehensive reform of the Spanish energy sector.

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and to guarantee the sustainability of the system in the long term, removing existing deficiencies in the system operation. Specifically, the Law aims at correcting the structural tariff deficit. The law sets principles and provisions governing the electricity sector, with the objective to effectively guarantee the supply of electricity and to adapt it to the needs of consumers ensuring safety, quality, efficiency, objectivity, transparency and electricity at the minimum cost.

As a part or this Energy Reform, Royal Decree-Law 9/2013 was passed in July 2013. The purpose of this Royal Decree-Law was to adopt a series of measures to ensure the sustainability of the electricity system.

In particular, RDL 9/2013 introduced a new legal and economic regime for existing renewable, cogeneration and waste energy facilities. The RDL set the principles governing these facilities, and these principles were then developed by law 24/2013 and Royal Decree 413/2014. In accordance with this new framework, renewable facilities would receive during their operating lifetime, in addition to the remuneration for the sale of the energy valued at the market price, a specific remuneration composed by (i) an "investment premium" and (ii) "an operating remuneration premium" designed to cover the share of a facility's operating costs that could not be recovered by means of energy sales.

The calculation of the aforementioned remuneration shall be carried out on the basis of the standard costs and revenues (initial investment, operation and revenue from the sale of energy) corresponding to a "standard power plant, over the useful regulatory life and based on the business activity that would be carried out by and efficient and well-managed company".

Under this scheme, projects would receive a remuneration guaranteeing a "reasonable profitability" calculated, for the first six-year regulatory period, at "300 basis points above the yield on 10-year government bonds over the last ten years".

The Spanish Government published in June 2014, Order IET/1045/2014, which included the parameters to remunerate the renewable energy assets, under the new remuneration framework. RD 413/2014 confirmed that wind farms that started operations in 2003 (or before) would not receive any further incentive, while the rest of wind farms would receive an incentive calculated in order to reach a 7,398% return. This order describes more than 1,300 possible types of renewables installation, 23 of them corresponding to wind farms of more than 5 MW classified by the year of first operation (from 1994 to 2016).

In October 2015 the Government approved Royal Decree 947/2015 and a Ministerial Order aimed at allowing the installation of new renewable capacity through competitive tenders.

In January 2016, the firstrenewable auction was held. The auction was designed to provide a similar remuneration that the one applying to operating installations (RD 413/2014). Following this framework, tender participants were requested to bid discounts on the "initial investment" (CAPEX) parameter which would then, by being plugged in the formula set by RD 413/2014 determine the "Rinv" (investment premium) that would eventually be awarded.

Following the outcome of the first 2017 tender, the Spanish government decided to launch an additional tender for a maximum of 3 GW. This new tender was held in July, and was opened to wind and solar PV exclusively. Additionally, the royal decree ruling the tender (RD 650/2017) included the possibility to increase the allocated capacity to all capacity bidding the same discount, provided it would not create an overcost to the system. Following this clause, all projects offering the maximum allowed discount were successful (no tiebreaker rule was triggered).

In October 2018, the Spanish Ministry for Energy transition and environment introduced several measures aiming at limiting electricity cost for final consumers and serving as a first step towards the long-term energy transition. The implemented measures include the suspension of the 7% generation tax during a period of 6 months, the facilitation of self-consumption and the administrative extension until March 2020 of the connection rights for the renewable plants awarded in previous year´s auctions.

On 22 November 2019 Royal Decree Law 17/2019 was passed, introducing a series of measures aimed at guaranteeing a stable regulatory and economic framework to encourage the development of renewable energy generation in Spain. The RDL updates the "reasonable return" for renewable generation for the next regulatory period starting on 1 January 2020 at a level of 7.39% for assets before RDL 9/2013 and 7.09% for the new ones.

Another objective of the RDL was to adopt a new regulation governing access to the network in nodes affected by the closure of coal and nuclear power plants and concessions for the private use of water, where new renewable projects could offer an alternative. The grid access to renewable projects in areas affected by the closure of thermal facilities, is based on the technical and economic benefits, as well as the environmental and social ones, in particular job creation.

In January 2020, the CNMC's Circular 3/2020 was approved. The Circular sets the methodology to calculate access fee and removes the former 0.5€/MWh that generators had to pay. A new fee of 0.13741 €/MWh was introduced to remunerate the system operator.

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On 28 February 2020 the final version of the Rinv (investment premium) adjustment was

the adjustment of the OPEX to reflect the removal of the 0.5 €/MWh access fee and (iii) the inclusion of the system operator remuneration.

On 14 March 2020 Royal Decree 463/2020 entered into force, declaring the state of alarm for the management of the health crisis caused by the coronavirus (COVID 19). During extreme situations (among them, health crises) article 116 of the Spanish Constitution allows the executive to declare the state of alarm, a measure that enables it to prohibit the free movement of people throughout the country and to take all steps required to guarantee the supply of food to the nation's markets. It also allows the government to take over the means of production and requisition goods.

Initially the state of alarm was set to last until March 29 but the Congress extended it to June 21. Also, the government toughened the lockdown measures requiring the halt of all "non-essential" activities from March 30 to April 9, including wind farms' construction. Several subsequent Royal Decrees were published during the State of Alarm. These RD included economic and social measures to fight the pandemic effects. Despite the lockdown, several consultations were launched by the Energy Ministry (Hydrogen Strategy, Electric Energy Storage (EES), offshore strategy and FEDER auctions).

Due to the disruption caused by COVID-19, a 2-month extension (from the last day of the state of alarm) of the connection rights expiring on 31 March 2020, was decided. The final version of the Spanish NECP (National Energy and Climate Plan) for the period 2021-2030 was sent to the European Commission.

The Government approved Royal Decree Law 23/2020 of 23 June approving measures in the area of energy and other areas aimed at economic recovery. The objective of this Royal Decree Law is to guide energy policy for economic recovery, financial resource mobilisation and sustainable job creation. In particular, RD/2020 consists of a battery of measures intended to help the energy transition, remove barriers to the large-scale deployment of renewable energy sources and promote energy efficiency.

On 17 July 2020 the Ministerial Order TED/668/2020 was approved, setting the adjusted "Rinv" (investment premium) values for 2018 and 2019, accounting for the temporal suspension of the 7% levy on generation during Q4 2018 and Q1 2019.

The Ministry for the Ecological Transition and Demographic Challenge (MITECO) decided to allocate 316 million euros to support innovative projects that favour the integration of renewable energies in the systems. Different lines of action, drawn up in collaboration with the Autonomous Communities, are expected to contribute to the achievement of the objectives that Spain, in its NECP, has set in this area: doubling the consumption of renewable energy by 2030, and reaching climate neutrality in 2050. Specifically, the Official State Gazette (BOE) published on August 3 set the regulatory criteria to allocate 246 million euros in aid to renewable projects in a competitive competition regime. On 10 September 2020 several tenders were announced in Madrid, Andalucía, Extremadura, Asturias, Castilla La Mancha, Cataluña and Murcia regions. The announced competitive procedures will allocate 80 million euros to renewable projects.

On 4 November 2020, Royal Decree 960/2020 regulating the economic regime for renewable energies for electricity production facilities, was approved. The RD sets the framework for a new scheme for RES investment (including hybrid, energy storage projects and repowering) to be awarded in auctions. It defines some general characteristics of the scheme, although most aspects remain flexible and will need to be defined in lower level legislation. Additionally, it sets the obligation of publishing a 5-years auction calendar.

Regarding the auction mechanism, the RD establishes that the auction product may be power, energy or a combination of both and that auctions would be structured as pay-as-bid ones. A maximum price will be set although it may be confidential and a minimum price may also be introduced. The awarded price will be defined in €/MWh and will not be indexed.

The RD includes the possibility of defining so-called "symmetrical incentives" for market participation. In this case, the price received for the energy sold in each market (day-ahead/intra-day) will be adjusted by a factor applied to the difference between (i) the price of the day-ahead market and (ii) the awarded price.

The tenure of the scheme is set as the sooner of achieving a maximum energy, or 10 to 15 years (exceptionally up to 20 years for technologies with high CAPEX or high technology risk which will need to be defined for each auction).

Following the approval of RD 960/2020, The Ministry for the Ecological Transition and Demographic Challenge (MITECO) approved Order TED/1161/2020 of December 4, 2020 in which it sets the auction mechanism for the first auction. The Order also includes the auction calendar for the next 5 years. Over the next 5 years, the Spanish Government plans to launch tenders for 20GW of renewable power (mainly wind: 8.5GW and solar PV: 10GW) in order to achieve the 60GW target set out in the Spanish National Energy and Climate Plan for 2021-2030.

On 29 December 2020, the Royal Decree on access and connection to the energy transmission and distribution networks (RD 1183/2020) was approved. This Royal Decree establishes the

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principles and criteria in relation to the application, processing and granting of permits for access

renewables, while helping to eliminate inefficiencies and speculative behaviours to ensure the achievement of energy policy objectives.

The first auction under the new auction framework (set by RD 960/2020) was held on 26 January 2021. In total 3,034 MW were awarded: 2,036 MW of solar PV projects (at an average price of 24.47 €/MWh) and 998 MW of onshore wind's (at an average price of 25.31€/MWh). Winning bids were awarded 12-year power purchase agreements (PPAs).

In May 2021, the Spanish Parliament approved a law on climate change and energy transition (Law 7/2021), which will bring the country into line with the EU's goal to become carbon neutral by 2050. As an intermediate target, the law targets to cut emissions 23% by 2030, compared with 1990 levels. Regarding the renewables' sector, the law foresees a reform of the electricity sector aimed at fostering: (i) the participation of consumers in the markets including aggregation and demand response and (ii) investment in variable and flexible renewables, distributed generation and energy storage among others. A fiscal reform Is also foreseen focused on green taxation.

In June 2021, the European Commission adopted a positive assessment of Spain's Recovery and Resilience Plan. The financing will amount to 69.5 b€ in grants and will support the implementation of the crucial investment and reform measures outlined in the Plan. The presented Plan devotes 40% of its total allocation to measures that support climate objectives (sustainable mobility, energy efficiency and deployment of renewable energies, among others).

In June 2021, the government released Royal Decree-Law 12/2021 which adopted urgent measures in the field of energy taxation and generation. The RDL approved the suspension of the 7% generating tax and a reduction of value added tax for electricity bills (from 21% to 10%) until the end of the year. The VAT reduction would be applied to consumers with contracted power <10 kV (if wholesale prices were more than 45€/MWh) and to vulnerable consumers (regardless market prices). These measures come after Spain changed its hourly bands for calculating power bills and amid soaring power prices.

On 16 September 2021, Royal Decree-Law 17/2021 (RDL 17/2021) on urgent measures to mitigate the impact of rising natural gas prices in the retail gas and electricity markets, came into force. In line with the previous Royal Decree-law, the new regulation introduced different measures to cushion the escalation of electricity prices and limit the amount of consumers' electricity bills.

- One of the measures consists in introducing a mechanism to reduce the over-remuneration that certain facilities receive, due to the marginal cost price setting of the energy market
- The RDL also introduced a new type of long-term power purchase auction to be held alongside the wholesale market. In these auctions, certain operators must offer their CO_2-free, manageable inframarginal generation products (not included in the renewables auctions), with a settlement period equal to or greater than one year
- The regulation also includes tax measures. On the one hand, the rate of the Special Tax on Electricity, was reduced from 5.1% to 0.5% until 31 December 2021. On the other hand, it extended the temporary suspension of the tax on the Value of Electricity Production (the 7% levy) to the fourth quarter of 2021.
- In addition, the RDL sets a Minimum Vital Supply for vulnerable consumers by which the cut off of the electricity supply is prohibited to the beneficiaries of the Electric Social Bonus for six months in addition to the four already existing (thus, during 10 months in total).

On 26 October 2021 Royal Decree Law 23/2021 was approved, adopting urgent measures to protect energy consumers and bring transparency into the wholesale and retail electricity and natural gas markets. On the one hand, this RDL increases the discounts of the electricity social bond from 40% to 70% for severe vulnerable consumers and from 25% to 60% for vulnerable consumers until the end of March 2022. The minimum amount of the thermal social bonus for the year 2021 was also increased from 25 to 35 euros. On the other hand, the RDL limits the scope of application of the mechanism to reduce over-remuneration obtained by some generating facilities, regulated in RDL 17/2021. Finally, it contains some measures to strengthen transparency in the electricity and gas markets. The Spanish companies of the Group are therefore excluded from the scope of application of the mechanisms to reduce over-remuneration, since, according to the RDL 23/2021, the Group has derivatives and PPAs to hedge energy sales prices.

The second renewables auction of 2021 was held on October 19, awarding 2,258 MW capacity for onshore wind projects (at an average price of 36.68€/MW) and 866 MW solar PV (at an average of 31.65€/MWh) to the winners.

In January 2022, the High Court resolved on the 2016-2022 social bonus mechanism declaring that imposing the financing obligation exclusively on the retailing companies was against the European legislation. According to the resolution, the government has to give back the financed amounts (except the amounts that have been passed thought the costumers).

In March 2022, a new Royal Decree Law (RDL 06/2022) was published with a comprehensive set of measures to mitigate the effects of the Ukranian war, in particular the impact of rising fuel prices on electricity prices. The RDL mandates an extraordinary RECORE (specific remuneration regime for renewables cogeneration and waste) settlement dated 1st January 2022. The adjustment needs to take into account actual prices in 2020 and 2021 and a new price forecast for 2022.

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rectified in RDL 10/2022: bands remain but from 2023 instead of using only the average day-ahead and intraday prices, forward prices will also be taken into account. Therefore, in 2023, the price will take into account a weighted average of day-ahead market prices (75%), annual forwards (15%) and quarterly forwards (2,5% each). In the following years, the share of forwards will be risen. The RDL also extended the scope of the social bonus (the financing will be borne by generators) and reduced by 80% the access tolls for electro-intensive consumers. Regarding new generation projects, the permitting process for certain projects was streamlined while some provisions to facilitate the deployment of new technologies were introduced (storage, floating PV, hydrogen, and self-consumption projects). Finally, the RDL extended the gas clawback (approved by RDL 17/2021) until 30 June (and included the energy covered by instruments signed after 29th March with a tenure of one year or more and a price above 67€/MWh).

In June 2022, the Spanish government had decided to temporarily reduce the VAT applied in electricity to 10%. After that, Royal Decree-Law 06/2022, stipulated that the reduced VAT would be maintained as long as the price in the wholesale market was higher than 45€/MWh. The Royal Decree also stated that severe vulnerable consumers or at risk of exclusion (therefore, consumers eligible for the social bonus), would still be charged a reduced VAT, even if the price in the wholesale market was less than €45/MWh. In June 2022, the Spanish cabinet (RDL 11/2022) agreed to further reduce the VAT on electricity from 10% to 5%, to counteract the staggering rise in energy prices until 2022 year end. The remaining temporary measures on energy taxes would be also extended until 2022 year end: the rate of the Special Tax on Electricity (that had been reduced 5.1% to 0.5%) and the temporary suspension of the tax on the Value of Electricity Production (the 7% levy). Additionally, the gas price clawback mechanism (approved by RDL 17/2021) was extended until December 2022. This RDL established a rate for non-emitting carbon technologies based on the price of natural gas

In June, the European Commission approved a year-long cap on the price of gas used for power generation. The measure, which applies to both the Spanish and Portuguese markets, will run until May 31, 2023. During the first six months of the application of the measure, the actual price cap will be set at €40/MWh. As of the seventh month, the price cap will increase by €5/MWh per month, resulting in a price cap of €70/MWh in the 12th month. The measure will be financed by the "congestion income" obtained by the grid operator as result of cross-border electricity trade between France and Spain and a charge imposed by Spanish and Portugal on buyers benefiting from the measure.

In October 2022, a security of supply strategy (the so-called "Plan + Seguridad Energética") was released. Regarding renewables, the plan includes provisions regarding guarantees of origin for renewable gases, a new 2024-2029 transmission grid plan, a new regulatory framework to promote offshore wind and fiscal incentives for fuel switching to renewables.

In October 2022, the Royal Decree Law 18/2022 was approved, releasing a new set of measures applying to the energy sector, including the extension of the gas clawback scheme until 31 December 2023.

In December 2022, a new tax for energy operators was approved. This tax will apply in 2023 and 2024 (based on 2022 and 2023 turnover) to energy operators with a turnover over 1 billion Euros in 2019. Tax would be charged at a 1.2% rate on the net amount of last Fiscal Year's turnover (this will include the tax groups income derived from its activities carried out in Spain, excluding the income derived from regulated activities). The windfall tax would apply as from 1st January 2023 and 2024, and the payment would be due within the first 20 days of September, with an interim assessment of 50% of the levy within the first 20 days of February.

In December 2022, was approved the Royal Decree-Law 20/2022 related to measures to respond to the economic and social consequences of the war in Ukraine and also certain fiscal measures were approved. On the one hand, the application of the 0.5% tax rate of the Special Tax on Electricity was extended until 2023 year end. On the other hand, the temporary suspension of the Tax on the Value of Electricity Production was also extended until 2023 year end. Regarding permitting, sets for the next 18 months the suspension of administrative procedures for projects that had requested grid access in nodes that have been later listed for network capacity tenders, except for requests related to hybridization of existing renewable plants.

The above RDL provides a new simplified procedure for the environmental assessment of renewable projects ("Determinación de Afección Ambiental") where deadlines are reduced with respect to the existing procedure ("Declaración de Impacto Ambiental") applicable to projects that request administrative authorization from 28 December 2021 up to 31 December 2024. In addition, a simplified procedure for the administrative authorization is developed for projects with approved environmental assessment.

In June 2023, Royal Decree-Law 5/2023 (RDL 5/2023) was published, with important amendments on citizen energy communities, incentives for electrification and the adaptation of administrative milestones, among others. In particular, the RDL includes a 6-month extension of the term for the accreditation of obtaining the authorization for the construction of electricity generation and storage facilities. This is relevant as in Spain there are around 43 GW of renewable projects that must obtain the construction authorization before July 25 or restart all the administrative process after obtaining access permits and connection to the grid again, in accordance with the milestone calendar established by RDL 23/2020.

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forecasts to be used in the estimation of the RInV in the 2023-25 semi-period.

In December 2023, the Council of Ministers approved Royal Decree-Law 8/2023 The main impacts are related to the VAT on electricity, which will be raised from 5% to 10% in 2024 and the IVPEE (Taxation on the Value of Production of Electrical Energy) which will be gradually raised up to is 7% level. Similarly, the Special Tax on Electricity, which was reduced to 0,5% will gradually come back to its 5,11% level.

Regulatory framework for the activities in Portugal

The principal pieces of legislation regulating the Portuguese electricity sector are Decree-Law 29/2006 of 15 February 2006 (amended by Decree-Law 215-A/2012) and Decree-Law 172/2006 of 23 August 2006 (amended by Decree-Law 215-B/2012).

The legislative framework for renewable energy is primarily contained in Ministerial Order 243/2013 of 2 August 2013, which sets out the terms, conditions and criteria for the licensing of electricity generation under special regime with guaranteed remuneration.

The Portuguese legal provisions applicable to electricity generation from renewable resources are currently established by Decree-Law 189/88 dated 27 May, as amended by Decree-Law 168/99 dated 18 May, Decree-Law 312/2001 dated 10 December, and Decree-Law 339-C/2001 dated 29 December. Also relevant is Decree-Law 33-A/2005, dated 16 February 2005 ("DL 33-A/2005"), which establishes the remuneration formula applicable to energy produced by renewable sources (this is, the formula to calculate the feed-in tariff).

In September 2012 and after months of negotiations, the Portuguese wind industry reached an agreement with the Portuguese government to extend the existing feed-in tariff regime in exchange of an upfront payment.

Following the agreement, the Portuguese Government published a decree articulating its terms, the Decree Law 35/2013. The Government proposed four alternative tariff schemes to be chosen by wind developers. EDPR and ENEOP chose a 7-year extension of the tariff defined as the average market price of previous twelve months, with a floor of 74€/MWh and a cap of 98€/MWh to be updated annually with inflation from 2021 onwards, in exchange of a payment of 5.800€/MW from 2013 to 2020.

The Environment and Energy Ministry published in July 2014, Decree Law 94/2014 that allowed wind operators to increase the capacity of their operating wind farms up to 20%. The additional production generated by the increased capacity is remunerated at 60 €/MWh, whilst the remaining production is remunerated following the feed-in tariff scheme.

The Portuguese government, in its 2019 Budget, included an extension of the special energy tax (so-called CESE) to renewables. However, renewable facilities with licenses granted through public tenders are exempted. In line with the 2019 Budget, the 2020 State Budget envisaged that small producers (up to 20 MW) would be exempted from paying the CESE. Also, passive subjects with more than 60 MW under tariff schemes would also be exempted from paying the tax.

On 31 January 2019 Portaria 43/2019 on over-equipment "sobrequipamientos" ("SE") was published. The new Portaria set a new remuneration scheme for SE of 45€/MWh (non-indexed values) for 15 years, period after which the SE would be under the ordinary regime not being entitled to be under the tariff extension scheme set by D-L 35/2013. The new scheme exempts developers from requesting ERSE authorization to the SE.

On 3 June 2019 the DL 76/2019 was published. This DL is a comprehensive review of the legal basis of the Portuguese electricity sector. Regarding new renewable capacity, the Decree changes the order in which grid capacity reservation and production license are obtained. New projects will need to obtain the title of grid capacity reservation prior to applying for the production license. The Decree also introduces three ways to obtain grid capacity reservation, being one of them through competitive tenders.

Portugal launched its first utility-scale renewable energy auction in July 2019, for 1.4 GW of solar PV capacity. Developers could present two kinds of offers: one with a fixed price below €45/MWh and another with a variable tariff which included a requirement to pay compensation to the electricity system, depending on spot market power prices. Both systems would have a 15-year length.

In December 2019, the DGEG (Direção-Geral de Energia e Geologia) released regulation of the Licensing Monitoring Committee (Comissão de Acompanhamento dos Processos de Licenciamento) of the solar PV plants resulting from the 2019's Auction. This Committee was set up with the aim of contributing to the fulfilment of the obligations arising from the tender procedure, in particular regarding the deadline for obtaining the licence

In Portugal, a GO (Guarantees of Origin) system was launched starting in March 2020. Registration shall be compulsory for renewable producers above 5 MW and high efficiency cogeneration. Until 2021YE, renewable plants <1 MW and self-consumption ones will be exempted.

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Presidential Decree no. 14-A/2020, of 18 March, as authorized by the Parliament's Resolution no. 15 A/2020, of 18 March 2020. DGEG suspended all deadlines linked to licensing procedures for all electrical projects after 16 March 2020. In particular, this suspension comprehends the deadlines for any administrative proceeding to be performed by solar promoters with projects awarded in the first solar auction (June 2019). The Emergency State was lifted on 2 May 2020 and replaced by the Calamity State.

On 27 March 2020 a new solar auction was announced by the Energy Secretary of State. Developers had to choose one of the following three remuneration schemes:

- A fixed guaranteed tariff structure, where the bids expressed a discount to a reference price, in €/MWh. Awarded projects would enter into an hourly two-side CfD with OMIP for 15 years. The CfD would be settled based on the actual price captured by the specific plant.
- A market scheme where the promoters bid for a contribution made to the National Electric System ("SEN") and where the promoters that bid the largest contributions would be awarded with the capacity title. Participants would then commit to pay this quantity for 15 years and their projects would get their revenues from participating in the electricity market on a merchant basis.
- A new system consisting of a market scheme for power plants incorporating a storage system, in which participants bid the value of the capacity payment that would like to receive in €/MW (MW of connection capacity). In exchange, they shall sign a "one-side" CfD contract ("available contract") with REN to protect the system against price spikes events.

On 31 March 2020 Law 3/2020 accompanying the State Budget was published setting the main policies and investments for the 2020-23 period. In terms of energy, the path to carbon neutrality in 2050 is set by confirming the 55% emission reduction target in 2030, promoting regional guidelines for carbon neutrality and envisaging the development of 5-year carbon budgets. Also, the main goals of the Portuguese National Energy and Climate Plan (NCEP) are also confirmed by the Law (preparation works for coal phase out, installations of 2 GW of solar PV in the next 2 years, reinforcement of existing onshore, promotion of hybrid and Energy storage, offshore wind, hydrogen, etc.).

Energy efficiency, e-mobility and economic incentives for decarbonization are also among the government priorities. On July 10 the Ministry Council officially approved the NCEP setting 2030 Renewable targets. The Plan commits to a 47% RES contribution that translates into 80% RES-E. According to the NCEP, Portugal expects to reach 9.3 GW of wind and 9 GW of solar PV by 2030.

Additionally, on 9 June 2020 the Council of Ministers approved the Supplementary Budget for 2020. The proposed law amends the State Budget law for 2020, allowing the materialization of the Economic and Social Stabilization Program.

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DL 35/2013 introduced the tariff extension regime for wind producers: in exchange of 5.8 k€/MW payment from 2013 to 2020, producers were entitled to enter a cap and floor regime of 74 and 90 €/MWh during seven years once the initial tariff is exhausted. Both payments and cap and floor values were subject to indexation:

- From 2023 to June 2020 based on the Kn factor, which envisages an annual adjustment for the difference between CPI and 2%
- After June 2021 with CPI, applied over the reference value

So far, ERSE has applied literally the indexation formulas, that is, individually on each year, without cumulation. Despacho n.º 6304/2021, published in June 2021, set that kn shall be applied on a cumulative basis, meaning that in 2020 the initial floor value of 74 €/MWh would change to 66 €/MWh. The Despacho mandated ERSE to regularize payments and to apply the new methodology in the next update to be applied already in July 2021.

The European Commission adopted in June 2021 a positive assessment of Portugal's Recovery and Resilience Plan. The Plan total 13.9 b€ of grants and 2.7b€ in loans and devotes 38% of its total allocation to measures that support climate objectives. This includes investments to finance a large-scale renovation programme to increase the energy efficiency of buildings or the promotion of energy efficiency and the use of alternative energy sources in industrial processes.

In January 2022, a new Decree Law governing the functioning of the SEN (National Energy System) was approved. The legislation had been under public consultation. The new DL has been structured into five fundamental axes, namely the administrative activity of control of the activities of the SEN, networks planning, the introduction of competitive mechanisms for the exercise of the SEN's activities, the active participation of consumers in generation activities and in markets, and, the legislative framework for the development of new realities (such as repowering, hybridization and storage). The DL also transposes into national law EU directive 2019/244 regarding internal electricity market rules and the Renewable Energy Directive.

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agreement and auction) and includes a payment of 1,5k€/MW in the general case and an obligation to install self-consumption devices for the municipalities equivalent to 0.3% of the connection capacity (or a compensation of 1.5k€/MW). Also, the DL includes deadlines to obtain production licenses and set the obligation to generators to present a "decommissioning plan" for the facility. Repowering of power plants is allowed up to 20% or more, until the NECP targets are achieved (and the original remuneration scheme can be kept by the repowered assets).

In April, the first floating PV auction was held in Portugal. The auction intended to grant 263 MVA of connection capacity in 7 different lots with sizes ranging from 8 to 100 MVA. Under the auction, two modalities were possible: a contract-for-difference or a contribution to the SEN. EDP was awarded the Alqueva lot (70 MVA).

In April the Decree-Law 30-A/2022 was published, providing for exceptional measures to ensure the installation of renewable and storage capacity, hydrogen facilities and electricity transmission and distribution infrastructures. In line with the measures recommended by the European Commission (namely the REPowerEU Plan), the DL states that the Environmental Impact Assessment (IEA) of electricity generation projects, up until then, always mandatory, will only occur at the request of the licensing authority when there are indications that the project may cause significant impacts on the environment. The DL also aims to streamline administrative procedures for the issuing of opinions and authorisations within the IEA producer or in the analysis of environmental impacts. Regarding wind projects, the DL allows existing projects to inject all their production (without the limit of the administratively allocated injection capacity) as to guarantee the maximum possible production according to the installed power of each generation unit.

In June, the European Commission approved a year-long cap on the price of gas used for power generation. The measure, which applies to both the Spanish and Portuguese markets, will run until May 31, 2023. During the first six months of the application of the measure, the actual price cap will be set at €40/MWh. As of the seventh month, the price cap will increase by €5/MWh per month, resulting in a price cap of €70/MWh in the 12th month. The measure will be financed by the "congestion income" obtained by the grid operator as result of cross-border electricity trade between France and Spain and a charge imposed by Spanish and Portugal on buyers benefiting from the measure.

On 19th October 2022, a new Decree Law (DL 72/2022) was published, containing exceptional measures for the development of renewables and energy storage. The Decree Law (DL) amends DL 30-A/2022 (approved in April 2022), including additional measures. In terms of permitting, the DL focuses on the licensing of urban development operations (building process). Projects below 1 MW (or equal to 1 MW) will not need approvals (only a responsibility declaration will be required). Projects above 1 MW will need to be communicated and all the documentation will need to be shared with municipalities. Municipalities will have 8 days to reject the project (only a pre-defined list of reasons may apply) or ask for more information. In any case, the rule of tacit approval applies. In addition, this DL introduces a new compensation for municipalities (a compensation of 13.5k€/MVA of connection capacity will be granted and funds will be provided by the Environmental Fund). According to the DL, agreements between the TSO and developers for infrastructure reinforcement will prioritize projects that already have a positive or conditioned positive EIA. Also, the test period for projects of the 2019, 2020 and 2021 solar PV auctions will be increased by 12 months (from 12 to 24 months) in order to allow producers to benefit from a longer merchant exposure period (provided that producers respect their COD deadline). Finally, the regulation allows FITs and CfD strike prices awarded in auctions to be exceptionally indexed to CPI from the year of award to the actual COD.

On 7th December 2022, the Council of Ministers approved the decree-law that initiates the reform and simplification of licensing in environmental matters, through the elimination of redundant licenses, permits and procedures. Through the reduction of administrative burdens, the DL intends to simplify the permitting procedure, and boost investments, without prejudice to compliance with environmental protection rules. For instance, Portugal is to cease requiring environmental impact assessments (EIA) for some wind, solar and green hydrogen facilities, from March 2023. Hydrogen and PV installations that occupy surfaces of less than 100 hectares, as well as wind turbines that are separated by more than 2 kilometres, will not need environmental approval. This regulation is part of the first package of the so-called "Simplex" licenses, which is a package of measures to amend the environmental rules for the development of hydrogen and renewable energy projects.

During the first half of 2023 several amendments were approved related to the "Simplex" framework.

The Portuguese government unveiled in June 2023 the draft of the revised National Energy and Climate Plan (NECP), which is now subject to public consultation. The new plan raises the renewable target from 47% (in the previous version) to 49% by 2030. In the electricity sector, the target is raised to 85% (from the previous level of 80%), driven by a strong deployment of renewables and solar DG.

Regulatory framework for the activities in France

The electricity sector in France is primarily governed by Act 2000-108 passed on 10 February 2000, which constitutes the general legislative framework for the operation of generation facilities.

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their energy with électricité de France (EDF), the national incumbent. The tariffs were initially set in 2006, then updated in the "Arrêté du 17 novembre 2008" at the following level: i) during the first ten years of the EDF Agreement, EDF would paid a fixed annual tariff, set at €82/MWh for wind farms that had made the application in 2008 (after 2008, this tariff was updated using an inflation-related index); ii) During years 11 to 15 of the EDF Agreement, the initial tariff would be revised considering the load factors achieved by the facility iii) After year 16, no specific support scheme would be granted (wind farms would need to sell the energy in the market and would receive market prices).

In July 2015, the "Energy Transition Bill", whose aim was to build a long-term and comprehensive energy strategy, was passed. In 66 articles, the bill included ambitious emission reduction targets while it also targeted to reduce fossil fuels use (including nuclear). Regarding renewables, the Energy Transition Bill increased the renewable target up to 32% by 2030.

A new Contract-for-difference (CfD) was released in December 2016 in line with the European "Guidelines on State aid for environmental protection and energy 2014-2020". According to this new scheme, wind farms having requested a PPA in 2016 would receive a 15-years CfD, being the strike price (and the terms of the tariff) very similar to the previous feed-in tariff.

From 2017 onwards, wind farms of more than 6 wind turbines (and more than 3 MW per turbine) would need to participate in competitive tenders to obtain a 20-year CfD. The first tender was held in November 2017. However, smaller wind farms (with 6 turbines or less, and 3 MW per turbine or less) would be exempted from participating in tenders.

On 27 November 2017, the "Pluriannual Energy Planning" (PPE) was released. According to the PPE, 40% of the energy would be produced from renewable sources by 2030.The PPE included different targets for renewables: 35.6-44.5 GW of solar capacity, 34-35.6 GW of onshore wind and 4.7-5 GW of offshore wind, by 2028.

On 29 November 2017, the government approved the Décret 2018-1054 aimed at accelerating legal procedures following claims against the administrative authorization of wind farms. In particular, the Decree removes the two-level court system in the event of litigation.

The third offshore round took place in March 2019 with all major players participating (grouped in 10 consortiums).

The French Parliament approved on 26 September 2019 the so-called "Energy and Climate Law", committing the country to carbon-neutrality by 2050. The adoption of the Energy-Climate law constitutes a major step toward achieving the government's ambition to address climate change by becoming carbon neutral by 2050. This objective represents a reduction of France's greenhouse gas emissions by a factor of more than six compared to 1990's emission level. In order to achieve carbon neutrality by 2050, the Energy-Climate law provides for the reduction of fossil fuels consumption by 40% by 2030 (instead of the previous 30% target) and for the end of coal-based electricity generation by 2022. The law provides that the share of nuclear in the electricity mix should be reduced to 50% by 2035.

Regarding wind energy, the law redefines the authority responsible for permitting onshore wind projects. Concerning offshore wind, the law also includes a higher target of auctioning 1 GW of capacity until 2024 (doubling the volumes defined by France's initial energy plan published in January 2019).

A new version of the PPE (Programmation Plurianuelle de l´Énergie) was approved in 2020, in line with the final version of France's NECP (National Energy and Climate Plan). It increased offshore wind targets vs. the previous version whilst decreased solar PV's. In total, the PPE sets that France will need to achieve between 33.2 and 34.7 GW of onshore wind in 2028, 5.2-6.2 GW of offshore wind and 35,1-44 GW of solar PV. The PPE also includes a schedule of tenders to be held between 2020 and 2034.

The French Assemblée Nationale approved on 21 March 2020, a law introducing the "State of health emergency" during the coronavirus pandemic. The law includes measures limiting private liberties (such as lock-downs and requisitions) and contains provisions regarding postponing the second round of the French municipal elections, economic measures to support the economy and other measures impacting the French justice and labour law. Measures easing restrictions across the country were applied from May 11. Economic rescue packages could amount to up to 110 billion euros, and will include guarantees, loans, moratorium on debt repayments, among others. In the renewables sector, extensions of several deadlines have been envisaged to cope with delays and the sector has itself been declared "strategic". Test periods for CR16 and CR17 projects have been extended 3 months. Additionally, a 7-month extension of COD deadlines has been announced but will be restricted to wind and solar projects with (i) COD initially scheduled after March 12th, (ii) remuneration scheme granted before or during the period March 12 to June 23 and (iii) nominal capacity less than 200 MW.

On 8 September 2020 France published a hydrogen commitment, exceeding previous European national strategies, by pledging 6.5GW of electrolyser capacity by 2030. The plan came after the French government announced an economic recovery plan due to the coronavirus outbreak of €100bn, including €30bn entirely devoted to ecological transition. The newly hydrogen strategy

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According to it, the EU will disburse 39.4 b€ in grants. The Plan devotes 46% of the total allocation to measures that support climate objectives. It features significant investments in R&D and innovation, in particular in the field of green technologies that should promote they deployment of renewable hydrogen.

In April 2021, the Energy Regulator (CRE) released the new set of rules ("Cahier des Charges") that will govern auctions (both technology-specific and neutral) from the second half of 2021 until 2026. According to the document, there will seven types of tenders for a total of 34 GW of new renewable capacity (including: (i) ground-mounted solar PV, ii) building-mounted solar PV, (iii) onshore wind, (iv) hydro, (v) innovative solar, (vi) self-consumption and (vii) technology neutral tenders). Winning projects will be supported by 20-year CfD. The European Commission gave green light to the Cahier des Charges in August 2021, under the EU State aid rules.

Law No. 2021-1104 on combating climate change and strengthening resilience ("The Climate and Resilience Law") was adopted on 24 August 2021. The law is regarded as a text aiming at supporting the ecological transition by helping France reach its 40% emission reduction targets by 2030. In particular, the law seeks to improve the air quality of large cities, support building renovation, promote electric mobility, among other objectives. Regarding solar PV, a cost reduction for the grid connection of small PV systems is included, and the solarization of new buildings. With regards to onshore wind, the law finally did not include a right for mayors to veto wind projects (they will be mandatorily consulted prior to any work but won´t have a right to veto). Finally, the law includes several provisions seeking to accelerate/streamline renewables development. For example, in order to ensure better implementation of renewable targets, specific targets will be set at a regional level, with local authorities having to implement specific territorial objectives.

In February 2022, the so-called "Law 3DS" was adopted. It allows municipalities to define specific zones for onshore wind deployment by modifying urbanism plans. However, such modifications shall be based on a public consultation and details will be detailed in an upcoming decree.

Two auctions under the 2021-2026 framework were held in the first half of 2022. On April 15th, the second onshore wind auction was held, in which 925 MW were offered in the auction, with a ceiling price of 70€/MWh. On May 20th, the second on-the-ground solar PV was held, offering 700 MW, with a ceiling price of 90€/MWh.

In April 2022, a decree revising eligibility conditions to benefit from the so-called "complement de remuneration" (CR17 scheme) was issued. According to the decree, a 137 meters tip height limit will be introduced, starting the 1st of July 2022 (except for projects from cooperatives or majority-owned by municipalities). Wind farms wishing to be included in the scheme, will need to prove they comply with the civil/military aeronautical restrictions as well. The new eligibility criteria are also extended to repowered assets and storage-collocated ones.

In May 2022, a decree defining the terms of the tender procedure for the development of electricity storage capacities was published. The decree stipulates that once the TSO has received guidelines from the Energy Ministry, it will draw up draft specifications for the call for tenders in compliance the specified conditions and organize then a consultation on the project.

Emergency measures aimed at improving the profitability of renewables were issued during the summer of 2022. These measures have been designed for both tender and CR17 frameworks:

- Regarding tender's: on 30th August, an amendment to previous tenders' specifications was published to allow secured projects (from previous rounds) to sell the energy on the market and extending by 18 additional months the window to start the CfD contract. Therefore, projects with COD up to 31st January 2024 and before the end of their window are allowed to access the market.
- Regarding CR17: on 31st December the revision decree was published and implemented the same measures for projects requested before 1st July 2022 and projects with COD between 1st September 2022 and 31st December 2024.

On 16th November 2022, the Cahier des Charges was once again updated, including new rules for upcoming tenders. As a first measure, ceiling prices applicable to the upcoming rounds will not be disclosed in order to prevent manipulative strategies. Also, the new "K" indexation will be included and applied between the application date and the COD, while the "L" indexation formula (to be applied on an annual basis from the start of operations) is also revised. For wind, the price score formula is revised in order to be the same than the one for PV projects (to reduce the weight on collaborative features). For solar PV projects: (i) all capacities are homogenized as being MWp, (ii) volumes reserved for agricultural projects are increased to 250 MWp and requisites are detailed, (iii) the competition clause is better formulated to cover all cases and (iv) a dismantling guaranteed for projects over 10 MWc is introduced (10k€/MWc).

On 31st December, the Finance Law for 2023 was officially published. In particular, article 54 transposes EU regulations addressing high energy prices through cap prices. These cap prices will apply from June 1st 2022 to June 30th 2023 with a 10% abatement, and from July 1st to December 31st 2023 with an abatement to be defined later by decree. Cap levels are defined by technology, with solar, wind and nuclear being subject to a 100€/MWh cap price. Exemptions are also settled

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prices during these periods. The previous measured has no impact in the EDPR portfolio in France.

In April 2023, a decree enabling wind farms with COD before October 2022 to request a temporary uprise of their output, was published. The request would be possible for up to 1 MW per wind turbine and only until 2023YE. The uprise is not to be achieved by replacing the wind turbine, but only when a higher nominal capacity of the wind turbine had been capped at 3 MW.

In December 2023, the 2024 Finance Law was approved. The Law defines (i) the extension of the clawback in 2024, revalued in line with inflation and with the rate of levy limited to 50% of income in excess of the tax threshold (ii) the creation of a green industry investment tax credits for the production of wind turbines, solar panels, batteries and heat pumps, and (iii) the total de-capping of CR17 contracts liquidations.

Regulatory framework for the activities in Poland

The legislation applicable to renewable energy in Poland was initially contained in the "Energy Act" passed on 10 April 1997, which was subsequently amended in 2002 and 2004.

The Energy Act introduced a Green Certificate scheme with mandatory quotas. According to the scheme, energy suppliers are required to: a) purchase GC and submit them to the Energy Regulator, or b) pay a substitution fee calculated in accordance with the Energy Act. If suppliers fail to meet their obligation (either the submission of GC or the payment of substitution fee), they must pay a fine, equal to 130% of the substitution fee in that year.

The Green Certificate scheme was replaced in 2015 by a new system, consisting in Contracts-for-Difference (CfD) granted through competitive tenders. However, the law guaranteed that the GC scheme would be maintained (with some adjustments) for operating plants. The law also introduced the possibility for operating plants to voluntary shift to the CfD system, through specific tenders for operating assets.

In June 2016, after a long approval process, the so-called "Wind Turbine Investment Act" was approved, including (i) new minimum distance for new wind farms and (ii) higher real estate tax burden.

In July 2017 a new methodology to calculate the substitution fee was approved. According to the new formula, the substitution fee would be calculated every year as 125% of the average CG market price of the previous year capped at 300PLN.

In October 2018, the Energy Regulatory Office published a call for the first auction in Poland in which wind onshore and solar PV with capacity above 1MW could participate to get a 15- year CfD. The first auction was held in November 2018.

Poland's National Energy and Climate Plan (NECP) was sent to the European Commission in December 2019. The Plan targets a 23% share of renewable energy in 2030. In addition, the share of renewables in electricity generation will rise to 32% in 2030. Onshore wind installed capacity could increase up to 9,6 GW in 2030 while offshore wind to 3,8 GW in 2040 and 8 GW in 2040.

On 13 March 2020, the Minister of Health announced a state of epidemiological threat in Poland, which is a legal situation aimed at introducing measures to reduce the spread of COVID-19. Following the announcement, some restrictions were approved, including the prohibition on entering the territory of Poland for foreigners, the obligation of a 14-day home quarantine or the suspension of all international flight and railway connections, among others. The restrictive measures started to be lifted on April 20th. Several economic relief measures, the so-called government anti-crisis shields, were approved since the start of the state of epidemiological threat. In particular, the following ones apply to renewable producers:

- renewable projects awarded in the 2018 and 2019 auctions would benefit from COD extensions (up to 12 months), if some delays are proved (for example, (i) delays in the delivery of equipment that is part of the installation, (ii) in the construction or (iii) the grid connection, among others);
- also, power companies will be obliged to adjust in the grid connection agreements the date of the first delivery, considering the deadlines extensions.

In February 2021, the Polish Government announced the approval of the "Poland's energy policy until 2040", which is based on 3 pillars: a just transition, a zero-emission energy system and a good air quality. According to the document, in 2040, zero-emission sources will constitute more than half of the installed capacity, with special focus on offshore wind and nuclear power plants. Due to the adopted assumptions, the use of coal for electricity production is expected to drop to 37% in 2030 (being the current level 70%) and 28% in 2040.

After months of consultations, the offshore wind law was finally published in February 2021. The law set the regulatory framework for the development of offshore wind energy in the Baltic Sea. The regulation approved a new remuneration scheme for offshore wind, that will be introduced in two phases. In the first one, support will be granted by administrative decision (for a total of 5,9 GW). Then, in a second phase, support will be granted via competitive auctions, with the first auction taking place in 2025.

In May 2021 Poland submitted to the European Commission its National Recovery and Resilience

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EU Commission will now assess the Polish plan within the next months and translate its contents into legally binding acts if all the criteria are met.

A new renewable auction was held in June 2021, awarding CfDs to 1,2 GW of solar PV and 0,3 GW of onshore wind.

In August 2021, new GC quotas for the year 2022 were announced: 18.5% for green certificates (below 19.5% in 2021) and 0.5% for the so-called "Blue certificates" (that confirm that the energy is produced from agricultural biogas).

The President of the Republic signed an Act amending the Renewable Energy Act on 17 September 2021. Key changes include extending the period of auctions for sale of energy from renewables until the end of 2027 (thus, extending CfD maximum delivery date to June 2047) and setting auction volumes for the period 2022-2027 in a single regulation of the Council of Ministers. The law also modifies the period of settling a negative and positive balance (the period is extended from 10 to 15 days) and provides for modified rules for settling positive balances. The Amendment also simplifies the way in which the Spatial Planning and Land Development Act applies to investors. In particular, the Amendment modifies the capacity limit for RES and allows free-standing photovoltaic devices with a capacity of up to 1 MW to be constructed on poor-quality agricultural lands or on rooftops (without capacity threshold), regardless of whether the municipality's study designates such areas as being potential locations of RES investments.

The European Commission approved, under EU State aid rules, these amendments of the Renewable Energy Law.

On 30th March 2022, following the Russian invasion of Ukraine, the polish government announced a plan to abandon the import of energy resources from Russia. According to this plan, renewables and nuclear are expected to become the pillar to achieve energy independence from Russia. As a first step, Poland stopped coal imports from Russia in April 2022. Later, in June 2022, the Polish Prime Minister confirmed that Poland would subsidize coal for domestic use, mainly heating, to control inflation derived from high energy prices. Oil imports would stop by the end of 2022 (although at the end of 2022 Poland kept importing oil from Russia, suggesting that oil ban could be delayed).

The final regulation to reduce green certificates quota from 18,5% to 12% in 2023 was released (OJ 2022 pos. 1566).

A new set of amendments to the RES act was published. It included: (i) the flexibilization of the use of substitution fee by suppliers: new wording allows to pay the substitution fee if the previous 3-month average is above previous year average (previously, if Green Certificates average prices of the previous 3 months and previous year, were below the substitution fee, Green Certificates had to be cancelled); (ii) extension of the deadlines to COD for solar PV plants awarded in auctions (33 months vs previous 24) and (iii) introduction of a new definition of hybrid power plant.

On 13th October 2022, the Council of Ministers adopted the Ordinance on the maximum quantities and values from Renewable Energy Sources that may be sold through auctions in subsequent years 2022-2027.

On 27th October 2022, an Act on Emergency measures was released. It sets a cap on electricity costs for certain consumers to be financed by a clawback mechanism on inframarginal technologies. This clawback is calculated as sum of the volume of electricity sold multiplied by the positive difference between the volume-weighted average market price of electricity sold and the volume-weighted average capped price of electricity sold - for a given day. The cap was originally set at 295 PLN/MWh for non-CfD wind assets and 355 PLN/MWh for PV, applying from December 2022. These caps were increased by 50 PLN/MWh in December 2022, setting new cap at 345 PLN/MWh and 405 PLN/MWh respectively. For assets with a CfD in place, the cap is set at the strike price. The scheme envisages that all revenues above the cap had to be reimbursed to a Fund. However, only PPAs with physical delivery or financial PPA with a final consumer and linked to physical delivery, were finally considered for the purpose.

Poland´s parliament approved an extension of current energy price freezers for households and other consumers until the middle of 2024. However, the regulation confirms that the clawback mechanism won´t continue in 2024.

Regulatory framework for the activities in Romania

A Green Certificate mechanism was introduced in Romania in 2005 to promote renewable energies and to comply with the European renewable targets. According to this scheme, electricity suppliers and industrial consumers are obliged to source a certain amount of GC every year (a fine is applicable if this annual quota is not met). On the other side, renewable generators receive GC by each MWh produced.

Law 220/2008 of November, introduced some changes in the initial GC system, improving the framework for renewable generators. In particular, it increased the amount of GC to be received by wind generators (from 1 GC/MWh to 2 GC/MWh until 2015 and 1 GC/MWh from 2016 onwards). The law also guaranteed that the trading value of GC would have a floor of 27€ and a cap of 55€.

Law 123/2012 of 19 July 2012 on Electricity and Natural Gas eliminated the provision of bilateral contracts not publicly negotiated as a mean to sale electricity. Thus, the trading of electricity could only be carried out on a centralized market.

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GC scheme and in particular:For operating renewable plants: decision to postpone (or "freeze") part of the granted GC:

- wind generators would have 1 GC (out of 2 GC) postponed from trading from 1 July 2013 to 31 March 2017;
- solar generators would have 2 GCs (out of 6 GCs) postponed from trading from 1 July 2013 to 31 March 2017;
- postponed GC would be gradually recovered until 31 December 2020 (starting on 1 April 2017 for solar PV and 1 January 2018 for wind).
- For new renewable plants: decision to reduce the amount of granted GC:
  - wind facilities would receive 1.5 GC/MWh until 2017 and 0.75 GC/MWh from 2018 onwards;
  - solar facilities would only receive 3 GC from 1 January 2014 onwards;
  - these GC could be immediately traded.

On 24 March 2014, the President of Romania approved EGO 57/2013 with the following amendments: (i) Reduction of the GC validity from 16 months to 12 months; and (ii) the obligation for ANRE (Energy Regulator) to communicate in each year the GC quota for the following year. Other amendments were introduced in 2015 by Law 122/2015. Among other changes, the law included: (i) supplier's obligation to purchase GC on a quarterly basis (ii) the inclusion of imported electricity in the GC scheme, and (iii) the removal of the right to receive GC for the electricity sold at negative prices.

In March 2017, the government approved a new emergency ordinance (EGO 24/2017) to further amend the renewable law 220/2008. As expected, the GC scheme was extended until 2031 (GC will remain valid until March 2032). The Ordinance also confirmed the removal of the indexation of the GC parameters (GC floor would remain fixed at 29,4€ and GC cap would be fixed at 35€). Regarding wind energy, the ordinance approved the extension of the GC recovery period from 2018 to 2025, while solar PV's GC postponement was extended until the end of 2024 (the recovery will take place from 2025 to 2030).

The State of emergency was declared on 16 March 2020, through presidential Decree 195/2020. The Decree aimed at controlling the spread of COVID-19. Among others, the Decree included restrictions of certain rights (introducing for example compulsory quarantines). It also included the possibility of price controls for certain goods and/or services (for example, of electricity prices). The State of emergency was subsequently extended until May 16th. During the State of emergency period, the government released several economic relief measures such as extension of payment deadlines for local taxes, a tax debt restructuring program, a reduction of the monetary interest rate, among others.

ANRE published Order 61/2020 of 31 March 2020 stating that negative prices would be allowed from September 2020 in line with Order 236/2019.

Emergency Ordinance 74/2020, amending the Energy Law 123 was approved on 14 May 2020 allowing PPAs signed outside the centralized markets for new renewable projects operating from June 2020.

In June 2020, the Romanian Energy Ministry proposed a Memorandum with the basic characteristics of a potential CfD scheme, addressed at low carbon technologies (renewables, CCS and ESS).

On 9 December 2020 Order no. 213/2020, approving the single imbalance price was finally published on the Official Gazette (in force since February 2021). The methodology introduces a single imbalance price except for those cases when the system is almost balanced when a double price is calculated. The implementation of the new imbalance price was coincident with the 15-minute settlement introduction, in line with EU regulation.

Romania submitted its Recovery and Resilience Plan in May 2021. In September 2021, the European Commission endorsed the Plan, and will disburse €14.2 billion in grants and €14.9 billion in loans under the Recovery and Resilience Facility (RRF). The EC's assessment finds that the plan devotes 41% of the total allocation on measures that support the green transition. It includes measures to phase out coal and lignite power production by 2032.

On 29 October 2021, the Romanian Parliament Endorsed Law 259/2021, which approved and put into action Government Emergency Ordinance 118/2021. The Ordinance immediately came into force on 1 November. It contains measures to alleviate the burden of the current rise in energy price such as direct financial support and a reduction of taxes paid by end-consumers. For example, the Law added a price cap mechanism until 31 March 2022 which applies to household customers and other selected customers (hospitals, NGOs, etc) to cap the final price for electricity to RON 1/kWh and natural gas at RON 0,37/kWh. The differences between the average prices and the capped prices will be reimbursed from the state budget, through a separate budgetary expense.

Also, the Law includes a windfall tax for electricity producers: until 31 March 2022, the additional income obtained by electricity producers and resulting from the difference between the average monthly selling price of electricity and the price of RON 450/MWh will be taxed at 80%. However,

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Law 259/2021, which approved and put into action the Emergency Ordinance 118/2021. The Ordinance immediately came into force on November 1st. It contained measures to alleviate the burden of the current rise in energy price providing direct financial support and a lowering the amount of taxes paid by end-consumers. For example, the regulation set a price cap mechanism until 31st of March 2022 applying to household customers and other selected customers (hospitals, NGOs, etc) to cap the final price for electricity to 1 RON/kWh and natural gas at 0.37 RON/kWh. The differences between the average prices and the capped prices would be reimbursed from the state budget, through a separate budgetary expense. The methodology of the calculation of this tax was clarified in March 2022, with the publication of the Emergency Ordinance 27 (EO 27), which added details and clarifications to the tax calculation methods, specifically including balancing costs and some financial costs. The Emergency Ordinance also extended the measures until March 2023.

In November 2021, Order 117-2021 established a new algorithm for the calculation of the estimated average impact on consumers of green certificates for the following year. The regulation sets that the maximum impact that the consumers would assume in order to support the Green Certificates scheme would be 14.5 €/MWh, but the algorithm uses the previous years' share of excess to slowly reduce the impact on consumers and make the reduction more progressive, with the final objective to allow the termination of the scheme in 2031.

On 31st March 2022, the Romanian Ministry of Energy launched a call for projects under a new scheme for supporting the development of new wind and solar PV plants. The support scheme was launched under Romania's recovery and resilience fund. Total budget amounts to 457M€, of which 382 M€ will be dedicated to wind and solar PV with over 1 MW of installed capacity and 75 M €for wind and solar projects with installed capacity between 0.2-1 MW. About 950 MW of renewable capacity could benefit from this support scheme. Applications to participate in the scheme were submitted between 31 March 2022 and 31 May 2022.

On 20th July 2022, the law 248 was approved. It established that electricity producers are obliged to trade, at least, 40% of the annual electricity production through contracts on the electricity markets, on markets others than PZU (DAM), PI (Intraday) and PE (Balancing Market). The law exempts generation facilities put into operation after 1st June 2020.

On 1st September, 2022, the EO 27/2022 was amended by the EO 119/2022, converting the tax into a Contribution to the Energy Transition fund and extending its application until August 2023. The tax was also increased to 100% and the new EO specified that financial costs and hedges would no longer be considered in the calculation of the tax.

On 23rd November, a new Law was passed in the Parliament to introduce some amendments to the EO 119/2022. The Law extended the application of the EO until 31st March 2025. It also amended the calculation method, including financial hedges in the computation and capping balancing costs at 5% of the realised price. It also provides that offtakers of financial hedges (foreign counterparties of financial hedges) are subject to the Contribution to the Energy Transition Fund, to be withheld by electricity producers, calculated monthly as the difference between the PPA variable price and the 450 lei/MWh cap. It is unclear, however, whether the PPA variable price is the underlying market price or the PPA strike price.

On 8th November, 2022, the Senate adopted the Law approving Emergency Ordinance 108/2022 on decarbonization of the power sector, setting out the coal phase out with closure of mines and generating plants by 2032. The Law sets out a calendar for the closure of coal and lignite mines and generation plants. It also foresees a technical reserve for the period of 2023-2030, with the possibility of postponing the closure of certain capacity under the request and the justification of the TSO. In the event of an energy crisis, the government is also allowed to postpone the closures or restart closed plants. Finally, the law also includes measures for the social and economic development of the local economy and affected regions.

On 11th November 2022, a new Emergency Ordinance was also published, establishing a centralized electricity purchasing mechanism from 1st January 2022 up to 31st March 2025. According to this mechanism, OPCOM would be the energy at 450 RON/MWh, to sell it at the same price to suppliers. This mechanism applies to non-Green Certified technologies (i.e., thermal, nuclear, hydro). ANRE published the list of companies affected by this obligation, but the volume of production and demand and purchased through this mechanism is still unclear. These amendments apply from 1st September 2022.

Emergency Ordinance 186/2022 introduced on 29th December 2022 a solidarity contribution to be paid by companies with a turnover coming mainly (≥75%) from crude oil, natural gas, coal and refineries for financial years 2022 and 2023. This contribution is calculated as 60% of the annual taxable profits of the year that exceed by more than 20% the average of taxable profits of years 2018-2021. The proceeds of the contribution are to be used for support final energy consumers, especially vulnerable households, and electro-intensive industries, as well as for projects aligned with REPowerEU objectives.

Regulatory framework for the activities in Italy

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On 6 July 2012, the Government approved a new renewable framework by means of the Decree

remunerated under a feed-in tariff scheme defined by tenders; (ii) capacity to be tendered would be determined in line with the agreed technologies' capacity paths; (iii) the reference tariff for 2013 was 127 €/MWh for onshore wind and tender participants would bid offering discounts on this reference tariff (in %); (iv) The reference tariff would decrease 2% per year and (v) tariffs would be granted for 20 years.

The new system replaced the previous one based on GCs. Under the previous system, producers obtained their revenues from the sale of the electricity in the electricity market and from the sale of GCs. Wind farms built until December 2012 continued to operate under the previous system until 2015 (from 2015 onwards, the GC system was transformed into a feed-in-premium in which, for the remaining duration of the original incentive period, the value was set at 78% of the difference between €180 and the electricity price).

Spalma Incentivi Decree, published in November 2014, stipulated that wind farms under the GCs scheme could voluntarily adhere to an extension of the support period of 7 years in exchange of a permanent reduction of the premium/GCs received, being the coefficient of reduction calculated individually for each wind farm depending on their remaining regulatory life. As the option was voluntary, wind farms that refused to accept this change remained under previous GCs scheme.

On 10 November 2017, The Strategia Energetica Nazionale (National Energy Strategy), known by the acronym SEN, was presented after several months of public consultation. One of the main features of the SEN is that it included the complete phase-out of coal power generation by 2025, five years ahead of schedule. The SEN also highlighted the role of renewables and targeted that renewable energy would increase to 28% of energy consumption in 2030. According to the SEN, the RES-E (renewables in electricity production) would increase up to 55% in 2030.

The Italian Ministry of Economic Development signed in July 2019 a decree implementing a new set of auctions to be held between 2019 and 2021, seeking to allocate around 5,5 GW of wind and solar PV.

On 9 March 2020, a national quarantine, restricting the movement of the population was approved, in response to the growing pandemic COVID-19 . A gradual ease of restrictions started on May 4. Regarding the electricity sector, several measures were introduced, including a suspension of all bureaucratic terms for renewables since March 13, a relief of several reporting obligations, the implementation of transitory measures between 10 March and 30 June 2020 to limit the burden of imbalance costs and an extension of all permits expired during the emergency state of 90 days, among others.

On 27 April 2020, Italy presented its National Recovery and Resilience Plan (NRRP) which will support the implementation of the crucial investment and reform measures following the COVID-19 pandemic. The European Commission adopted a positive assessment of the Plan in June 2021. The Plan will provide € 68,9 b in grants and € 122,6 b in loans. The share of climate projects is 37% of the total and, to achieve a progressive decarbonization, interventions are planned to significantly increase the use of renewables.

The Italian government released the so-called "Decreto Semplificazione" in May 2021 and was officially converted into law in July. The Decree seeks to simplify administrative procedures (in particular, regarding public procurement and concessions). It defines the regulatory framework aimed at simplifying and facilitating implementation of the goals and objectives established in its "National Recovery and Resilience Plan" and in its "National Energy and Climate Plan". It also rationalizes the role of the Minister of Culture, whose opinion won´t be binding in locations outside protected areas, and it provides a series of measures aimed at streamlining the obtention of the VIA (environmental authorization).

In December 2021, the GSE announced the 8th auction under DM FER 19. The auction was held in February 2022. Out of the 2,346 MW available for "Bloc A" projects (onshore wind and solar PV, utility scale), only 306,5 MW (of which 40 MW of onshore wind) were selected in the auction, which was highly undersubscribed. The average price was 65.05 €/MWh, close to the ceiling price of 65.15 €/MWh. The remaining 2 GW (capacity not awarded in previous rounds) was auctioned in June 2022.

A new decree was published in the Italian Official Gazette no. 21 of 27 January 2022, setting "urgent measures to support businesses and economic operators as well as to limit the effects of price increases in the electricity sector". It was repealed and replaced the 25th February by DL nº 23, slightly modifying Article 16, in which the clawback measures are defined. Under new wording, clawback affects certain RES with a COD previous to 1st January 2010:

- Solar plants (>20kW) with fixed premium schemes and non-incentivized plant (>20kW)
- The measure excludes PPA's when the contract does not exceed by more than 10% the reference price
- The clawback measure, applying from 1st February to 31st December, introduces a 2 ways CfD scheme at what is
- considered as the reasonable price for the mechanism (ca. 60 €/MWh). Revenues over this value are reimbursed.

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levy on producers and sellers of electricity, natural gas and petrol products. The measure needs to be approved in 60 days

The measure applies to profit margins which rose by more than 5 million euros during the Oct. 2021 – March 2022 period compared to a year earlier, excluding cases where the profit margin rose by less than 10%.

In March 2022, the Minister of Ecological Transition announced a plan to replace Russian gas imports in the next 3 years.

In May 2022, the so-called "DL Aiuti" (Decree-Law no. 50 of 17 May 2022) aimed to counteract the high energy prices effects on consumers, was approved. The Decree increased the one-off levy on producers and sellers on electricity, natural gas and petrol products from the initial 10% (previously approved in March 2022) to 25% and extended the period one extra month (up to April 2022). The Decree also introduced significant permitting simplifications, aimed at facilitating the development of new renewable plants.

On 21st September 2022, the so-called "DL Aiuti Bis" was approved. It extended the clawback tax introduced by Sostegni TER from 11 to 17 months (from 1st February 2022 to 30th June 2023). This levy introduces a 2-way CfD scheme at what is considered to be a "reasonable price" for the mechanism (around 60€/MWh). Revenues over this value are reimbursed. The scheme only applies to some renewable projects with a COD before 1st January 2010 (it doesn´t apply to any EDPR project).

On 21 November 2022, the Council of Ministers approved a new Budget Law, which was then ratified by the Parliament on 29th December. The new budget will be financed, among others, by a retroactive increase of the windfall tax to 50% (previously set at 25%) that applied in 2022 to producers and sellers of electricity, natural gas and petrol products. This model replaces former VAT declaration-based model, which was implemented until middle 2022. The taxable base is defined as the portion of total income determined for corporate income tax purposes that exceeds by, at least, 10% of the average total income determined for corporate income tax purposes earned in the 2018-2021 period. The amount of the extraordinary contribution shall not exceed 25% of the equity value of the assets at the end of 2021. The contribution is to be paid by June 2023.

Also, in line with EU regulation, from 1st December 2022, to 30th June 2023, a price cap (of 180€/MWh for wind and solar) shall be applied to market revenues of inframarginal technologies through a one-way compensation mechanism. The settlement is to be done on a monthly basis, with the average captured price. In case of plants under one-way incentives schemes, the reference price will be equal to the maximum value between 180€/MWh and the tariff.

On November, 2023 "Decreto Sicurezza Energetica" was approved, introducing the promotion of use of renewable energy sources and to support energy-intensive businesses. Regarding the promotion of renewable energy sources, the DL foresees new incentives for energy intensive companies to install renewable energy sources. Also. It introduces measures for the development of the floating offshore wind energy sector in Southern Italy.

Regulatory framework for the activities in Greece

Renewables projects in Greece are supported by 20-year feed-in premiums (Contracts-for-Difference) awarded through auctions. The first full-scale renewables auction was held on 2 July 2018, with 277 MW of capacity awarded.

On 15 April 2019, the first technology-neutral renewable auction (for onshore wind and solar PV) was held.

In December 2019, Law 4643/2019 on the liberalization of the Greek energy market, the modernization of the Public Power Corporation (PPC), the privatization of the Public Natural Gas Company (DEPA) and the support of the renewable energy sector, was passed. The law introduced significant changes to the electricity market. Regarding renewables, the law set out the possibility to renewable plants with a capacity exceeding 250 MW (or aggregated capacity at the same connection point exceeding 250 MW) to directly agree with the Ministry of Environment and Energy a selling price (provided the EU Commission gives the green light). The law also stated that renewable generators under the fixed-tariff scheme had to be balancing responsible (although it is only applicable to renewable projects in operation after July 2019).

Greece, as all EU Members, submitted its National Energy and Climate Plan (NECP) in December 2019. It includes ambitious renewable targets (35% RES target by 2030) and the complete phase-out of coal facilities by 2028.

The government announced a total lockdown in the country starting on 23 March 2020, in an attempt to reduce new coronavirus cases. However, measures progressively started to ease on May 4.

The Greek government approved extensions of power facilities deadlines due to the COVID-19 crisis (legislative Act OG A'75/30.3.2030). The Act stated that installation licenses and binding

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grid connection offers which were about to expire would be extended 4 or 6 months (depending on

auctions, would also be extended 4 or 6 months (also depending on the deadline).

The European Commission favourably reviewed Greece's electricity market in a 7th post-bailout report on the country's economy. It issued however a warning on the RES special account deficit, although it attributed the deficit to the pandemic. In November 2020 Greece launched into operation the "EU electricity Target Model", which is the basis for the development of the Single market in Europe. It includes a day-ahead, and intra-day and balancing market (the future market was already operating). Thus, the EU harmonization of the Greek electricity market is now effective. In addition, the Greek day-ahead market was coupled with the Italian one in December 2020 and with the Bulgarian one in May 2021.

On 9 December 2020, Law 4759/2020 introduced several measures to reduce the RES Account Deficit, which is the Fund that supports renewable projects. These measures were (i) a "one-time extraordinary contribution" of 6% on the turnover of 2020 for old renewable projects (projects that started operations before 31 December 2015) (ii) A "one-time emergency charge" on suppliers equal to 2€/MWh during 2021, (iii) an increased percentage of emissions allowances sales at 78% (vs. 65% previously), (iv) a green tax on diesel consumption of 0.03€/liter and (v) Re-orientation of revenues from the Special Fee for issuance of Certificate of Electricity Producer from RES currently paid to regulator.

On 23 August 2021, the government announced that the RES special account would be split into two, to protect producers' revenues. As a result, a new RES special account for projects operating since January 2021 will be created. This new account will be supported by the "Dynamic Renewable Charge", that will be paid by electricity suppliers and then passed on to their customers.

The European Commission adopted a positive assessment of Greece's Recovery and Resilience Plan in June 2021. Greece had requested 17.8 b€ in grants and 12.7 b€ in loans under the Plan. The Plan devotes 38% of Greece's total allocation to measures that support climate objectives, including upgrading the electricity network and strengthening the support scheme for producers of renewable energy sources, among others.

The European Commission approved in November 2021, under EU State aid rules, a €2.27 billion Greek scheme for the production of electricity from renewable sources and high efficiency combined heat and power (CHP). This approval came after Greece notified the Commission of its intention to approve a new scheme to support electricity for renewable sources. For both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure (although separate auctions are also envisaged in case targets are not met). Winning projects will be awarded two-way contract-for-difference contracts. The scheme is expected to start in March 2022 and will be opened until 2025.

In December 2021, the minister of energy published in the Official Gazette B 6250 the decision 123726/5096, defining technologies and categories of electricity generation units from renewables and Combined Heat and Power plants (CHP) eligible to apply for operational support. The listed categories and estimated timings are the following:

- Technology-specific competitive bidding procedures for PV above 0.5 MW and below 1MW until December 2022, and for solar PV below 1MW, wind above 0. 06 MW and below 6 MW, from January 2023 to December 2025.
- Competitive tendering procedures by region, to cover power margin for the interconnection Nea Makri – Polypotamos with Evia, the Cyclades and the second phase of Attica with Crete.
- Joint competitive processes until December 2025 for wind above 0.06 MW and solar PV above 1 MW (units from the technology-specific process are also eligible from January 2023).
- Additionally, specific joint competitive processes for renewables with storage are included until December 2025, for wind and solar power plants above 10 MW with integrated electricity storage of guaranteed (useful) storage capacity of at least equal to 20% of the maximum hourly energy produced

Under this plan, a total of 3 GW of renewables are expected to be auctioned during the period 2022-2025, although there is no visibility on the expected volumes and timings for each year.

in July 2022 Greece implemented its own technology specific cap at 85 €/MWh for RES, differing from the one proposed at European level. The cap is implemented at the level of the day-ahead market hourly prices for one year but could be extended. It is also applicable to PPAs, both physical and financial. However, an exception for physical PPAs could be announced.

In August 2022Law 4951/2022 on permitting and EES was published. The Law defines several key measures aimed at accelerating the RES licensing process (it aims to shorten the overall RES licensing process from 5 years to 14 months). It also targets to increase connections to the grid throughout operational restrictions although it opens the door to output curtailment (up to 5% of the annual generation). It also includes an integrated framework for the development of storage projects.

In September 2022, the ministers of Finance and Environment and Energy issued a joint Ministerial Decree by which a windfall tax of 90% would be imposed to vertically integrated energy

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2022, would be taxed at the announced rate.

In March, law 5037/2023 was published and introduced new provisions regarding RES State Aid contracts. Given the financial difficulties that projects could find, if a project is commissioned and has started its contract for less than 4 years, then the contract could be terminated without losing any guarantees. In addition, projects that have a CfD signed before 31/12/2023 would have the right to go merchant for up to 2 years after the issuance of the operation license, without losing their CfD contract and maintaining its tenure.

In May 2023, new renewables injection restriction rules were officially published via Ministerial Decision published in the state journal. According to former rule (included in Law 4957/2022), in case of high grid congestion, injection restrictions could be applied to renewable plants. However, these restrictions could not amount to more than 5% of the annual energy generated by the renewable facility. New rules published in 2023 will apply to all renewable plants under development (including storage) with connection offers and to renewable plants with connection requests already submitted either to DEDDIE/HEDNO or IPTO. According to these new rules, solar PV plants will be subject to injection restrictions, and the maximum power of injection will be capped at 72%. Wind and BESS will also be subject to restrictions (for wind, maximum power of injection will range between 65-80%), but only during the day (in solar hours). In any case, these restrictions will be applied with the limitation of the maximum 5% of annual generation maximum cut, that will still apply.

In August 2023, the Ministry of Environment and Energy decided to extend until the end of 2023 the clawback mechanism. No further extension has been decided.

Regulatory frameworks for the activities in UK

A Energy Bill, that received royal assent on 18 December 2013, became law making the Contract for Difference (CfD) regime official in the UK. The UK Government also released the Electricity Market Reform (EMR) Delivery Plan on 19 December 2013.

In the new system, CfDs have a 15-year length for renewables (except for biomass conversions) and are granted through tenders. The "established technologies", which include onshore wind and solar PV, compete for budgets in different allocation rounds. Less mature technologies, such as offshore wind, compete in a separate "pot".

CfDs are based on a strike price for each technology. When the pool price falls below the strike price, generators receive a top-up payment. However, if it increases above the strike price, generators have to pay this difference back.

In June 2019, a new legally binding net-zero emissions target by 2050 was passed into law, amending Great Britain's existing 2008 Climate Change Act. The target will require the UK to bring all greenhouse gas emissions to net zero by 2050, compared with the previous target of "at least" 80% reduction from 1990 levels. In order to achieve the target, several measures are proposed, including the support to new renewables facilities through CfD awarded through tenders.

The UK officially left the EU on 31 January 2020, following the signature of the "Withdrawal Agreement" with the EU. The UK officially completed its economic separation from the European Union on 31 December 2020, after the end of the transition period in which the UK kept the same rules as the remaining 27 countries while it tried to negotiate a post-Brexit trade deal with the EU. After months of intensive negotiations, the UK and the EU announced a free trade deal on December 24. The agreement provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin. Regarding the energy field, the agreement provides a new model for trading and interconnectivity although the final day-ahead power market coupling rules between the EU and the UK are not expected to be in place until early 2022. In the meantime, interim arrangements will apply. The EU commission has also announced that there will be "ambitious" cooperation over renewable energy and climate action.

The Government announced on 30 June 2021 that the coal phase-out would be brought forward by a year, so that from 1st October 2024, no coal facilities could be producing electricity in the country.

In December 2021, the energy regulator (Ofgem) rose the energy price cap (the energy price cap limits the rates a supplier can charge for their default tariffs) and announced that updates would become more frequent (up until now, the price cap was updated on a 6-month basis). Accordingly, a new price cap of 1,971£ (vs. previous 1,277£) was set starting on April 1st to September 20th, 2022.

The Fourth Allocation Round ("AR4") bid window was opened from May 24th to June 15th, and results are expected in July, with more than 12 GW of renewables expected to be granted a 15-year contract-for-difference. The participating technologies were divided in 3 "pots", meaning that projects only compete with other projects on their same pot. All pots are subject, however, to a budget limit. Pot 2 (which includes wind onshore and solar PV, among other technologies) was the only one that was also constrained to a maximum capacity of 5 GW, with both onshore wind and solar PV having each a capacity cap of 3.5 GW.

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to achieve long-term independence from foreign energy sources and decarbonise the nation's power supply. The document announced new targets across the different sectors, including:

- Oil and gas: a new licensing round for new North Sea oil and gas projects expected to be launched in 2022, with the final aim to reduce gas imports
- Wind: new ambition to deliver up to 50 GW of offshore wind, a tenth of which would come from floating facilities
- Solar PV: ambition to deliver 70 GW by 2035
- Nuclear: total capacity expected to triple up to 24 GW by 2050, supplying around 25% of total electricity demand
- Hydrogen: the government has doubled its ambition to increase hydrogen production, with a new target of 10 GW by 2030, with at least half of this being electrolytic hydrogen

In April 2022, Ofgem announced the removal of Balancing Services Use of System (BSUoS) charges from generation. BSUoS charges are the means by which the Electricity System Operator recovers costs associated with balancing the electricity transmission system. Starting in April 2023, these charges will only be collected from final demand (electricity consumers, excluding generators and electricity exports).

On 19th July 2022, National Grid published the Capacity Market Operational Plan for 2022/2023. The government has set a target of 5,8 GW for the 2023-2024 year ahead (T-1) and 42.4 GW for the 2026-27 four-year ahead (T-4) capacity auctions, to be held in February 2023.

On 27th September 2022, the UK government launched the "Growth Plan 2022" aimed at reducing inflation and supporting growth in the short term. To this end, it includes a wide range of measures, being some of them aimed at speeding up renewables' deployment (increasing renewables capacity by 15% in 2023). The Plan mainly focuses on onshore and offshore wind, hydrogen and carbon capture projects. It also contains measures to accelerate infrastructure delivery, in particular to accelerate onshore wind deployment. A "New Energy Supply Task Force" is also created, aimed at reshaping the electricity market to reduce gas dependency and eventually, reduce electricity prices. The Plan also announced the creation of the "Energy Market Financing Scheme", which will help energy companies facing high and volatile energy prices to address liquidity issues.

On 17th November, the British government announced a windfall tax on energy companies that were making extraordinary profits due to the spike in energy commodity prices. The so-called "Electricity Generator Levy" replaces the "Cost Plus Revenue Limit" announced during the Truss Interlude. The Levy will apply to nuclear and renewable generators, excluding those with CfD contracts. The windall tax will be calculated on an annual basis and is to be collected by HM Revenue & Customs (HMRC) in the same way that as a corporate tax and similar to the EU revenue cap. It will only apply to "excess" profits above 75 GBP/MWh. The Levy will apply from 1st January 2023 until 31st March 2028, but if market prices return to "normal" levels, the windfall tax would decrease accordingly. This measure had not impact to EDPR portfolio in UK.

In November 2023, the Government published the core parameters for Allocation Round 6 (AR6) of the Contracts for Difference (CfD) scheme. The Government decided to raise administrative strike prices for all technologies, including a 66% increase in the offshore wind's administrative strike price. The core parameters also confirm that AR6 will feature a three-pot structure, with off-shore wind having its own pot.

Regulatory frameworks for the activities in Brazil

The Electricity Sector in Brazil is regulated by Federal Law nr 8,987 of 13 February 1995, which generally rules the concession and permission regime of public services; Law nr 9,074 of 7 July 1995, which rules the grant and extension of public services concession or permission contracts; Federal Law nr 10,438 of 26 April 2002, which governs the increase in Emergency Electric Power Supply and creates the 3,300 MW Program of Incentives for Alternative Electricity Sources (PROINFA); Federal Law nr 10,762 of 11 November 2003 and Law nr 10,848 of 15 March 2004, concerning commercial rules for the trade of Electric Power; and, subsequent amendments to the legislation.

The institutions that ensure a proper development and functioning of Electricity Sector in Brazil are:

a. the Energy Research Company ("EPE"), responsible for long term planning in the electric sector;
b. the Electric Sector Monitoring Committee ("CMSE"), responsible to continuously assess the security of electricity supply,
c. the Chamber for the Commercialization of Electric Energy ("CCEE"), an institution dealing with commercialization of electricity in Interconnected System,
d. National Electricity Regulatory Agency ("ANEEL"), responsible for regulating and inspecting the electricity sector, as well as establishing the tariff for the consuming public and promote energy auctions together with MME, EPE and CCEE;
e. Ministry of Mines and Energy (MME) responsible for the creation and implementation of policies, acting as the Conceding Authority;

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time operation and supervision of the energy generation and transmission grid.

Federal Law nº 9,427 of 26 December 1996 establishes the possibility of Renewable Energy producers to sell directly to the final consumer(s) (aggregated demand > 500kW), at any voltage level. As part of the regulatory incentive framework, Renewable Energy producers (small hydro, biomass, wind and solar) are granted a reduction of, at least, 50% in the Distribution and Transmission System Use Tariff (TUSD and TUST) provided that pre-defined rules are met. The Law nº 13,203 of 8 December 2015 extended the subsidy for larger solar, wind and biomass plants.

Renewable energy production from plants which receive the above-mentioned subsidy is defined as “incentivized energy”, while the electricity production from no-incentivized sources is defined as “conventional energy”. Special Consumers, the ones which consumption demand is above 500 kW and under 3 MW, are allowed to purchase electricity only from incentivized sources. Since July 2019, the minimum demand is gradually reducing, so that, as of January 2023 those Special Consumers will be allowed to purchase incentivized or conventional energy by their own free choice.

The Decree nr 5,025 of 30 March 2004, regulates the Federal Law nr 10,438 and states the "Alternative Energy Sources" economical and legal framework. PROINFA participants have granted a PPA with ELETROBRÁS, and are subject to the regulator (ANEEL) authority.

The Decree nº 5,163 of 30 July 2004 regulates the Federal Law nº 10,848, establishing two trading environments for sale and purchase energy: the Regulated Contracting Environment ("ACR"), with the participation of energy producers, traders and distribution agents, and the Free Contracting Environment ("ACL"), in which Producers, Traders, Importers & Exporters and Free Consumers participate.

In the ACR, distribution companies are allowed to buy “distributed energy” (local generation), by observing a limit of 10% of the total demand of each distribution agent. In terms of tariff moderation for Captive Consumers (consumption demand < 500 kW), Brazilian Energy Sector provides for the purchase of electricity by distributors through regulated auctions, subject to the lowest cost criteria, aiming to reduce the cost of acquisition of electric energy that is re-passed to captive customer tariffs. These auctions seek to provide the lowest possible price of electricity to be re-passed to the consuming public.

During the fourth quarter of 2019, Ministry of Mines and Energy set strategic lines of activities to be developed towards the modernization of the Brazilian electricity sector. One of the first measures taken relates to the PLD (short-term price), currently calculated on a weekly basis. Hourly PLD has been calculated on a test basis (“shadow operation”) since 2018, aiming to become economically effective as of 1 January 2021. It aims to improve efficiency between electricity production and consumption based on an efficient management of price formation and real-time operation.

The government has taken measures in response to Covid-19 impacts in main areas as the energy sector, by means of Decrees, Provisional Measures and changes in existing regulation. By the end of March, to ensure uninterrupted supply of energy to consumers, Decree nº 10.282/2020 reinforced electricity generation, transmission and distribution as essential activities. This included the equipment supply needed for operation and maintenance. By the end of April 2020, the range was extended to include construction works.

Through Normative Resolution nº 878/2020, the Brazilian Electricity Regulatory Agency (ANEEL) suspended energy supply cuts regardless of the consumers’ capacity of payment for 90 days as of 23 March 2020. In addition, the low-income population registered for lower tariffs (the Social Tariff program) will not undergo periodic checks over the next three months, and therefore will not be subject to the loss of the benefit.

Measures have also been taken to prevent distributors (DSO)´ s financial losses due to a potential high default rate, and consequently affect their stakeholders. In order to add liquidity, ANEEL authorized the transfer of resources from sector funds to distributors and consumers, totalizing R$2,43 billion so far.

Provisional Measure nº 950/2020 propose temporary use of resources from National Treasury, other sector funds and bank loans for DSO to be paid for all consumers, as well as new measures to subsidize low-income consumers, providing a 90-day exemption from paying the electricity bills.

ANEEL also released a first assessment of Covid-19 impacts to the energy sector, through which reinforced the need of maintenance of the economic and financial balance of contracts, preservation of contracts and the participation of all segments (generators, TSO, DSO, consumers) towards the best solutions.

On 23 June 2020, ANEEL enacted the Normative Resolution nº 885/2020 establishing the loan conditions to support the DSO in reducing the impacts of Covid, without resources from National treasury. A total of 19 banks led by BNDES will inject up to R$ 16,25 billion to “Conta Covid” and will be paid by consumers in 60 months. To benefit from the resources, the DSOs may declare they have the right to question any of the conditions in court, preserve the PPAs and limit the distribution of dividends in the case of a default.

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Power System Operator (ONS) estimated a 0,9% decrease in total consumption for 2020 compared with last year, based on a "close to zero" variation of GDP due to the impacts of COVID-19 on economic activity. On May 1st, Ministry of Economy made a significant downward revision of GDP forecast, from 0 to 5% decline for the worst-case scenario of Brazilian economy. By the end of June 2020, Central Bank of Brazil updated the GDP projection for 2020 reducing it from -5% to -6.5%. Under this circumstance, demand for electricity is expected to further diminish.

Due to the uncertainties on future demand for electricity, the regulated auctions scheduled for 2020 are postponed. According to CCEE and ONS, it´s also an opportunity to revisit guidelines in order to introduce cheaper and more efficient power plants. One strategy proposed is to restrict the participation in regulated auctions to thermal plants which unit variable cost (CVU) are less than R$300/MWh, allowing for lower spot market prices (PLD).

The National Development Bank (BNDES), main financing institution announced several measures to support sectors of oil and gas, airports, ports, energy, transportation, urban mobility, health, industry and commerce and services.

Other measures regarding public health, tax and employment rules were announced in response to COVID-19.

On 1 September 2020, the Brazilian government issued the Provisional Measure ("MP") nº 988/2020 with the main purpose of reducing the electricity bills for consumers. The Brazilian Congress has a 120-day period to approve the MP and convert it into Law, otherwise it will become ineffective.

For renewable generators, the main impact is due to the cut in subsidies in the rates of the transmission and distribution system tariff within a 12-month deadline as of the MP enactment. Power plants authorized during this period and which requires an increase of power capacity will still be granted with the benefit and shall start commercial operation within a 48-month period after the published authorization. All those power plants already granted by the benefit before the MP are not affected. The end of subsidies must be compensated by the development of mechanisms based on the environmental benefits due to renewable energy sources related to low-carbon emission.

On 8 September 2020, the Law 14,052/2020 was finally enacted and establishes the conditions for hydro generators to renegotiate debts due to the hydrological risks, which caused a low Generation Scaling Factor ("GSF") during a prolonged drought, intensified by measures taken by the government to secure the national grid operation. The debt has been impacting the short-term market settlement, which currently involves more than R$ 9 billion. ANEEL has a 90-day period to propose a regulation, which must be, at first, submitted to a public hearing.

On 8 December 2020, MME announced a regulated auction schedule for the next three years (2021- 2023). Three kinds of auctions are expected aiming at contracting energy from new and existing power plants and the expansion of the transmission system. New energy auctions A-3/A-4 and A-5/A-6 for 2021 are scheduled to take place on June and September, respectively.

As of 1 January 2021, the short-term price (PLD) comes into effect in an hourly basis, after two years of shadow operation. Although, since the last year, the ONS has been operating based on the new dispatch model results, just now the hourly PLD became effective for the purpose of commercialization.

On 23 March 2021, ANEEL published the rules to compensate the lack of wind generation due to grid curtailments caused by systemic electrical limitations. The regulation for solar plants is expected for 2022.

On 6 December 2021, ANEEL published the normative resolution for the implementation of hybrid power plants, allowing potential synergies in terms of grid costs and energy production. In the same month, MME announced the regulated auctions scheduled for the next three years by means of Portaria MME nº 32/2021. A A-4 new energy auction will take place in 27 May 2022 starting supply as of 1 January 2026.

On 7 January 2022, Law 14.300/2022 was enacted establishing the regulatory framework for consumers to generate energy by means of micro (up to 75 kW) and micro (between 75kW and 5MW) distributed generation.

In July 2023, in an attempt to partially settle the imbalance between generation offer and grid capacity, ANEEL approved an extraordinary mechanism allowing generators, on their own will, to revoke their grants and terminate the connection contracts without any penalties. More than 11 GW is expected to be free-up, which shall be confirmed by Sep/2023.The increasing participation of renewables, especially the intermittent wind/solar, has been driving ANEEL to promote enhancements in existing regulations as the recent changes in Normative Resolution 1.030/2022, which establishes the rules for ancillary services in the National Interconnected System (SIN), including renewables to be compensated for reactive power support.

The increasing participation of renewables, especially wind/solar, has been driving ANEEL to pro-
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mote enhancements in existing regulations as the recent changes in Normative Resolution

the remuneration scheme must be reviewed so that it becomes attractive for new investments. Public consultations have been held by ANEEL in order to improve the regulation.

With regards to the free market expansion, since Jan 1st 2024, all consumers connected to high voltage (> 2,3 kV) grid system (categorized as group A), regardless their consumption demand, are now able to negotiate energy contracts with suppliers of their own choice.

Regulatory frameworks for the activities in Vietnam

The Vietnamese Ministry of Industry and Trade (MOIT) introduced a wind feed-in tariff (FIT) in 2011 to encourage investment in the sector. Projects were granted a 20-year power purchase agreement (PPA) with EVN, the state utility. However, this first remuneration framework failed to spur wind deployment as investors considered that revenues under this scheme didn´t provide appropriate returns. In September 2019, the government released a new FIT scheme of around 85€/MWh for onshore projects and 98€/MWh for offshore wind projects, provided that projects were commissioned before 1 November 2021. Government officials are now evaluating the introduction of competitive auctions, but no regulation has been adopted yet.

Based on the Decision 13/2020/QD-TTg, effective from 22 May 2020 and related to solar PV, a first solar FIT was released in April 2017 but the scheme expired on 30 June 2019. A second solar FiT (the so-called FIT2) scheme was then announced in April 2020. Under the FIT2, solar PV projects were eligible for a 20-year PPA with EVN, and different prices were set depending on the size/type of solar facility. Solar projects were required to receive investment approval by 23 November 2019 and start operations before 31 December 2020 to be eligible for the FIT2. The government is now planning to implement a pilot auction program for solar power and a draft decision of the prime minister guiding the future auction system was released in February 2021. However, the scheme has still not been officially approved.

Vietnam Electricity Law (Law No. 28/2004/QH11 on Electricity, as amended by Law No. 24/2012/QH13) requires “national power development master plans” to be established for a 10-year period. The master plan serves as a basis for future power development in the country, applicable to all investment in the sector. The Government set the plan for the period 2011-2020 in the “Power Development Plant VII” in 2011. However, in 2016, the Plan was adjusted in order to increase renewable targets and to provide a vision to 2030. A new master plan is now due and MOIT released a first draft of a new Plan for the period 2021-2030, with a vision to 2045.

In October 2022 Circular 15/2022 was released. It stated that projects that should have signed a PPA with EVN (Vietnam’s state utility) but had failed to meet the conditions for applying the FIT prices, would receive prices set in this regulation. In particular, it set a price bracket formulation methodology for standard power plants, based on different paraments. These parameters are economic life of the facility, CAPEX, capital ratios (debt and equity) and financial discount rate. When negotiating the price for a specific project, calculations should be done with specific project data, and presented to EVN. Additionally, Decision 21/QD-BCT published on January 7th, 2023, set a ceiling price for each technology. If price resulting from the methodology set in Circular 15/2022 is higher than the ceiling price (Decision 21/QD-BCT), then the ceiling price should prevail.

Vietnam’s eighth national power development plan (“PDP8”) was approved by Vietnam’s Deputy Primer Minster under Decision 500/QD-TTg. The roadmap, with a vision to 2030, aims to boost wind and gas production while reducing reliance on coal. Wind solar and other renewable sources are expected to cover at least 31% of the country’s energy needs by 2030. Regarding solar PV, the total installed capacity of solar facilities connected to the grid 2030 is expected to reach nearly 13 GW (8,5% of total installed capacity) by 2030.

Vietnam’s Ministry of Industry and Trade (MOIT) issued in December 2023 new rules (Circular 19/2023/TT-BCT, effective from 19 December 2023) for determining feed-in tariffs (FIT) for new wind and solar projects. The FITs under this new system will apply to the following technologies: ground-mounted solar PV, floating solar PV and onshore and offshore wind. The new calculation will only apply to solar projects that started operations after January 1, 2021 and wind projects that started operations after November 1, 2021.

Regulatory framework for the activities in Singapore

Singapore aims to halve its CO_2 emissions by 2050, according to its commitments raised in the latest National Energy and Climate Plan.

The country also aspires to achieve net-zero emissions as soon as viable in the second half of the century but has not committed to a firm net-zero target yet. To this end, the country launched the “Singapore Green Plan 2030”, which is a roadmap to advance its sustainability agenda toward its long-term net-zero aspiration.

Singapore also aims at decarbonizing its power sector through four levers, being solar PV one of them. Due to the lack of natural resources and the high population density, solar PV is regarded as the most viable renewable energy option. Specifically, the country targets 2 GW of solar PV capacity by 2030 (and 1.5 GWp by 2025). Most of this capacity is expected to be constrained to

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government seeks to facilitate renewable energy's access to the power market. The only specific support system is the net metering scheme which allows electricity consumers to sell excess electricity from their rooftop PV systems to the grid. Payment varies according to the type of consumer and the capacity of the PV system. Both residential and commercial consumers can sell excess power from rooftop PV to the grid. On the one hand, non-contestable customers (usually residential consumers) are paid the regulated tariff minus the grid charges (being the regulated tariffs reviewed every quarter by Singapore Power, the State-owned utility). On the other hand, non-residential consumers (with a monthly consumption equal or above 2,000 kWh and systems with a size equal or above 1 MW (regardless their monthly consumption) are paid the nodal price.

In addition to this, solar PV development has also been accelerated thanks to the SolarNova programme, launched in 2014, which aggregates demand for solar PV across government agencies to achieve economies of scale. Since 2014, six SolarNova tenders have been launched, granting 366 MW. Awarded companies are given a 20-years floating or fixed PPA with Housing & Development Board (HDB), which is Singapore's public housing authority.

Other government-led initiatives have been launched in order to use new spaces to deploy solar capacity, in particular, floating solar PV. For example, the Public Utilities Board launched a 60 MW floating solar PV tender at the Tengeh Reservoir. The tender had 2 components: first was the solar power to be sold into the wholesale market and a 25-year retail contract for the reservoir owner.

In June 2023, Singapore's Energy Markets Authority (EMA) will impose a temporary wholesale power price cap from 1 July 2023, according to a document published on its website. The objective is to protect electricity retailers (and final consumers) from high and volatile LNG prices. The cap price will be calculated according to a formula that takes into account natural gas and generation costs, but the formula has not been disclosed.

Regulatory framework for the activities in Taiwan

Taiwan's energy policy is driven by the need to increase energy security, reduce its dependency on nuclear power and cut greenhouse gas emissions.

The Renewable Energy Development Act ("REDA"), approved in 2009 is the main law governing renewables. This regulation introduced the Feed-in Tariff program, that applies to solar PV, onshore and offshore wind, biomass and hydro. Since then, FITs are the main support scheme for renewables in Taiwan. FITs have a 20-year term, and their values are reviewed once or twice per year (new FITs only apply to new projects).

In the latest version of the Act (published in May 2020), the country has targeted 30 GW of RES by 2025 (20% of total electricity consumption). Solar PV and offshore wind are regarded as the leading technologies, being the 2025 targets, respectively, 20 and 5,7 GW.

For a long time, the power market has been dominated by the state-owned utility "Taipower". However, in January 2017, the government passed the revision to the Electricity Act to ensure: (i) open competition in supply, (ii) a fair access to the electricity grid and (iii) free power purchasing choices for customers.

Since 2019, renewable generators may choose whether to sell electricity via direct supply, wheeling or wholesale to Taipower. According to it, corporate purchasers may acquire renewable energy on an "off-site basis". In addition, renewable generators that have signed a corporate PPA are still able to subsequently switch and sell the electricity to Taipower at the agreed FIT calculated based on the date of the initial grid connection.

02. Accounting policies

A) Basis of preparation

The accompanying consolidated annual accounts (financial statements hereinafter) reflect the results of EDP Renováveis, S.A. and its subsidiaries (EDPR Group or Group) and the Group's interest in its joint ventures and associated companies. The consolidated financial statements for 2023 have been prepared to present fairly the consolidated equity and consolidated financial position of EDP Renováveis, S.A. and subsidiaries at 31 December 2023, the consolidated results of operations, consolidated statement of comprehensive income, consolidated cash flows and changes in consolidated equity for the year then ended.

In accordance with Regulation (EC) no. 1606/2002 of 19 July 2002, of the European Council and Parliament, the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies.

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Accounting policies have been applied consistently by all Group companies and in all periods

financial statements, are detailed in note 3.

Taking into account the amendments to IAS 1, effective on 1 January 2023, regarding the disclosure of accounting policies, the Group reviewed the information disclosed in this note and made the changes deemed relevant.

The Board of Directors approved these consolidated annual accounts on 27 February 2024. The annual accounts are presented in thousand Euros, rounded to the nearest thousand.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the application of fair value accounting to derivative financial instruments, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, except those for which a reliable measure of fair value is not available. Assets and liabilities that are hedged under hedge accounting are stated at fair value in respect of the hedged risk. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell. Liabilities for defined benefit plans are recognised at the present value of the obligation net of plan assets fair value.

The preparation of financial statements in accordance with IFRS-EU requires the Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and of the reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors considered reasonable in accordance with the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving the highest degree of judgment or complexity, or for which the assumptions and estimates are considered significant, are disclosed in note 4 – Critical accounting estimates and judgments in applying accounting policies.

(*) Updating the fair value of identifiable assets and liabilities – Acquisition of Kronos Group

In accordance with IFRS 3 – Business Combinations, when the initial purchase price allocation of assets, liabilities, and contingent liabilities acquired is identified as provisional, the legal acquirer should make the final allocation of the purchase price related to the fair value of the assets, liabilities, and contingent liabilities acquired within the subsequent 12 months after the business combination transaction. These adjustments, which impact the amount of goodwill determined and booked in previous periods, lead to a restatement of the comparative information on the statement of financial position from the date of the business combination transaction.

In the fourth quarter of 2022, EDPR completed the acquisition of Kronos Group, framed within the scope of IFRS 3. With reference to the acquisition date, EDPR, based on an assessment carried out by an independent external entity, proceeded to provisional determination of the fair value of the options signed within the business combination transaction as part of the total consideration for the acquisitions of shares.

In the fourth quarter of 2023, a more detailed assessment by the independent external entity resulted in a definitive update of the fair value, leading to the following restatement of comparative data in the financial position statement as of acquisition date:

ASSETS – Non Current	31 DEC 2022	FAIR VALUE ADJUSMENT	31 DEC 2022 (MODIFIED)
Goodwill	2.329.964	-40.052	2.289.912
Liabilities – Non Current			
Other liabilities and other payables	-2.844.344	40.052	-2.804.292
		-	

B) Basis of consolidation

The accompanying consolidated financial statements reflect the assets, liabilities and results of EDP Renováveis, S.A. and its controlled subsidiaries and the equity and results attributable to the Group, through the investments in associates and jointly controlled entities.

EDPR Group applies prospectively as from 1 January 2010, IFRS 3 (revised) for the accounting of business combinations.

Accumulated losses in controlled subsidiaries are attributed to non-controlling interests in the corresponding proportions held, implying that the Group can recognise negative non-controlling interests.

On a step acquisition process resulting in the acquisition of control the revaluation of any interest previously held is booked against the income statement. On a partial disposal resulting in loss of control over a subsidiary, any participation retained is revalued at market value on the sale date and the gain or loss resulting from this revaluation is booked against the income statement, as well as any gain or loss resulting from the disposal.

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The Group classifies an arrangement as a joint arrangement when the jointly control is contractually established. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. After determining the existence of joint control, the Group classifies joint arrangements into two types – joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement, so the assets and liabilities (and related revenues and expenses) in relation to its interest in the arrangement are recognised and measured in accordance with relevant IFRSs applicable.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, so this investment shall be included in the consolidated financial statements under the equity method.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of entities where the Group exercises joint control with other partners (joint ventures) and entities where the Group exercises significant influence (associates), included in the consolidated financial statements under the equity method. When the Group's share of losses exceeds its interest in a jointly controlled entity, the Group's carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or contractual obligation to cover such losses on behalf of that entity.

Accounting for investments in subsidiaries, joint ventures and associates in the company's financial statements

Investments in subsidiaries, joint ventures and associates not classified as held for sale or not included in a disposal group which is classified as held for sale are accounted for at cost in the company's financial statements, and are subject to periodic impairment tests, whenever indication exists that certain financial investment may be impaired.

Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

If the initial purchase price allocation of assets, liabilities and contingent liabilities acquired is identified as provisional, in the subsequent 12 months after the business combination transaction, the legal acquirer should make the final allocation of the purchase price related to the fair value of the assets, liabilities and contingent liabilities acquired.

After that period, adjustments to initial measurement are only made to correct an error.

Purchases of non-controlling interests and dilution

In acquisitions (dilutions not resulting in a loss of control of non-controlling interests), the difference between the fair value of the non-controlling interests acquired and the consideration paid, is

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accounted against reserves. The acquisitions of non-controlling interests through written put

of the liability is determined based on the contractual price which may be fixed or variable. In case of a variable price, the changes in the liability are recognised against the income statement as well as the effect of the financial discount of the liability (unwinding).

Business combinations achieved in stages

In a business combination achieved in stages, on the date of obtaining control, the excess of the aggregate of (i) the consideration transferred, (ii) the amount of any non-controlling interest recognised in the acquiree and (iii) the fair value of the previously held equity interest in the acquired business; over the net of amounts of the identifiable assets acquired and liabilities assumed, is recognised as goodwill.

If applicable, the negative difference, after evaluating the consideration transferred, of the amount of any non-controlling interest recognised in the acquiree and the fair value of the previously held equity interest in the acquired business; over the net value of the identifiable assets acquired and liabilities assumed, is recognised in the income statement. The Group recognises the difference between the fair value of the previously held equity interest in the acquired business and the carrying value in consolidated results in Other income. Additionally, the Group reclassifies the deferred amounts in other comprehensive income relating to the previously held equity interest to the income statement or consolidated reserves, according to their nature.

Acquisition of assets out of the scope of IFRS 3

In order to assess whether an acquisition of an asset or a group of assets is a business, EDPR identifies the elements in the acquired entity (inputs, processes and outputs), assesses the capability to create outputs (it should have at a minimum, an input and a substantive process to be assessed as a business) and, finally, assesses the capability of market participants to continuing to create outputs (conducting the activities as a business).

In the case of an integrated set of activities that is in an early-stage of development and has not started to generate outputs, EDPR considers other factors to determine whether it constitutes a business, such as if: (i) planned principal activities have begun; (ii) employees, intellectual property, and other inputs and processes are present; (iii) a plan to produce outputs is being pursued; and/or (iv) access to customers who will purchase the outputs can be obtained. Generally, an early-stage entity that has employees capable of developing an output will be considered a business.

Therefore, in application of the above, EDPR concludes that IFRS 3 is not applicable when there are no outputs at the acquisition date due to an early-stage of development, and the acquired process(es) cannot be considered substantive. Thus, the acquisition of an asset or a group of assets that does not fulfil the conditions to be considered a business is classified as an acquisition of a company out of scope of IFRS 3.

Investments in foreign operations

The financial statements of the foreign subsidiaries and associates of the Group are prepared using their functional currency, defined as the currency of the primary economic environment in which they operate. In the consolidation process, the assets and liabilities of foreign subsidiaries are translated into Euros at the official exchange rate at the balance sheet date.

Regarding the investments in foreign operations that are consolidated using the full consolidation method and equity method, the exchange differences between the amount of equity expressed in Euros at the beginning of the period and the amount translated at the official exchange rates at the end of the period, on a consolidated basis, are booked against reserves.

Foreign currency goodwill arising on the acquisition of these investments is remeasured at the official exchange rate at the balance sheet date directly against reserves. The income and expenses of foreign subsidiaries are translated into Euros at the approximate exchange rates at the dates of the transactions. Exchange differences from the translation into Euros of the net profit for the period, arising from the differences between the rates used in the income statement and those prevailing at the balance sheet date are recognised in reserves.

On disposal of a foreign subsidiary, the related exchange differences previously recognised in reserves, are accounted for in the income statement.

Balances and transactions eliminated on consolidation

Inter-company balances and transactions, including any unrealised gains and losses on transactions between group companies, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

Common control transactions

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance within IFRSs, the EDP Renováveis Group has

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acquired company (subgroup). The difference between the carrying amount of the net assets received and the consideration paid, is recognised in equity.

Put options related to non-controlling interests

The Group applies IAS 32 to put options related to non-controlling interests.

EDPR records written put options at the date of acquisition of a business combination or at a subsequent date as an advance acquisition of these interests, recording a financial liability for the present value of the best estimate of the amount payable, irrespective of the estimated probability that the options will be exercised. The difference between this amount and the amount corresponding to the percentage of the interests held in the identifiable net assets acquired is recorded as goodwill. Subsequent changes in the carrying amount of the put liability are recognized in profit or loss.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount of the investment recognised in profit or loss. Fair value is the initial carrying amount for the purposes of the subsequent recording of the interest retained in the associate, joint venture or financial asset. In addition to that, any amount previously recorded in other comprehensive income in relation to that entity is recorded as if the Group had directly sold all the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership of a holding in an associate is reduced but significant influence is retained, only the proportional part of the amounts previously recognised in other comprehensive income will be reclassified to the income statement.

C) Foreign currency transactions

Foreign currency transactions are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into Euros at the exchange rates at the balance sheet date. These exchange differences arising on translation are recognised in the income statement as financial results.

Foreign currency non-monetary assets and liabilities accounted for at historical cost are translated using the exchange rates at the dates of the transactions. Foreign currency non-monetary assets and liabilities stated at fair value are translated into Euros at the exchange rates at the dates the fair value was determined.

D) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised on the trade date at fair value. Subsequently, the fair value of derivative financial instruments is re-measured on a regular basis, being the gains or losses on re-measurement recognised directly in the income statement, except for derivatives designated as hedging instruments. The recognition of the resulting gains or losses on re-measurement of the derivatives designated as hedging instruments depends on the nature of the risk being hedged and of the hedge model used.

The fair value of derivative financial instruments corresponds to their market value, if available, or to quotes indicated by external entities through the use of valuation techniques, which are compared in each date of report to fair values available in common financial information platforms.

Hedge accounting

The Group uses financial instruments to hedge interest rate risk, exchange rate risk and price risk resulting from its operational and financing activities. Derivatives not qualified for hedge accounting under IFRS 9 are accounted for as trading instruments.

Hedging derivatives are recorded at fair value, being the gains and losses recognised in accordance with the hedge accounting model applied by the Group. Hedge relationship exists when:

- The hedging relationship consists only in hedging instruments and hedged items that are eligible as per determined in IFRS 9;
- At the inception of the hedge there is formal documentation of the hedging relationship and the Group's risk management objective and strategy for the hedge;
- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

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Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets and liabilities or group of hedged assets and liabilities that are attributable to the hedged risk. When the hedging relationship ceases to comply with the requirements for hedge accounting, the accumulated gains or losses concerning the fair value of the risk being hedged are amortised over the residual period to maturity of the hedged item.

Cash flow hedge

Changes in the fair value of derivatives qualified as cash flow hedges are recognised in reserves.

The cumulative gains or losses recognised in reserves are reclassified to the income statement when the hedged item affects the income statement.

When a hedging relation of a future transaction is discontinued, the changes in the fair value of derivative recognised in reserves remain recognised in reserves until the future hedged transaction occurs. When the future transaction is no longer expected to occur, the cumulative gains or losses recognized in reserves are recorded immediately in the income statement.

Net investment hedge

The net investment hedge model is applied on a consolidated basis to investments in subsidiaries in foreign currencies. This model allows that the exchange differences recognised in the currency translation reserve to be offset by the foreign exchange differences in foreign currency loans or currency derivatives contracted, recognised in Currency translation reserve – Net investment hedge. For cross currency interest rate swaps, the cross-currency basis spread and forward points are not designated into the hedge relationship, but deferred as a hedging cost in other comprehensive income, in Currency translation reserve – Net investment hedge – Cost of hedging, and recognized in profit or loss over the period of the hedge. The ineffective portion of the hedging relationship is recognised in the income statement.

The accumulated foreign exchange gains and losses regarding the net investment and the related hedging instrument recognised in equity are transferred to the income statement when the foreign currency subsidiary is sold, as part of the gain or loss resulting from the disposal.

Effectiveness

The Group performs prospective tests at the inception date and at each balance sheet date, in order to demonstrate its effectiveness, showing that any adjustments to the fair value of the hedged item attributable to the risk being hedged are offset by adjustments to the fair value of the hedging instrument. Any ineffectiveness is recognised in the income statement when it occurs.

E) Debtors and other financial assets

Group classifies its financial assets, at the initial recognition based on the business model for managing the financial assets ("business model test") and their contractual cash flow characteristics ("SPPI test").

Financial assets at amortised cost

Financial assets included within this category are initially recognised at fair value and subsequently measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Loans and trade receivables are generally held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest, thus they meet the criteria for amortised cost measurement.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets included within this category are initially recognised and subsequently measured at fair value, with the changes in the carrying amount booked in other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be classified as financial assets at fair value through other comprehensive income (FVOCI) or at amortised cost, are classified at fair value through profit or loss.

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at fair value through profit or loss if doing so reduces or eliminates a measurement or recognition inconsistency ("accounting mismatch").

Changes in the business model assessment over time

Financial assets are not reclassified subsequent to their initial recognition. However, if the Company changes its business model for managing financial assets, it will classify newly originated or newly purchased financial assets under the new business model but will keep the classification of existing assets under the previous business model.

Recognition and derecognition of financial assets

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits to purchase or sell these financial assets.

Financial assets are derecognised when: (i) the contractual rights to receive their future cash flows have expired, (ii) the Company has transferred substantially the risks and rewards of ownership, or (iii) although retaining some, but not substantially all the risks and rewards of ownership, the Company has transferred control over the assets.

Impairment

EDPR Group recognise an impairment loss based on the Expected Credit Loss (ECL) model, before the objective evidence of a loss event from past actions. This model is the basis for the recognition of impairment losses on held financial assets that are measured at amortised cost or at fair value through other comprehensive income (which includes cash and cash equivalents, trade receivables, loans and debt securities).

The impairment methodology applied depends on whether there has been a significant increase in credit risk. If the credit risk on a financial asset does not increase significantly since its initial recognition, EDPR Group measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If the credit risk increases significantly since its initial recognition, EDPR Group measures the loss allowance for that financial asset at an amount equal to lifetime expected credit losses.

Regardless of the above, a significant increase in credit risk is presumed if there is an objective evidence that the financial asset is impaired, including if there is observable data that comes to the attention of the holder of the asset about the following loss events, among others: significant financial difficulty of the issuer or obligor; restructuring of an amount due to the Company in terms that it would not consider otherwise; a breach of contract, such as a default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or other financial reorganization.

As soon as the loss event occurs the impairment allowance would be allocated directly to financial asset affected, that is, the asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed in profit or loss, if the decrease can be related objectively to an event occurring after the impairment loss was recognised.

Trade receivables and loans

EDPR Group applies the simplified approach and record lifetime expected losses on all trade receivables including those with a significant financing component. The estimated ECL are calculated based on actual credit loss experience over a period that, per business and type of customers, is considered statistically relevant and representative of the specific characteristics of the underlying credit risk.

Considering the particularities of each business, exposures are segmented based on common credit risk characteristics such as credit risk grade, geographic region and/or industry. Actual credit loss experience is adjusted by scalar factors to reflect differences between economic conditions during the period over which historical data was collect, current conditions and EDPR Group's view of economic conditions over the expected lives of the receivables.

For loans carried at amortised cost and FVOCI, EDPR Group performs an analysis based on the general approach. On making its assessment, the company has to make assumptions about risk of default and expected loss rates, which requires judgement. The inputs used for risk assessment and for calculation of the loss allowances for financial assets includes: (i) credit ratings (as far as available) from external credit rating companies such as Standard and Poor, Moody's and Fitch.; (ii) significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower; (iii) Public market data, namely on probabilities of default and loss given default expectations; and (iv) macroeconomic information (such as market interest rates or growth rates).

Leases – Lessor perspective

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At the commencement date, EDPR Group, as a lessor, classifies each of its lease as either an op-

classified as an operating lease. Therefore, at the commencement date, the Group recognizes:

i) assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease.

ii) lease payments from operating leases as income on either a straight - line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished). The assets subject to operating leases are presented in its statement of financial position according to the nature of the underlying asset.

F) Trade payables and other financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for the issuer to liquidate capital and/or interests, through delivering cash or other financial asset, regardless of its legal form. Financial liabilities are recognised at the issuance date (trade date): (i) initially at fair value less transaction costs; and (ii) subsequently at amortised cost, using the effective interest method. All financial liabilities are booked at amortised cost, with the exception of the financial liabilities hedged at fair value hedge, which are stated at fair value on risk component that is being hedged.

Lease liabilities (rents due from lease contracts)

EDPR Group measures the lease liability (rents due from lease contracts) on the commencement date based on the present value of the future payments of that lease contracts, discounted using EDPR Group's incremental borrowing rate for each portfolio of leases identified. The variable lease payments that do not depend in an index or a rate are not included in the measurement of the liability regarding the rents due from lease contracts, nor the right-of-use asset. Those payments are recognised as cost in the period in which the event or condition that gives rise to the payments occurs. EDPR Group determines the lease term as the non-cancellable period of a lease, together with both: (i) periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

EDPR Group applies the recognition exemption provided by IFRS 16 for the leases which lease term is 12 months or less, or that are for a low-value asset.

After the commencement date, the lease liability (rents due from lease contracts) are increased to reflect interest on the liability and reduced to reflect the lease payments made.

EDPR Group remeasure the lease liability (rents due from lease contracts), and adjusts the corresponding right-of-use assets, by discounting the revised lease payments, using an unchanged discount rate, if either:

- There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; or
- There is a change in the amounts expected to be payable under a residual value guarantee.

If there is a lease modification that do not qualifies to be accounted as a separate lease, EDPR Group remeasures the lease liability (rents due from lease contracts) and adjusts the corresponding right-of-use assets by discounting the revised lease payments, using a revised discount rate at the effective date of the modification.

Derecognition of financial liabilities

EDPR Group derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability, or a part of it, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

G) Equity instruments

Costs directly attributable to the issuance of equity instruments are recognised in equity, as a deduction to the amount issued. Amounts paid or received relating to sales or acquisitions of equity instruments are recognised in equity, net of transaction costs.

Distributions related to equity instruments are deducted from equity, as dividends, when declared.

Equity instruments at fair value

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EDPR Group classifies the equity instruments that are held for trading at fair value to profit or loss.

comprehensive income.

If this election is made, all fair value changes, excluding dividends that are a return on investment, will be included in other comprehensive income. There is no recycling of amounts from other comprehensive income to profit and loss (for example, on sale of an equity investment) being, at that time, transferred to retained earnings.

H) Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of assets are capitalised as part of the cost of the assets. The amount of borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on these assets.

The capitalisation rate corresponds to the weighted average of the borrowing costs applicable to the outstanding borrowings during the period. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing costs incurred during the period.

The capitalisation of borrowing costs commences when expenditures for the asset are being incurred, borrowing costs have been incurred and activities necessary to prepare all or part of the assets for their intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the assets for their intended use or sale are completed.

I) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. In case of projects in a development stage, costs are only capitalized when it is probable that the project will be finally built. If due to changes in regulation or other circumstances costs capitalized are derecognized from property plant and equipment, they are recognized in the profit and loss caption of “Other expenses”. Replacements or renewals of complete items are recognized as increases in the value of property, plant and equipment and the items replaced or renewed are derecognized and recognized in the “Other expenses” caption.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of acquisition includes interest on external financing and personnel costs and other internal expenses directly or indirectly related to work in progress accrued solely during the period of construction. The cost of production is capitalised by charging costs attributable to the asset as own work capitalised under financial expenses and personnel costs and employee benefit expense in the consolidated income statement.

Subsequent costs are recognised as separate assets only when it is probable that future economic benefits associated with the item will flow to the Group. Repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The Group carries out impairment tests whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount and, at least, annually, being the impairment recognised in the income statement.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method, less the residual value, over their estimated useful lives, as follows:

	NUMBER OF YEARS
Buildings and other constructions	8 to 40
Plant and machinery:	
– Renewable assets	20 to 35
– Other plant and machinery	4 to 12
Transport equipment	3 to 5
Office equipment and tools	2 to 10
Other tangible fixed assets	3 to 10

The Group reviews the estimate of the useful life of assets whenever a change in the expected economic benefits flowing from the assets occurs as well as when the technical use planned for the assets differs from previous estimates. Changes occurring in the depreciation charge for the year are accounted prospectively.

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dismantled wind farms and solar plants and is calculated based on the technology of each project and the estimated prices of steel, copper and aluminium (this last one in the case of solar plants or distributed generation assets).

J) Intangible assets

The Group's intangible assets are booked at acquisition cost less accumulated amortisation and impairment losses.

The Group performs impairment tests, whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, being any impairment recognised in the income statement.

Acquisition and development of software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of their expected useful lives, and typically in 5 years.

Costs incurred by the Group directly related to the development of software, that are expected to generate economic benefits beyond one year, are recognised as intangible assets. Such costs include employee costs directly associated to the project and are amortised on a straight-line basis over its estimated useful life.

Maintenance costs of software are charged to the income statement when incurred.

Industrial property and other rights

Industrial property and other rights are amortised on a straight-line basis over the estimated useful life of the assets, which does not exceed 6 years.

K) Leases/ Right-of-use assets

EDPR Group presents the information related to lease contracts in the caption Right-of-use assets, creating a separate line in the Consolidated Statement of Financial Position. These assets are accounted for at cost less accumulated depreciation and impairment losses. The cost of these assets comprises the initial costs and the initial measurement of the liabilities regarding the rents due from lease contracts, deducted from the prepaid amounts and any incentives received.

Depreciation of right-of-use assets is calculated on a straight-line basis over their estimated useful lives, considering the lease contract terms.

If EDPR Group remeasures the lease liability (rents due from lease contracts) (see 2F), the corresponding right-of-use assets shall be adjusted accordingly.

L) Non-current assets held for sale and discontinued operations

Non-current assets or groups of non-current assets held for sale (groups of assets and related liabilities that include at least one noncurrent asset) are classified as held for sale when their carrying amounts will be recovered mainly through sale, the assets or groups of assets are available for immediate sale and the sale is highly probable. Prior to their classification as held for sale, the measurement of all non-current assets and all assets and liabilities included in a disposal group, is adjusted in accordance with the applicable IFRS standards. Subsequently, these assets or disposal groups are measured at the lowest between their carrying amount and fair value less costs to sell.

M)Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is then estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units which are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of

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losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in circumstances that caused the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

N) Inventories

Inventories are measured at the lower of the acquisition cost and net realisable value. The cost of inventories includes purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs.

The cost of inventories is assigned by using the weighted average cost method.

Green Certificates and Renewable Energy Credits (RECs)

In some jurisdictions, on top of the market price, generators receive certificates for their performance, which are sold to the off-takers obliged to fulfil a quota obligation (a share of energy that must be sourced from renewable sources). Being these certificates considered subsidies under IAS 20, they are recognised when generated as inventory, at fair market value, mainly determined by active markets or public market operators. Green Certificates registered as Inventories are discharged at the time of their effective sale and any difference between the selling price and the fair value of the certificates is registered in the profit and loss account.

O) Classification of assets and liabilities as current and non-current

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. Current assets and liabilities are determined as follows:

Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within twelve months of the balance sheet date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least twelve months from the balance sheet date.

Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months of the balance sheet date or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Financial liabilities are classified as current when they are due to be settled within twelve months after the reporting period, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorised for issue.

P) Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation, (ii) it is probable that settlement will be required in the future and (iii) a reliable estimate of the obligation can be made.

Dismantling and decommissioning provisions

The Group accounts for provisions for dismantling and decommissioning of assets at the end of the assets' useful life when there is a legal, contractual or constructive obligation. Therefore, such provisions have been booked for the electric power plants to cover the cost of restoring the location and land to their original condition. The provisions are calculated at the present amount of the expected future liability and are accounted for as part of the cost of the related property, plant and equipment being depreciated on a straight-line basis over the useful life of those assets.

Discounting and inflation rates used for 2023 are:

	EUROPE	NORTH AMERICA	LATAM	APAC
Discount Rate	[3.09% - 7.09%]	[3.85% - 11.34%]	[11.73% - 11.83%]	[1.43% - 5.12%]
Inflation Rate	[1.96% - 6.07%]	[2.01% - 3.95%]	[3.62% - 4.50%]	[1.31% - 3.68%]

Discounting and inflation rates used for 2022 were:

	EUROPE	NORTH AMERICA	LATAM	APAC
Discount Rate	[2.24% - 8.75%]	[4.02% - 4.42%]	[12.40% - 12.50%]	[3.50% - 7.67%]
Inflation Rate	[1.90% - 3.88%]	[2.07% - 3.51%]	[3.45% - 3.59%]	[1.40% - 3.90%]

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department has performed an in-depth analysis taking into account the reality of the EDPR's fleet. This analysis has led to the conclusion that the average cost per megawatt and salvage value of the renewable assets requires to be updated with effect December 2023 (see note 32).

The unwinding of the discount at each balance sheet date is charged to the income statement.

Tax liabilities

Liabilities for payment of taxes or levies related to an activity of the Group are recognized as the activity which triggers the payment is carried out, according to the laws regulating such taxes or levies. However, in the cases of taxes or levies with right of reimbursement of the amount already paid proportionally to the period of time in which there is no activity or the asset which triggers the payment is no longer owned, liabilities are recognized on a proportional basis.

Q) Recognition of revenue from contracts with customers

EDPR Group recognises revenue in accordance with the core principle introduced by IFRS 15. Thus, the Group recognises revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services, as provided in the 5 steps methodology, namely: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to performance obligations; and (v) recognise revenue when (or as) the entity satisfies a performance obligation.

Costs and revenues are recorded in the year to which they refer regardless of when paid or received, in accordance with the accrual basis. Differences between amounts received and paid and the corresponding revenue and cost are recorded under Other assets and Other liabilities.

Revenue in EDPR Group arises essentially from electricity generation and green certificate sales. For electricity generation, the transfer of control occurs when the energy is generated and injected into the transport/distribution grids. The electricity generated is sold under free market conditions or through the establishment of medium/long term power purchase agreements.

In the sale of green certificates, the performance obligation becomes effective when they are made available to the client, that is, when control of the certificate is transferred to the client.

For contracts that include sale of electricity and green certificates, there is only one performance obligation that becomes effective when the electricity is made available to the customer. At that moment, the energy is made available to the client at the point of delivery and, at the same time, the control of the green certificate is transferred to the client. These contracts have a unique price that includes both concepts under the same performance obligation, which is the delivery of electricity and green certificates at the same time.

EDPR Group recognises the revenue related with services rendered over time given that the customer simultaneously receives and consumes the benefits provided by the Group.

In what concerns variable transaction prices, EDPR Group only recognises revenue when it is highly probable that there will not be any significant reversal of the recognised revenue, when it becomes certain. IFRS 15 requires that this estimate of variable transaction prices is determined using either (i) the expected value method – based on probability-weighted amounts, or (ii) the most likely outcome method. EDPR Group considers the facts and circumstances when analyzing the terms of each contract with customers, applying the requirements that determine the recognition and measurement of revenue in a harmonized manner, when considering contracts with the same characteristics and in similar circumstances.

Value of adjustments for deviations in the market price in accordance with article 22 of Royal Decree 413/2014

On 22 October 2021, the CNMV issued a statement establishing the criteria for accounting for the value of the adjustments for deviations in the market price in accordance with article 22 of Royal Decree 413/2014, of 6 June, which regulates the activity of electricity production from renewable energy sources, cogeneration and waste (RD 413/2014). The value of the adjustments for deviations in the market price includes the differences, which occur in each year, between the income from the sale of energy at the price estimated by the regulator at the beginning of each regulatory semi-period and the real average market price in said year.

EDPR had already been applying the criteria established by the CNMV, so that, each of the positive and negative market deviations arising under RD 413/2014 are typically recognized as assets and liabilities in the consolidated statement of financial position. However, if throughout the residual regulatory life of the renewable facilities, according to EDPR's best estimate of the future evolution of energy market prices, it would be highly probable that market returns would be higher than those established in the RD 413/2014 and, therefore, abandoning the remuneration regime would not have significantly more adverse economic consequences than remaining in said regime, it is considered that in this situation, only the asset is recognized. As at 31 December 2023, none of the renewable facilities have abandoned the remuneration regime.

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Financial results include interest costs on borrowings, interest income on funds invested, the financial expenses (unwinding) related to the discount of institutional partnership in North America, provisions, lease liabilities, dividend income, foreign exchange gains and losses, realised gains and losses, changes in fair value of derivative financial instruments related to financing activity classified by the Group, within IFRS 9, as held for trading and consequently measured at fair value through profit or loss and changes in the fair value of hedged risks, when applicable.

Interest is recognised in the income statement on an accrual basis. Dividend income is recognised on the date the right to receive is established.

S) Income tax

Income tax recognised in the income statement includes current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is also recognised in equity.

Deferred taxes arising from the revaluation of assets measured at fair value through other comprehensive income and cash flow hedge derivatives recognised in equity are recognised in the income statement in the period the results that originated the deferred taxes are recognised.

Current tax is the tax expected to be paid on the taxable income for the period, using tax rates enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

Deferred taxes are calculated in accordance with the balance sheet liability method, considering temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis, using the tax rates enacted or substantively enacted at the balance sheet date for each jurisdiction and that are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences except for goodwill not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries, to the extent that these will probably not be reversed in the future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to absorb deductible temporary differences for taxation purposes.

Following the amendments made to IAS 12 – Deferred tax related to assets and liabilities arising from a Single Transaction, effective on 1 January 2023, the EDPR Group proceeded with the breakdown of deferred tax assets and deferred tax liabilities related with: i) assets under right of use and lease liabilities; and ii) provisions for dismantling and decommissioning and corresponding tangible fixed assets, where and whenever these amounts are not deductible until the payment date.

The Group offsets the deferred tax assets and liabilities if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in future periods in which deferred tax liabilities or assets are expected to be settled or recovered.

When accounting for interest and penalties related to income taxes, EDPR Group considers whether a particular amount payable or receivable is, in its nature, a taxable income and, if so, applies IAS 12 to this amount. Otherwise, IAS 37 is applied.

Regarding the IFRIC 23 related to IAS 12 – Income tax, when there is uncertainty over income tax treatments, EDPR Group measures its current or deferred tax asset or liability applying the requirements in IAS 12. Additionally, the Group analyses all the pending litigations or disputes with tax authorities regarding income tax and records the best estimation related to contingencies and litigations whenever necessary.

T) Earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to equity holders of EDP Renováveis S.A. by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury stock.

For the diluted earnings per share calculation, the weighted average number of ordinary shares outstanding is adjusted to consider conversion of all dilutive potential ordinary shares, such as convertible debt and stock options granted to employees. The dilution effect corresponds to a decrease in earnings per share resulting from the assumption that the convertible instruments are

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Cash and cash equivalents include balances with maturity of less than three months from the date of acquisition, including cash and deposits in banks. This caption also includes other short-term, highly liquid investments that are readily convertible to known amounts of cash and specific demand deposits in relation to institutional partnerships that are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships in U.S.A., in the next twelve months.

The Group classifies as cash and cash equivalents the debit balance of the current accounts with EDP Group formalized under cash-pooling agreements.

V) Government grants

Government grants are recognised initially as deferred income under non-current liabilities when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

W)Environmental issues

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as other operating expenses in the period in which they are incurred.

X) Institutional partnerships in North America

The Group has entered in several partnerships with institutional investors in the United States, through limited liability Company operating agreements that apportion the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTCs), Investment Tax Credits (ITCs) and accelerated depreciation, largely to the investor.

The institutional investors purchase their minority partnership interests for an upfront cash payment with an agreed targeted internal rate of return over the period that the tax credits are generated. This anticipated return is computed based on the total anticipated benefit that the institutional investors will receive and includes the value of PTCs / ITCs, allocated taxable income or loss and cash distributions received.

The control and management of these wind farms are a responsibility of EDPR Group and they are fully consolidated in these financial statements.

The financial instruments held by the institutional investors issued by the partnerships represent compound financial instruments as they contain characteristics of both financial liabilities and equity. The Group has determined that at the funding dates, the fair values of the original proceeds is equal to the fair values of the liabilities at that time and no value was assigned to the equity component. Subsequently, these liabilities are measured at amortized cost.

This liability is reduced by the value of tax benefits provided and cash distributions made to the institutional investors during the contracted period. The value of the tax benefits delivered, primarily accelerated depreciation and ITC are recognized as Income from institutional partnerships over the 30-35 year useful life of the assets and over the 5-year recapture period, respectively. The value of the PTCs delivered are recorded as generated. This liability is increased by an interest accrual that is based on the outstanding liability balance and the targeted internal rate of return agreed.

After the Flip Date (date on which institutional investors reach their specified return as indicated in the corresponding agreements), the institutional investor retains a non-significant interest for the duration of the structure. This non-controlling interest is entitled to distributions ranging from 2.5% to 10% and taxable income allocations ranging from 5% to 10%. EDPR NA has an option to purchase the institutional investor's residual interest at fair market value during a defined period following the flip date. Such fair value is calculated according to the future cashflows of the wind or solar projects or by an external party. This amount is reclassified from the total equity attributable to the Parent to non-controlling interests caption in the period in which the flip date takes place (see note 30).

Deferred tax liabilities arise since related project's assets are consolidated and corresponding accounting depreciation is registered, while a very large allocation of the tax depreciation is absorbed by the institutional investor.

Y) Statement of Cash Flow

The Statement of Cash Flow is presented under the direct method, by which gross cash flows from

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investing activities.

03. Recent accounting standards and interpretations issued

Standards, amendments and interpretations issued effective for the Group

The amendments that have been issued and that are already effective and that the Group has applied on its financial statements, can be analysed as follow:

- **IAS 12 (Amended) – Deferred tax related to assets and liabilities arising from a Single Transaction**

The IASB amended IAS 12, "Income taxes", in order to clarify the recognition of deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The amendments target the recognition of deferred tax in respect of:

- Right-of-use assets and lease liabilities; and
- Provision for dismantling, decommissioning and the corresponding tangible fixed assets.

As part of the adoption of these amendments, effective on 1 January 2023, the EDPR Group proceeded with the breakdown of deferred tax assets and deferred tax liabilities related with: i) assets under right of use and lease liabilities; and ii) provisions for dismantling and decommissioning and corresponding tangible fixed assets, where and whenever these amounts are not deductible until the payment date.

Thus, on 31 December 2023, the impacts of this amendment are disclosed in note 21.

The amendments that have been issued and that are already effective and that the Group has applied on its financial statements, with no significant impacts are the following:

- IAS 1 (Amended) – Disclosure of Accounting Policies;
- IAS 8 (Amended) – Definition of Accounting Estimates;
- IFRS 17 – Insurance Contracts and
- IAS 12 (Amended) – International Tax Reform: Pillar Two Model Rules (see note 15).

Standards, amendments and interpretations issued but not yet effective for the Group

The standards, amendments and interpretations issued but not yet effective for the Group (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the UE) for which no significant impact is expected, are the following:

- IAS 1 (Amended) – Classification of Liabilities as Current or Non-current;
- IAS 1 (Amended) – Non-current Liabilities with Covenants;
- IFRS 16 (Amended) – Lease liability in a sale and leaseback;
- IAS 21 (Amended) – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability; and
- IAS 7 and IFRS 7 (Amended) – Supplier Finance Arrangements.

04. Critical accounting estimates and judgments in applying accounting policies

The IFRS set forth a range of accounting treatments and require the Board of Directors to apply judgment and make estimates in deciding which treatment is most appropriate.

The main accounting estimates and judgements used in applying the accounting policies are discussed in this note in order to improve the understanding of how their application affects the Group's reported results and disclosures. A broader description of the material accounting policies employed by the Group is disclosed in note 2 to the Consolidated Financial Statements.

Although estimates are calculated by the Board of Directors based on the best information available at 31 December 2023 and 2022, future events may require changes to these estimates in subsequent years. Any effect on the financial statements of adjustments to be made in subsequent years would be recognised prospectively.

Considering that in many cases there are alternatives to the accounting treatment adopted by EDP Renováveis, the Group's reported results could differ if a different treatment was chosen. EDP Renováveis believes that the choices made are appropriate and that the financial statements are presented fairly, in all material respects, the Group's financial position and results. The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more

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Fair values are based on listed market prices, if available. Otherwise, fair value is determined either by the price of similar recent transactions under market conditions, or determined by external entities, or based on valuation methodologies, supported by discounting future cash flows techniques, considering market conditions, time value, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in determining fair values.

Consequently, the use of different methodologies and different assumptions or judgements in applying a particular model, could generate different financial results from those reported.

Additionally, financial instruments' classification as debt or equity requires judgement in the interpretation of contractual clauses and in the evaluation of the existence of a contractual obligation to deliver cash or other financial assets.

Review of the useful life of the assets

The Group reviews periodically the reasonableness of the assets' useful lives that are used to determine the depreciation rates of assets assigned to the activity, and prospectively changes the depreciation charge of the year based on such review.

Lease Liabilities (Rents due from lease contracts)

With the adoption of IFRS 16, the Group recognises right-of-use assets (ROU assets) and lease liabilities (rents due from lease contracts), if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: i) the contract involves the use of an identified asset; ii) it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and iii) it has the right to direct the use of the asset. EDPR Group uses judgement on its assessment, namely concerning the termination and extension contract options and the determination of the incremental borrowing rate to be applied for each portfolio of leases identified.

Impairment

Impairment of long-term assets and Goodwill

Impairment tests are performed whenever there is an indication that the recoverable amount of property, plant and equipment, right of use assets, intangible assets and investments in joint ventures and associates is less than the corresponding net book value of assets.

On an annual basis, the Group reviews the assumptions used to assess the existence of impairment in goodwill resulting from acquisitions of shares in subsidiaries. The assumptions used are sensitive to changes in macroeconomic indicators and business assumptions used by management. The net interest in associates is reviewed when circumstances indicate the existence of impairment.

Considering the uncertainties regarding the recoverable amount of property, plant and equipment, right of use assets, intangible assets and investments in joint ventures, associates and goodwill as they are based on the best information available, changes in the assumptions could result in changes on the determination of the amount of impairment and, consequently, in results.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Certain interpretations and estimates are required in determining the global amount for income taxes.

There are several transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Different interpretations and estimates would result in a different level of income taxes, current and deferred, recognized in the period.

Tax Authorities are entitled to review EDP Renováveis, and its subsidiaries' determination of its annual taxable earnings, for a determined period that may be extended in case there are tax losses carried forward. Therefore, it is possible that some additional taxes may be assessed, mainly as a result of differences in interpretation of the tax law. However, the EDP Renováveis and its subsidiaries, do not anticipate any significant changes to the income tax booked in the financial statements.

EDPR evaluates the recoverability of deferred tax assets based on estimations of future taxable income in the period in which such deferred taxes are deductible.

Deferred tax assets are yearly evaluated to ensure there are no indications of impairment. In these analyses, which are based on assumptions considered in the impairment test indicated in note 19, the Group verifies that such deferred tax assets are still recoverable in the future.

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The Board of Directors considers that Group has contractual obligations with the dismantling and decommissioning of property, plant and equipment related to wind and solar electricity generation. For these responsibilities the Group has recorded provisions for the expected cost of restoring sites and land to its original condition. The provisions correspond to the present value of the expenditure expected to be required to settle the obligation.

In 2023 EDPR's technical department has performed an in-depth analysis taking into account the reality of the EDPR's fleet. This analysis has led to the conclusion that the average cost per megawatt and salvage value of the renewable assets require to be updated with effect December 2023 (see note 2.P and 32).

The use of different assumptions in estimates and judgments referred may have produced different results from those that have been considered.

Entities included in the consolidation perimeter

In order to determine which entities must be included in the consolidation perimeter, the Group evaluates whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

This evaluation requires judgement, assumptions and estimates in order to conclude whether the Group is in fact exposed to variable returns and has the ability to affect those returns through its power over the investee. Other assumptions and judgments could lead to a different consolidation perimeter of the Group, with direct impact in the consolidated financial statements.

Business combinations

Under IFRS 3 (Business Combination) in a business combination, the acquirer shall recognize and measure in the consolidated financial statements the assets acquired and liabilities assumed at fair value at the acquisition date. The difference between the purchase price and the fair value of the assets and liabilities acquired leads to the recognition of goodwill or a gain from a purchase at a low price (bargain purchase).

The fair value determination of the assets acquired and liabilities assumed is carried out internally or by independent external evaluators, using the discounted cash flows method, using the replacement cost or other fair value determination techniques, which rely on the use of assumptions including macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, sale and purchase prices of energy, cost of raw materials, production estimates, useful life and business projections. Consequently, the determination of the fair value and goodwill or gain from a purchase at a low price is subject to numerous assumptions and judgments and therefore changes could result in different impacts on results.

Fair value measurement of contingent consideration and variable prices

Contingent consideration from a business combination or variable prices for a sale of assets or businesses are measured at fair value at the acquisition date as part of the business combination or at the date of the sale in the event of a sale of a assets or businesses. This contingent consideration or variable price are subsequently remeasured at fair value at each report date. Fair value is based on discounted cash flows. The main assumptions consider the probability of achieving each objective and the discount factor, corresponding to the best estimates of management at each report date. Changes in assumptions could have significant impact on the values of variable prices for the assets and contingent liabilities recognised in the financial statement.

05. Financial risk management policies

The businesses of EDP Renováveis Group are exposed to a variety of risks, including the effects of changes in electricity market prices, foreign exchange and interest rates. The main financial risks arise from interest-rate and the exchange-rate exposures. The volatility of financial markets is analysed on an on-going basis in accordance with EDPR's risk management policies. Financial instruments are used to mitigate potential adverse effects on EDP Renováveis financial performance resulting from interest rates and foreign exchange rates changes.

The Board of Directors of EDP Renováveis is responsible for the definition of general risk-management policies and the establishment of exposure limits. Recommendations to manage financial risks of EDP Renováveis Group are proposed by EDPR's Finance and Global Risk Departments and discussed in the Financial Risk Committee of EDP Renováveis, which is held quarterly. The pre-agreed strategy is shared with the Finance Department of EDP – Energias de Portugal, S.A., to verify the accordance with the policies approved by the Board of Directors of EDP. The evaluation of appropriate hedging mechanisms and the execution is done by EDPR but may also be outsourced to the Finance Department of EDP.

All transactions undertaken using derivative financial instruments require the prior approval of the Board of Directors or the Management Team, which defines the parameters of each transaction

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EDPR and EDP Group's Financial Departments are responsible for managing the foreign exchange exposure of the Group, seeking to mitigate the impact of exchange rate fluctuations on the net assets and net profits of the Group. Instruments used for hedging are foreign exchange derivatives, foreign exchange debt and other hedging structures with offsetting exposure versus the item to be hedged. The effectiveness of these hedges is reassessed and monitored throughout their lives.

EDPR operates internationally and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. With the objective of minimizing the impact of exchange rates fluctuations, EDP Renováveis general policy is to fund each project in the currency of the operating cash flows generated by the project.

Currently, the main currencies exposure are the U.S. Dollar, resulting from the shareholding in EDPR NA and Singaporean Dollar resulting from the shareholding in EDPR APAC companies. EDPR is also exposed to Polish Zloty, Romanian Leu, Brazilian Real, British Pound, Canadian Dollar, Colombian Peso, Hungarian Forint, Chinese renminbi, Taiwanese Dollar and a marginal fiscal exposure to MXN due to Mexican assets and relatively small exposure to other southeast Asian currencies.

To hedge the risk originated with net investment in EDPR NA, EDP Renováveis uses financial debt expressed in USD and also entered into cross currency interest rate swaps (CIRS) USD/EUR with EDP – Energias de Portugal, S.A. Following the same strategy adopted to hedge the net investments in USA, EDP Renováveis has also entered into CIRS in BRL/EUR, GBP/EUR, CAD/EUR and in PLN/EUR to hedge the investments in Brazil, United Kingdom, Canada and Poland, respectively, where exposures are sizable for hedging (see note 37).

Sensitivity analysis – Foreign exchange rate

As a consequence, a depreciation/appreciation of 10% in the most significant foreign currency exchange rate, with reference to 31 December 2023 and 2022, would originate an increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

31 DEC 2023				
THOUSAND EUROS	PROFIT OR LOSS		EQUITY	
	+10%	-10%	+10%	-10%
USD/EUR	20,195	-24,683	-130,360	159,328
BRL/EUR	1,143	-1,397	-66,391	81,145
SGD/EUR	2,083	-2,546	-39,882	48,745
	26,656	-32,580	-236,633	289,218

31 DEC 2022				
THOUSAND EUROS	PROFIT OR LOSS		EQUITY	
	+10%	-10%	+10%	-10%
USD/EUR	14,500	-17,722	-119,873	146,511
BRL/EUR	35	-43	-20,069	24,528
SGD/EUR	302	-369	-65,001	79,446
	14,837	-18,314	-204,943	250,485

This analysis assumes that all other variables, namely interest rates, remain unchanged.

Interest rate risk management

The Group's operating cash flows are substantially independent from the fluctuation in interest-rate markets.

The purpose of the interest-rate risk management strategy is to reduce the exposure of debt cash flows to market fluctuations. As such, whenever considered necessary and in accordance to the Group's policy, interest-rate financial instruments are contracted to hedge interest rate risks. These financial instruments hedge cash flows associated with future interest payments, converting floating rate loans into fixed rate loans.

All these hedges are undertaken on liabilities in the Group's debt portfolio and are mainly perfect hedges with a high correlation between changes in fair value of the hedging instrument and changes in fair value of the interest-rate risk or upcoming cash flows.

The EDP Renováveis Group has a portfolio of interest-rate derivatives with maturities up to 17 years. The Financial Department of EDP Group undertakes sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations or upcoming cash flows.

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operations of hedge accounting with financial instruments.

Additionally, during the fiscal year 2023, EDPR unwound the pre-hedges performed in 2022, both for EUR and USD refinanced debt, obtaining a gain and a reduction of volatility for the new bullets debt.

Sensitivity analysis – Interest rates

EDPR/EDP Group's Financial Departments are responsible for managing the interest rate risk associated to activities developed by the Group, contracting derivative financial instruments to mitigate this risk.

Based on the EDPR Group debt portfolio and the related derivative financial instruments used to hedge associated interest rate risk, as well as on the shareholder loans received by EDP Renováveis, a change of 100 basis points in the interest rates with reference to 31 December 2023 and 2022 would increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

	31 DEC 2023			
	PROFIT OR LOSS		EQUITY	
THOUSAND EUROS	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Cash flow hedge derivatives	-	-	26,469	-3,204
Unhedged debt (variable interest rates)	-51,137	51,137	-	-
	-51,137	51,137	26,469	-3,204

	31 DEC 2022			
	PROFIT OR LOSS		EQUITY	
THOUSAND EUROS	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Cash flow hedge derivatives	-	-	35,830	-7,560
Unhedged debt (variable interest rates)	-9,580	9,580	-	-
	-9,580	9,580	35,830	-7,560

This analysis assumes that all other variables, namely foreign exchange rates, remain unchanged.

Counterparty credit-rate risk management in financial transactions

The EDP Renováveis Group counterparty risk exposure in financial and non-financial transactions is managed by an analysis of technical capacity, competitiveness and probability of default to the counterparty. EDP Renováveis has defined a counterparty risk policy inspired in Basel III, which is implemented across all departments in all EDP Renováveis geographies. EDP Renováveis Group is exposed to counterparty risk in financial derivatives transactions in energy sales (electricity, GC and RECs) and in supply contracts.

Counterparties in derivatives and financial transactions are restricted to high-quality credit institutions or to the EDP Group.

Most relevant counterparties in derivatives and financial transactions are companies within EDP Group. Financial instruments contracted outside EDP Group are generally engaged under ISDA Master Agreements and credit quality of external counterparties is analysed and collaterals required when needed.

In the process of selling the energy (electricity, GCs and RECs produced), counterparty exposure arises from trade receivables, but also from mark-to-market of long-term contracts:

- In the specific case of the energy sales of EDPR EU & Latam platform, the Group's main customers are utilities and regulated entities in the different countries (EDP and CNMC in the case of the Spanish market). Credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of its debtors. Additional counterparty risk comes from the countries with renewables incentives, which it is usually treated as regulatory risk;
- In the specific case of EDPR NA platform, the Group's main customers are regulated utility companies and regional market agents in the US. As it occurs in Europe, credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of the debtors. However, the exposure due to the mark-to-market of long-term contracts may be significant.

With the acquisition of Sunseap, in the specific case of EDPR APAC, the Group's main customers are Distributed Generation off-takers and regulated entities in the different markets, namely in Singapore and Vietnam. As it occurs in the other platforms, credit risk from trade receivables is not significant due to same reasons. However, counterparty risk comes from countries with

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any long term agreement and by a requirement of collaterals when financial soundness of the counterparty deteriorates.

Regarding Trade receivables and other debtors, they are recognized net of the impairment losses. The Group believes that the credit quality of these receivables is adequate and that no significant impaired credits exist that have not been recognised as such and provided for.

Counterparty exposure to suppliers arises mainly from pre-paid contracts with equipment manufacturers and civil engineering contractors. Counter-party analyses are performed for each new contract. If needed, either parent company guarantees or bank guarantees are requested to comply with the limits of exposure established by EDP Renováveis counter-party risk policy.

The maximum exposure to customer credit risk by counterparty type is detailed as follows:

THOUSAND EUROS	DEC 2023	DEC 2022
CORPORATE SECTORS AND INDIVIDUALS		
Supply companies	68,167	73,275
Business to business	12,670	31,387
Other	40,521	18,306
Total Corporate sectors and individuals	121,358	122,968
Public sector	448	452
Total Public sector and Corporate sectors/individuals	121,806	123,420

Trade receivables by geographical market for the Group EDPR, is as follows:

THOUSAND EUROS						DEC 2023
	EUROPE	NORTH AMERICA	LATAM	APAC	OTHER	TOTAL
Corporate sectors and individuals	48,552	32,805	15,152	24,746	103	121,358
Public sector	-	448	-	-	-	448
Total	48,552	33,253	15,152	24,746	103	121,806

THOUSAND EUROS						DEC 2022
	EUROPE	NORTH AMERICA	LATAM	APAC	OTHER	TOTAL
Corporate sectors and individuals	55,033	28,542	14,223	25,074	96	122,968
Public sector	-	452	-	-	-	452
Total	55,033	28,994	14,223	25,074	96	123,420

In accordance with accounting policies, impairment losses are determined using the simplified approach precluded in IFRS 9, based on life time expected losses.

Liquidity risk

Liquidity risk is the possibility that the Group will not be able to meet its financial obligations as they fall due. The Group strategy to manage liquidity is to ensure, as far as possible, that it will always have significant liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The liquidity policy followed ensures compliance with payment obligations acquired, through maintaining sufficient credit facilities and having access to the EDP Group facilities who manages the Group liquidity risk through the engagement and maintenance of credit lines and financing facilities with a firm underwriting commitment with international reliable financial institutions as well as term deposits, allowing immediate access to funds. These credit lines are used to complement and backup national and international commercial paper programs, allowing the EDP Group's short-term financing sources to be diversified.

The Directors have estimated cash flows that show that the Group will meet the commitments existing at the close as at 31 December 2023.

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follows:

THOUSAND EUROS	DEC 2024	DEC 2025	DEC 2026	DEC 2027	DEC 2028	FOLLOWING YEARS	TOTAL
Bank loans	301,376	115,439	76,170	130,885	112,250	588,427	1,324,547
Loans received from EDP Group	886,341	225,241	478,054	452,489	1,185,354	2,687,329	5,914,808
Other loans	2,838	-	-	358	-	7,472	10,668
Expected future interests	303,002	291,202	279,690	272,248	243,672	419,686	1,809,500
	1,493,557	631,882	833,914	855,980	1,541,276	3,702,914	9,059,523

EDPR has developed and presented to the markets a very ambitious Multi-Year Growth Plan, aimed at creating value for its shareholders, which entails a significant annual investment volume. EDPR defines itself as a listed company with a low risk profile and as such has defined a financing plan that ensures a balanced financial position structure, preserving its credit quality and, at the same time, guaranteeing the necessary flexibility to accommodate any temporary deviation that may occur throughout the implementation period of its growth plan.

In the base case, the financing of the investment volume is ensured based on 5 major sources of financing:

- The cash flow generated by the assets in operation and retained in the Group;
- The program for selling assets in operation (sell down/Asset Rotation), as a way to anticipate and crystallize value/cash flow;
- The Tax Equity Investment (the entry of institutional investors in projects developed in the US that materializes just before the entry into operation of the assets);
- The capital increase in EDP Renováveis S.A.
- Complemented by medium and long-term external financing, and namely:
  - Via Corporate Finance, as the most relevant solution; and
  - Project Finance, particularly in markets where the functional currency is different from EUR/USD and it is important to manage equity exposure to the market.

Flexibility, in order to manage temporary differences or adjustments in the proportions of the components identified above, is given by the following variables:

- EDPR has Current Accounts in EUR and USD with EDP Group that uses to manage daily/weekly/monthly its net liquidity needs;
- EDPR has a formal agreement with its parent company (EDP Group) whereby EDP has agreed to provide the necessary financing for the execution of EDPR's Growth Plan;
- Current Accounts and Overdrafts negotiated with commercial banks (as backup).

Electricity market price risk

As of 31 December 2023, electricity market price risk affecting the EDP Renováveis Group is not significant. In the case of EDPR NA, the great majority of the plants are under power purchase agreements or long-term financial contracts, with fixed or escalating prices. In the case of EDPR EU, the electricity is sold in Spain, France, Italy, Portugal and Poland through regulated tariffs or financial PPAs. In Romania the green certificates have a floor.

For the smaller share of energy with merchant exposure after tariff regimes, PPAs or long-term financial contracts (electricity, green certificates and RECs), market risk is managed through the execution of electricity, green certificate and REC forward contracts. For this exposure EDPR EU and EDPR NA have electricity, green certificates and REC financial swaps that qualify for hedge accounting (cash flow hedge) that are related to sales for the years 2024 to 2026 (see note 37). The purpose of EDP Renováveis Group is to hedge in advance a significant volume of the merchant exposure to reduce the volatility of energy prices in each reporting year.

For 2023, the Group's total generation was 33.6 TWh, of which 71% was subject to both regulated remuneration and long-term contracts and the remaining 29% was remunerated at market price. Anyway, as commented above, this portion of generation remunerated at market price is practically fully hedged, increasing overall hedged position in the year to ca. 88%.

During 2023, market prices have experienced a generalized decreasing trend, however, they are still above historical averages in nearly all regions. For EDPR EU and EDPR NA, the potential loss from the decrease in electricity prices was very limited, since, as indicated above, EDPR´s merchant exposure for the year 2023 was already hedged before the start of this trend.

Considering recent spike in market prices and volatility, EDPR is closely managing and monitoring its exposure to market prices variations, despite it being limited with current hedges in place. For 2024, EDPR´s exposure to a potential decrease of 30% in market prices would be approximately

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The Group's goal in managing equity, in accordance with the policies established by its main shareholder, is to safeguard the Group's capacity to continue operating as a going concern, grow steadily to meet established growth targets and maintain an optimum equity structure to reduce equity cost.

In conformity with other sector groups, the Group controls its financing structure based on the leverage ratio. This ratio is calculated as net financial borrowings divided by total equity and net borrowings. Net financial borrowings are determined as the sum of financial debt, institutional equity liabilities corrected for non-current deferred revenues, less cash and cash equivalents.

Climate-related risk

The Earth's climate has changed throughout history. Scientists attribute the current global warming trend observed since the mid-20th century to the human expansion of the "greenhouse effect" – warming that results when the atmosphere traps heat radiating from Earth toward space. Over the last century, the burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO_2).

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and seamless execution, supported by core competences that yield superior profitability, all embedded within a distinctive and self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate changing business and economic environments, EDPR remains today a leading company in the renewable energy industry. As presented in its 2023-2026 Business Plan, EDPR plans to add 17.1 GW in the 2023-2026, of which 9.7 GW is already secured. EDPR will diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore, green hydrogen and storage technology along with the entrance in new markets.

During 2023, EDPR added 2.5 GW and finished the year managing a global portfolio of 16.6 GW. Benefiting from a diversified portfolio, the Company generated 34.6 TWh of renewable energy, avoiding the emissions of 20 (19,783,219 tCO2) million tons of CO_2. Capital expenditures and financial investments with capacity additions, ongoing construction and development works during the year totaled 2,951 million of Euros.

However, EDPR faces climate change not only as a business opportunity, but also as an opportunity to innovate. EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that cover wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

Nevertheless, on the risk side, meteorological changes may pose a risk for EDPR's activities and results since they are carried out in areas of the planet that are being affected by climate change. In addition, future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years and they are considered to be representative of the future. However, relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data. Thus, when evaluating a new investment, EDPR considers potential changes in the production forecasted but, even so, the size of the potential deviation in the case of relevant meteorological changes is uncertain.

Moreover, renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc. These risks depend on the location of the assets. At EDPR, all plants are insured from the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident will also be partially insured to cover revenue losses due to the event. Thus, no material impacts are identified in the EDPR's consolidated financial statements as a consequence of climate change.

As a sector leader, EDPR is aware of the urgency to fight climate change and even though its business inherently implies a positive impact on the environment, the Company continues to work on a daily basis to hold itself to a higher standard and to incorporate innovation in its value chain in order to further contribute to the protection of the climate.

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During the year ended in 31 December 2023, the changes in the consolidation perimeter of the EDP Renováveis Group were:

Companies acquired:

The following acquisitions were classified as asset purchases, out of scope of IFRS 3 – Business Combinations, due to the substance of these transactions, the type of assets acquired and the very early stage of the projects:

- EDP Renewables Europe, S.L.U. acquired 100% of the British companies Harrington Franklin Limited and Balnacraig Battery Storage Limited;
- EDP Renovables España, S.L.U. acquired 100% of the company Global Pracima, S.L. and its subsidiaries Jul Solar, S.L., Agos Fotovoltaicas, S.L. and Corona Fotovoltaicas, S.L., Energia Geoide VIII, S.L. and 67,73% of the company ICE Tudela S.L.;
- EDPR PT – Promoção e Operação, S.A. acquired 100% of the company SPEE - Sociedade Produção Energia Eólica, S.A.;
- EDPR France Holding, S.A.S. acquired 100% of the companies Saussignac Solaire, S.A.S., Oxavi 1, S.A.S. and Oxavi 2, S.A.S.;
- EDP Renewables Italia Holding, S.r.l. acquired 100% of the companies Solar Italy XXIII, S.r.l., Wind Energy Castelluccio, S.r.l., the 60% of the company Winderg Valleverde, S.r.l. and the 51% of the company Wind Energy Monte Cavallo, S.r.l.;
- EDP Renewables Polska, Sp. Z o.o. acquired 100% of the companies Farma Fotowoltaiczna Pakosław, Sp. z o.o., Farma Fotowoltaiczna Iłża, Sp. z o.o., CSH Renewables III, Sp. z o.o., Maella, Sp. z o.o., Wind Farm Debrzno, Sp. z o.o., Wind Farm Gniewkowo, Sp. z o.o., EDPR Polska Wind, Sp. z o.o., EDPR Polska Solar 2, Sp. z o.o., EDPR Polska Storage, Sp. z o.o. and Ekoenergia Solar 3, Sp. z o.o.;
- EDP Renewables North America LLC acquired 100%of the companies Cheboygan Solar Farm LLC and Three Lakes Solar LLC;
- EDPR NA Distributed Generation LLC, thought its subsidiaries, acquired the 100% of the companies CF OH Solar St RT 118, Ansonia LLC, CF OH Solar St RT 118, Rossburg LLC, CF OH Solar SR 309, Kenton LLC, CF OH Solar County Hwy 58, Upper Sandusky LLC, CF OH Solar Lincoln Hwy, Bucyrus1 LLC, CF OH Solar Rd N, Pandora LLC and CF OH Solar SR 81 Ada LLC, Generate USF Livermore LLC, and CF OH Solar N Dixie Hwy Lima LLC;
- EDPR Sunseap Pte. Ltd. through its subsidiaries acquired 100% of the Chinese companies Chuzhou Huitai Photovoltaic Power Generation Co., Fangxian Tianhang New Energy Co., Ltd., Siping Lvsheng Energy Technology Co., Ltd., Jiaxing Luken Energy Technology Co., Ltd, Harbin Panshuo Energy Technology Co., Ltd., Jingmen Zhongbei New Energy Co., Ltd., Tianjin Pengling Funeng New Energy Technology Co., Anhui Jinyang New Energy Co., Ltd., Ltd.,the 40% of the Ningbo Jiangbei Baoyi Enterprise Management Consulting Partnership LP; 100% of the Japanese company Godo Kaisha NW-3, 100% of the Vietnamese companies Millennium Energy Investment Co., Ltd., HTD Vietnam Investment Development Co., Ltd. and HTT Bin h Duong Investment Development Co., Ltd.,Lam Gia Luat Co., Ltd. and Dai Linh Phat Co., Ltd, 100% of the South Korean company Angang Wind Power Corporation.

Additionally, the following companies were acquired:

- During 2023, EDPR NA Distributed Generation LLC acquired the 100% stake in a distributed solar generation portfolio, Longroad Solar Portfolio III LLC and SunE Solar V LLC, located in North America for a total of 44MW solar operational projects. The total amount paid for these transactions has been 17,294 thousand Euros. These transactions were framed within the scope of IFRS 3 – Business combinations that has implied the recognition of a provisional goodwill in the amount of 14,511 thousand Euros (see note 19 and 42);
- During 2023, EDP Renovables España, S.L.U. has acquired the remaining 53% of the share capital of San Juan de Bargas Eólica, S.L. As a consequence, as at 31 December, 2023, EDPR has the 100% of the shares capital in this company. The total amount paid for this transaction has been 13,898 thousand Euros. This transaction was framed within the scope of IFRS 3 – Business combinations achieved in stage. that has implied the recognition of a badwill in the amount of 8,723 thousand Euros (see note 19 and 42);
- During 2023 Sunseap Group Pte. Ltd., through its subsidiaries, has acquired the 100% stake in a solar PV portfolio, which holding company is ITP Development Pty. Ltd. and located in Australia for a total of 730MW. These solar projects are in a different development stages. The total amount paid for this transaction has been 13,648 thousand Euros. This transaction was framed within the scope of IFRS 3 – Business combinations that has implied the recognition of a provisional goodwill in the amount of 16,983 thousand Euros (see note 19 and 42).

Companies sold and liquidated:

- In the fourth quarter of 2023, EDPR Group, through its fully owned subsidiary EDP Renováveis Brasil, S.A., sold to Statkraft AS the EDPR's entire stake in the Brazilian companies Central Eólica Boqueirão I, S.A., Central Eólica Boqueirão II, S.A., Jerusalém Holding, S.A. and Central Eólica Jerusalém from I to VI. Total shares proceeds for the transaction amount to 188,940 thousand Euros. This transaction has generated a gain, net of transaction costs,

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bles Europe, S.L.U., sold to Verbund AG the EDPR's entire stake in the Spanish companies Viesgo Europa, S.L.U. and Viesgo Renovables, S.L.U. Total shares proceeds for the transaction amount to 482,681 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 184,478 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).

- In the third quarter of 2023, EDPR Group, through its fully owned subsidiary EDP Renewables Polska, Sp. Z o.o., sold to Orlen S.A. the EDPR's entire stake in the Polish companies EW Dobrzyca, sp. z o.o., Ujazd, Sp. z o.o. and Wind Field Wielkopolska, Sp. z o.o. Total shares proceeds for the transaction amount to 346,866 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 249,898 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9). In addition the Group has reclassified to the consolidated income statement the accumulated OCI related to the commodities hedges derivatives associated to these companies (-43,052 thousand Euros).
- In the third quarter of 2023, Sunseap Group Pte. Ltd. through its fully subsidiaries sold the EDPR's entire stake in Sunseap Solutions Taiwan Ltd. and Charge+ Pte. Ltd. (49% and 26,25% respectively). Total shares proceeds for the transaction amount to 4,076 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 3,198 thousand Euros, which has been registered within the "Joint ventures and associates" caption of the consolidated income statement (see note 20).
- EDPR France Holding, S.A.S. sold the company Eoles Montjean, S.A.S. with no significant impacts in the consolidated financial statements.
- EDP Renewables Europe, S.L.U. sold the company EDPR Investment Hungary, Kft. with no significant impacts in the consolidated financial statements.
- Viesgo Renovables, S.L.U. liquidated the company Viesgo Mantenimiento, S.L.U. with no significant impacts in the consolidated financial statements.
- EDP Renewables Canada Ltd. sold the 50% of the stake in the Canadian company Edgeware BESS Project LP without loss of control and with no significant impacts in the consolidated financial statements.
- Sunseap Group Pte. Ltd. liquidated fully owned companies Jinan Xingsheng Energy Co., Ltd. and Yuzhou Yixing Energy Technology Co., Ltd. with no significant impacts in the consolidated financial statements.
- EDP Renewables Canada Ltd. liquidated the companies fully owned EDP Renewables SASK SE GP Ltd., EDP Renewables SASK SE Limited Partnership, Kennedy Wind Farm GP Ltd. and Kennedy Wind Farm Limited Partnership with no significant impacts in the consolidated financial statements.
- EDP Renewables North America LLC liquidated the companies fully owned Nine Kings Transco LLC, C2 CA WMS Redlands #1693 LLC, C2 IL WMS Bloomington #3459 LLC, C2 IL WMS Skokie #1998 LLC, DC- JD Portfolio - Barrel Roof, DC- JD Portfolio - Flat Roof, DC- JD Portfolio - Green Roof, DC- JD Portfolio - Parking Deck, VA- Green Acres, 2021 DG Agora Sol I LLC, 2021 DG CA Agora Sol I LLC, EDPR Wind Ventures X LLC, 2011 Vento X LLC, McLean Solar 1 LLC, Amsterdam 3 Solar LLC, C2 OH Otsego I LLC, RI Stainless LLC, C2 WM California 2039 LLC, C2 WM California 5884 LLC, New Scotland 5 Solar LLC, SC Heathwood Hall Solar LLC, DC Green Solar LLC, DC PD Solar LLC, NY Gomer SAS LLC, NY Broadway SAS LLC, NY Highland SAS LLC and the joint venture company Nine Kings Wind Farm LLC . with no significant impacts in the consolidated financial statements.

Companies Incorporated:

- Fengcheng Xingtai New Energy Technology Co., Ltd.
- Desarrollos Renovables de Alfajarin, S.L.U.
- KS SPV from 81 to 85 Limited
- Fransol from 51 to 70, S.A.S.
- EDPRNA DG Ridgefield BOE LLC (*)
- Pueblo Norte Solar Park LLC (*)
- Carpenter Wind Farm LLC (*)
- NDIW California RE LLC (*)
- Eighty South Solar Park LLC (*)
- Hobolochitto Solar Park LLC (*)
- Poplarville Solar Park LLC (*)
- Stone North Solar Park LLC (*)
- Twenty North Solar Park LLC (*)
- EDPR Wind Ventures XXIV LLC (*)
- 2023 Vento XXIV LLC (*)
- Central Eólica Itaúna III, S.A.
- Central Eólica São Domingos IV, S.A.
- Central Eólica São Domingos V, S.A.
- Renewables Energy Colombia, S.A.S.
- KSD from 41 to 60 UG
- EDPR Sicilia Quattro, S.r.l.
- Miyagi Motoyoshi Solar GK
- Gumisan Wind Power Co., Ltd.
- Duff Storage LLC (*)
- Buffalo Lick Solar Park LLC (*)
- EDPRNA DG Kentucky Development LLC (*)
- EDPRNA DG Bristol Solar LLC (*)
- EDPRNA DG Livermore Solar LLC (*)
- Vientos de Taltal, SpA
- Jiangsu Xingsheng New Energy Technology Co., Ltd.
- Changchun Xingsheng Jinhu Photovoltaic New Energy Co., Ltd.
- Wuhu Xingsheng New Energy Co., Ltd.
- Putian Xingsheng New Energy Co., Ltd.
- Jingmen Xingsheng New Energy Co., Ltd.
- EDPR Bora, Kft.
- EDPR Mistral, Kft.
- EDPR Sirocco, Kft.
- EDPR Siesta, Kft.
- EDPR Pampero, Kft.
- EDPR Zephyr, Kft.
- EDPR Terra, Kft.
- EDPR Silvanus, Kft.
- Serracapriola, S.r.l.

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- OH FP Commerce Center LLC
- Longleaf Storage LLC (*)
- Jericho Solar Park LLC (*)
- Flatland Storage LLC (*)
- EDPRNA DG RT Chicago LLC
- EDPRNA DG RT Bedford Park LLC
- EDPRNA DG RT Addison LLC
- EDPRNA DG LS Rancho Cucamonga LLC
- EDPR Solar Ventures VIII LLC
- EDPR Solar Ventures IX LLC
- EDPR Magnolia Holdings LLC (*)
- EDPR Magnolia DevCo LLC (*)
- EDPR Dahlia Holdings LLC (*)
- EDPR Dahlia DevCo LLC (*)
- Daffodil Grove Storage LLC (*)
- Crooked Lake Solar III LLC (*)
- Black River Solar Park LLC (*)
- 2023 SOL IX LLC
- EDPRNA DG CA Mbusa LLC
- EDPRNA DG CA CLNS Fairfield LLC
- EDPRNA DG Manning Solar LLC
- EDPRNA DG Eaton Solar LLC
- EDPRNA DG Washington Solar LLC
- EDPRNA DG Morton Solar LLC
- EDPRNA DG OH Massie Solar LLC
- EDPRNA DG OH Continental Solar LLC
- Lumberjack Storage LLC (*)
- South Branch BESS Project GP Ltd. (*)
- South Branch BESS Project Limited Partnership (*)
- South Branch BESS Project Limited Partnership (*)

* EDPR Group holds, through its subsidiary EDPR NA and EDP Renewables Canada, a set of subsidiaries legally established in the United States and Canada without share capital and that, as at 31 December 2023, do not have any assets, liabilities, or any operating activity.

Others:

- As a consequence of the legal entity restructuring in Singapore, the following entities have been merged with other EDPR companies in the country: Sunseap Leasing Beta Pte. Ltd., Sunseap Solutions Pte. Ltd., Sunseap Vpower Pte. Ltd., Uper Renewable Energy (Singapore) Pte. Ltd., Sunseap Solarnova Pte. Ltd., Sunseap Commercial Holdings Pte. Ltd., Sunseap Leasing Alpha Pte. Ltd., Sunseap Vietnam Pte. Ltd., Sunseap Commercial & Industrial Assets (S.E.A.) Holdings Pte. Ltd., Sunseap Vietnam Beta Pte. Ltd., Sunseap Vietnam Gamma Pte. Ltd., Sunseap Philippines Solar Holdings Pte. Ltd., Sunseap SolarNova 4 Beta Holdings Pte. Ltd., Solarland Alpha Holdings Pte. Ltd. and Solar PV Exchange Pte. Ltd.
- Merger of the company EDPR PT –. Promoção e Operação, S.A. into the company EDP Renewables SGPS, S.A. with no impacts in the consolidated financial statements.
- During the second quarter, Viesgo Renovables, S.L.U sold the 36.23% of the interest in the share capital that hold of Geólica Magallón, S.L. As a consequence of this transaction, EDPR has registered a loss amounted to 10,566 thousand Euros in the caption Joint ventures and associates in theconsolidated income statements (see note 20).
- Sale of the 49% of the stake hold by EDPR in Todae Solar Pty. Ltd. with no impacts in the consolidated financial statements.

Revenues are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
REVENUES BY BUSINESS AND GEOGRAPHY		
Electricity in Europe	1,013,520	1,269,806
Electricity in North America	699,330	685,211
Electricity in LATAM	77,570	52,793
Electricity in APAC	114,111	79,424
	1,904,531	2,087,235
Other revenues	54,640	2,425
	1,959,171	2,089,660
Services rendered	57,081	55,227
Changes in inventories and cost of raw material and consumables used		
Cost of consumables used and changes in inventories	-8,463	-6,906
Total Revenues	2,007,789	2,137,981

The breakdown of revenues by segment is presented in the segmental reporting (see annex I).

Decrease in electricity revenues is, mainly, explained by the stabilisation of energy prices after the high volatility in 2022 as a consequence of the conflict in Eastern Europe which affected the world economic situation.

Other revenues include mainly settlements of energy trading derivative and hedge which have been affected as well by the decrease of energy prices.

08. Income from institutional partnerships in North America

Income from institutional partnership in North America in the amount of 231,055 thousand Euros (31 December 2022: 233,505 thousand Euros), includes revenue recognition related to production tax credits (PTC), investments tax credits (ITC) and other tax benefits, mostly from accelerated tax depreciation related to projects Sol I, II and V, Vento I to V, Vento IX, Vento XI to XVI, Vento XVIII and Vento XXI to XXIII (see note 33).

09. Other income

Other income is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Amortisation of deferred income related to power purchase agreements	807	1,041
Contract and insurance compensations	31,289	60,789
Gains on business combination	8,807	578
Gains on disposals	511,107	411,372
Other income	31,193	52,246
	583,203	526,026

As at 31 December 2023, the caption Gain on business combination mainly includes the impact of the business combination achieved in stages of the company San Juan de Bargas Eólica, S.L. (see note 42).

As at 31 December 2023, the caption Gains on disposals essentially includes:

- Gain amounting to 67,805 thousand Euros resulting from the sale of the entire stake in the Brazilian companies Central Eólica Boqueirão I, S.A., Central Eólica Boqueirão II, S.A., Jerusalém Holding, S.A. and Central Eólica Jerusalém from I to VI (see note 6).
- Gain amounting to 184,478 thousand Euros resulting from the sale of the entire stake in the Spanish companies Viesgo Europa, S.L.U. and Viesgo Renovables, S.L.U. (see note 6).
- Gain amounting to 249,898 thousand Euros resulting from the sale of the entire stake in the Polish companies EW Dobrzyca, sp. z o.o., Ujazd, Sp. z o.o., Wind Field Wielkopolska, Sp. z o.o. (see note 6).

As at 31 December 2022, the caption Gains on disposals essentially included:

- Gain amounting to 51,795 thousand Euros resulting from the sale of the entire stake in the Polish companies Winfan, Sp. z o.o., Lichnowy Windfarm, Sp. z o.o., Kowalewo Wind, Sp. z o.o., EWP European Wind Power Krasin, Sp. z o.o., Nowa Energia 1, Sp. z o.o. and Farma

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Spanish companies Eólica La Janda, S.L. y Parc Eolic Serra Voltorera, S.L. (see note 6).

- Gain amounting to 168,568 thousand Euros resulting from the sale of the entire stake in the Italian companies WinCap, S.r.l. TACA Wind, S.r.l., San Mauro, S.r.l., Conza Energia, S.r.l., Lucus Power, S.r.l, Breva Wind, S.r.l. and Aria del Vento S.R.L. (see note 6).
- Gain amounting to 119,085 thousand Euros resulting from the sale of the entire stake in the Brazilian companies Aventura Holding, S.A. and its subsidiaries (Central Eólica Aventura II, S.A., Central Eólica Aventura III, S.A., Central Eólica Aventura IV, S.A., Central Eólica Aventura V, S.A.) and SRMN Holding, S.A. and its subsidiaries (Central Eólica SRMN I, S.A., Central Eólica SRMN II, S.A, Central Eólica SRMN III, S.A., Central Eólica SRMN IV, S.A., Central Eólica SRMN V, S.A. (see note 6).
- Gain amounting to 15,791 thousand Euros resulting from the sale of the entire stake in the North American company Meadow Lake Solar Park LLC (see note 6).
- Income amounting to 12,492 thousand Euros resulting from the lower cost to pay related to the project Indiana Crossroads Wind Farm LLC (see note 35).

As at 31 December 2022, the caption other income mainly included:

- An amount of 739 thousand Euros which refers to changes in the fair value of the variable price related to the sale in 2018 to Sumitomo Corporation and in 2020 to OW Offshore SL of shares in the companies Éoliennes en Mer Dieppe – Le Tréport, SAS and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS (see note 24);
- An amount of 748 thousand Euros which refers to changes in the fair value of the variable price, related to the sale in 2020 to OW Offshore S.L. of Mayflower Wind Energy LLC;
- An amount of 8,678 thousand Euros which refers to the success fee received from OW related to the stake of Moray West Holdings Limited sold in 2019;
- Price adjustment amounting to 12,428 thousand Euros according to the corresponding agreements in the transaction of selling 49% of EDPR Portugal portfolio of companies to CTG that took place in 2013;
- Price adjustment amounting to 5,633 thousand Euros according to the corresponding agreements in the transaction of selling 49% of EDP Renewables Polska SP.Zo.o portfolio of companies to CTG that took place in 2016;
- Management and cost reinvoiced to equity accounted projects in the amount of 5,403 thousand Euros;

As at 31 December 2023 and 2022 the caption contract and insurance compensations includes, mainly, the liquidity damage compensation for certain projects under construction in North America.

10. Supplies and services

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Rents and leases	33,661	38,472
Maintenance and repairs	247,623	225,819
SPECIALISED WORKS:		
– IT Services, legal and advisory fees	15,605	18,225
– Shared services	20,772	22,854
– Other services	76,827	71,302
Other supplies and services	80,037	62,302
	474,525	438,974

The caption Rents and leases mainly includes costs for variable lease payments and rental costs for short-term leases.

The caption Other supplies and services mainly includes in the years ended 31 December 2023 and 2022, insurances, travels and accommodations, advertising and other outsourced services.

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Personnel costs and employee benefits is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
PERSONNEL COSTS		
Board remuneration (see note 39)	785	838
Remunerations	223,841	194,855
Social charges on remunerations	35,462	30,978
Employee's variable remuneration	45,431	52,985
Other costs	7,268	7,255
Own work capitalised (see note 16)	-97,445	-72,666
	215,342	214,245
EMPLOYEE BENEFITS		
Costs with pension plans	9,369	8,985
Costs with medical care plans and other benefits	19,355	17,381
	28,724	26,366
	244,066	240,611

As at 31 December 2023, Costs with pension plans relates essentially to defined contribution plans in the amount of 9,212 thousand Euros (31 December 2022: 8,848 thousand Euros) and defined benefits plans amounting to 10 thousand Euros (31 December 2022: 61 thousand Euros).

The average breakdown by management positions and professional category of the permanent staff during 2023 and 2022 is as follows:

	2023	2022
Senior Managers	150	350
Managers	456	271
Specialists	1,952	1,661
Technicians	518	450
	3,076	2,732

During 2023, EDPR has adjusted the methodology for classifying the employees within categories, identifying categories throughout all the segments in order to unify the criteria on a group level. The breakdown by gender of the permanent staff during 2023 and 2022 with the new system is as follows:

	31 DEC 2023		31 DEC 2022	
	MALE	FEMALE	MALE	FEMALE
Senior Managers	114	37	117	38
Managers	283	115	386	155
Specialists	1,228	803	1,103	719
Technicians	369	92	473	95
	1,994	1,047	2,079	1,007

The breakdown by gender of the permanent staff during 2022 with the previous methodology is as follows:

	31 DEC 2022	
	MALE	FEMALE
Senior Managers	287	94
Managers	209	105
Specialists	1,155	709
Technicians	428	99
	2,079	1,007

The increase in the average number of employees mainly is a consequence of the growth within the platforms acquired in 2022, the Sunseap Group and Kronos Group.

In the companies in Spain where there is a legal obligation to have people with disabilities in the workforce to comply with the LISMI due to the number of employees, EDPR has opted for the

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of disabled people and also through donations.

EDPR's companies under this obligation are covered with the exceptionality measures since March 2021 until 2023. For the rest of EDPR countries, the approach is the same. In 2020, as part of EDPR's global strategy, a Diversity and Equality Committee was set up with the participation of the Management Team, whose objective is to integrate the commitment to this issue within the company. One of the objectives of this Committee is focused on the group of people with disabilities as one of the most important topics to be developed.

12. Other expenses

Other expenses are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Taxes	152,117	142,058
Losses on fixed assets	24,421	19,895
Other costs and losses	105,852	75,816
	282,390	237,769

The caption Taxes, as at 31 December 2023 includes other direct and indirect taxes. The impact of extraordinary taxes on profit incurred in geographies such as Romania or Italy during 2022 has have no significant impact due to the stabilisation of energy prices. This effect has been compensated by the new Regulatory Framework established in Poland for which in October 2022, an Act on Emergency measures was released aimed to counteract the effects on consumers of high energy prices by introducing a clawback mechanism.

In December 2022, a new tax for energy operators was approved in Spain. This tax will apply in 2023 and 2024 (based on 2022 and 2023 turnover) to energy operators with a turnover over 1 billion Euros in 2019. Tax would be charged at a 1.2% rate on the net amount of last Fiscal Year's turnover (this will include the tax groups income derived from its activities carried out in Spain, excluding the income derived from regulated activities). The impact for the period ended 31 December 2023 is 1,458 thousand Euros.

Losses on fixed assets as at 31 December 2023 and 2022 mainly refers to abandonment of projects in Europe and North America.

Other costs and losses include as at 31 December 2023 and 2022, mainly, operating costs associated with compensations and availability bonus to O&M suppliers.

13. Amortisation and impairment

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
PROPERTY, PLANT AND EQUIPMENT		
Buildings and other constructions	476	497
Plant and machinery	670,278	641,234
Other	9,403	6,614
Impairment loss (see note 16 and 19)	146,917	54,432
Impairment loss from assets held for sale (see note 27)	39,866	-
	866,940	702,777
RIGHT-OF-USE ASSETS		
Right-of-use assets	51,314	44,067
Intangible assets		
Industrial property, other rights and other intangibles	43,107	23,900
	961,361	770,744
Impairment of goodwill	-	-
	-	-
Amortisation of deferred income (Government grants)	-17,700	-19,433
	943,661	751,311

Right of use assets includes depreciation of IFRS 16 related assets.

Amortisation of deferred income (Government grants) refers to grants for fixed assets received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States that are amortised through the recognition of revenue in the income statement over the

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Financial income and financial expenses are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
FINANCIAL INCOME		
Interest income	64,148	37,352
Derivative financial instruments:		
Interest	42,316	16,893
Fair value	233,061	340,608
Foreign exchange gains	338,925	284,643
Other financial income	–	1,136
	678,450	680,632
FINANCIAL EXPENSES		
Interest expense	307,048	225,201
Derivative financial instruments:		
Interest	103,063	84,342
Fair value	392,857	265,177
Foreign exchange losses	171,246	434,499
Own work capitalised	-131,711	-41,342
Unwinding	127,049	136,296
Other financial expenses	22,110	25,561
	991,662	1,129,734
Net financial income / (expenses)	-313,212	- 449 102

Derivative financial instruments include interest liquidations on the derivative financial instrument established between EDPR and EDP – Energias de Portugal, S.A. (see notes 24, 35 and 37). The variation in the captions fair value is mainly due to the stabilisation of the exchange rates after the effects suffered last year in relation to the conflict in Eastern Europe which affected the world economic situation.

The increase of interest income is related to interest from interest from loans granted to Joint Ventures and Associates as well as from deposits formalized in Brazil.

The variation in foreign exchange gains and loses is related to the financing in foreign currency, mainly in US Dollars, Singaporean Dolars and Colombian pesos.

In accordance with the corresponding accounting policy, the borrowing costs (interest) capitalised in tangible fixed assets in progress as at 31 December 2023 amounted to 131,711 thousand Euros (at 31 December 2022 amounted to 41,342 thousand Euros) (see note 16), which are included under Own work capitalised (financial interest). The interest rates used for this capitalisation vary in accordance with the related loans.

Interest expense refers to interest on loans bearing interest at contracted and market rates.

Unwinding expenses refers essentially to: (i) the implied return in institutional partnerships in North America amounting to 81,058 thousand Euros (31 December 2022: 96,955 thousand Euros) (see note 33); (ii) financial update of lease liabilities related to IFRS 16 in the amount of 34,706 thousand Euros (31 December 2022: 33,612 thousand Euros) (see note 35) (iii) financial update of provisions for dismantling and decommissioning of wind and solar farms in the amount of 11,270 thousand Euros (31 December 2022: 5,729 thousand Euros) (see note 32); and (iv) others for an amount of 15 thousand Euros

15. Income tax expense and Extraordinary Contribution to the Energy Sector (CESE)

The following note includes an analysis on the reconciliation between the theoretical and the effective income tax rate applicable at the level of the EDPR Group, on a consolidated basis. In general terms, the analysis on the reconciliation between the theoretical and the effective income tax rate aims at quantifying the impact of the income tax, recognised in the income statement, which includes both current and deferred tax. The note also includes an analysis on the extraordinary contribution to the energy sector (CESE).

As the EDPR Group prepares and discloses its financial statements in accordance with IFRS, an alignment between the accounting of income tax expense or income and the corresponding cash flow is not mandatory. Accordingly, this analysis does not represent the income tax paid or received by the EDPR Group for the corresponding reporting period.

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basis is disclosed in the Annual Report, which is available on EDPR's website (www.edpr.com). This website also includes the details on the general principles concerning EDPR Group's mission and tax policy and the overall tax contribution to public finance in 2023.

Main features of the tax systems of the countries in which the EDP Renewables Group operates

The statutory corporate income tax rates applicable in the main countries in which EDP Renewables Group operates are as follows:

COUNTRY	31 DEC 2023	31 DEC 2022
EUROPE		
France	25%	25%
Greece	22%	22%
Italy	24% - 27.9%	24% - 28.8%
Poland	19%	19%
Portugal	21% - 31.5%	21% - 31.5%
Romania	16%	16%
Spain	25%	25%
NORTH AMERICA		
Mexico	30%	30%
United States of America	24.91%	24.91%
Canada	23% - 26.5%	26.5%
LATAM		
Colombia	35%	35%
Brazil	34%	34%
APAC		
Singapore	17%	17%
Vietnam	20%	20%

EDP Renováveis S.A. and its subsidiaries file individual tax returns in accordance with the applicable tax legislation. Nevertheless, the company and the majority of its Spanish subsidiaries are taxed under the tax consolidation group regime foreseen in the Spanish law. EDP – Energias de Portugal, S.A. – Sucursal en España (Branch)(which is not consolidated under EDPR consolidated financial statement) is the dominant company of this Group, which includes other subsidiaries that are not within the renewables energy industry.

As per the applicable legislation, in general terms, the corporate income tax for a fiscal year may be subject to review and reassessment by the tax authorities during a limited period of time. In Spain and Portugal, this period is 4 years, or, if tax losses or credits have been used, the number of years that such tax losses or credits may be carried forward. The general period in the USA is 3 years, and in Brazil is 5 years. In other key jurisdictions, the statute of limitation period ranges between 2 and 12 years.

Tax losses generated in each year are also subject to the tax authorities' review and reassessment and may be carried forward and set off against income over a time period and limits established in each jurisdiction. In Spain, Portugal, USA, Brazil and the Netherlands, tax losses may be carried forward indefinitely. Moreover, in the Netherlands the tax losses of a given year may be used to recover current tax of the previous year with limitations. However, the deduction of tax losses in Spain, Portugal, the Netherlands, USA and Brazil may be limited to a percentage of the taxable income of each period or is subject to other limitations.

EDPR Group companies may, in accordance with the law, benefit from certain tax benefits or incentives in specific conditions, namely the Production Tax Credits in North America, which represent an extra source of revenue per unit of electricity, over the first 10 years of the asset's life. Wind and solar facilities that achieve commercial operations by 2022 or later qualify for the application of the Production Tax Credits ($2.75/KWh being adjusted for inflation in subsequent years). Alternatively, the EDP Group companies can, instead of the production tax credit, choose to benefit from the Investment Tax Credit which avails solar and wind projects to a credit based upon its capital expenditures. This credit amount equates to 30% for projects that achieve commercial operations by 2022 or later. Additionally, this credit can increase to 40% or 50% dependent on the 1) the use of domestic made equipment and/or 2) locating a project in an economically depressed area or an area that once had a traditional energy facility. Transfer pricing legislation is duly complied with by EDP Renováveis Group. Its policy follows the rules, guidelines and best international practices applicable across all geographies where the Group operates, in due compliance with the spirit and letter of the Law.

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fiscal years 2017 - 2019. This tax audit is currently close to finalise and EDPR does not expect any liability exceeding the one already recorded in the companies' accounts at December, 2023.

Changes in the tax law with relevance to the EDP Renewables Group in 2023

As from 2023, the statutory CIT rates applicable in the following relevant geographies have been modified as follows:

- In the United Kingdom, the general CIT rate has raised to 25% from April 2023, onwards. The former 19% still applies only for profits under GBP 50,000.
- In Korea, a reduction of 1% has been enacted for the CIT rate applicable for each bracket. Namely, from January 2023 onwards, 9% on income up to KRW 200 million; 19% between KRW 200 million and KRW 20,000 million; 21% between KRW 20,000 million and KRW 300,000 million; 24% on excess.

Directive 2022/2523, of 22 December 2022 (Pillar 2 Directive)

On 22 December 2022, European Union adopted Directive 2022/2523 (Pillar 2), on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union. These rules aim to ensure that multinational enterprises that operate in EU pay an effective minimum rate of tax of 15% on their profits, regardless of the country in which those profits are generated. The directive should have been transposed by Member States by 31 December 2023.

Taking into account the preliminary analysis carried out and EDP and EDPR Group´s consolidated revenues, it is expected that the Group will be subject to this tax regulation. Spain did not comply with the transposition deadlines, although it is expected that such transposition occurs during 2024. However, assuming that the transposition will strictly follow the Directive, no top-up tax is expected to be paid by EDP or EDPR Group.

In the countries where EDPR Group carries out its activities and where the Pillar 2 rules were already enacted, we expect the safe harbours will apply and therefore no additional tax will be due.

Windfall / extra-profit taxes

During the course of 2023 several European countries maintained the so-called windfall taxes / extra-profit taxes, inclusively beyond EU recommendation to terminate the imposition of those tributes from July 2023 onwards. In what concerns to EDPR, as of December 31, 2023, these taxes mainly impact Spain, Romania and Poland. For additional information on the nature of these taxes see Note 1 – Regulatory Framework.

As per described in the referred Note, the European Union Council Regulation 2022/1854 of 6 October 2022 (Regulation) consubstantiated on a European Union wide emergency intervention to address high energy prices. While EDPR fully acknowledges that the existing emergency situation required for extraordinary measures, the Company also considers that (i) the principle of not taxing unrealized extra-profits should always prevail and (ii) the compatibility of those measures with the existing, legitimately implemented, risk management strategies, needs to be ensured. These requirements are necessary to avoid harming producers that do not actually benefit from the current high electricity prices volatility, due to having hedged, individually or at Group level, their revenues, against fluctuations in the wholesale electricity market. These financial hedges follow the Company's established low risk strategy to secure long term revenues and to remove electricity prices volatility on the company's earnings.

Considering the above EDPR is pursuing the necessary legal actions at its disposal in order to challenge the legality of these measures.

Corporate income tax provision.

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Current tax	-44,119	-233,540
Deferred tax	-54,813	91,315
Income tax expense	-98,932	-142,225

The effective income tax rate as at 31 December, 2023 and 2022, is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Profit before tax	561,331	962,402
Income tax expense	-98,932	-142,225
Effective Income Tax Rate	17.62%	14.78%

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The difference between the theoretical and the effective income tax expense, results from the

years ended 31 December, 2023 and 2022, is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Profit before taxes	561,331	962,402
Nominal income tax rate*	25.00%	25.00%
Theoretical income tax expense	-140,333	-240,601
Fiscal revaluations, amortization, depreciation and provisions	-62,140	-15,098
Tax losses and tax credits	-10,434	8,576
Financial investments in associates	16,293	21,851
Difference between tax and accounting gains and losses	91,881	76,986
Non-deductible windfall taxes	-	-35,732
Effect of tax rates in foreign jurisdictions and CIT rate changes	38,381	-7,823
Taxable differences attributable to non-controlling interests (USA)	14,473	17,926
Others	-47,053	31,690
Effective income tax expense as per the Consolidated Income Statement	-98,932	-142,225

* Statutory corporate income tax rate applicable in Spain

The main captions are the following:

- The caption Fiscal revaluations, amortization, depreciation and provisions mainly includes the effect of non-deductible impairments recognized over property, plant and equipment in Colombia.
- The caption Difference between tax and accounting gains and losses refers to changes in the Group's perimeter not subject to income taxes.
- The caption Non-deductible windfall taxes includes the effect of the Italian and Polish windfall taxes, enacted in 2022, as those taxes are not deductible for CIT purposes.
- The caption Effect of tax rates in foreign jurisdictions and CIT rate changes mainly includes the difference between the nominal statutory rate (reference rate for effective income tax reconciliation purposes) and the tax rates applicable in each EDPR jurisdiction.
- The caption Taxable differences attributable to non-controlling interests (USA) essentially includes the effect inherent to the attribution of taxable income to non-controllable interests in the subgroup EDPR NA, as determined by the tax legislation of that geography.
- The caption Others mainly refers to the adjustment for inflation and exchange rate in Mexico.

Extraordinary Contribution to the Energy Sector (CESE)

Law 83-C/2013, of the State Budget 2014, approved by the Portuguese Government on 31 December 2013, introduced an extraordinary contribution applicable to the energy sector (CESE), with the objective of financing mechanisms that promote the energy sector systemic sustainability, through the establishment of a fund which aims to contribute for the reduction of tariff debt and to finance social and environmental policies in the energy sector. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CESE is calculated based on the companies' net assets as at 1 January, which comply, cumulatively, to: (i) property, plant and equipment; (ii) intangible assets, except industrial property elements; and (iii) financial assets assigned to concessions or licensed activities. In the case of regulated activities, CESE focuses on the value of regulated assets if it is higher than the value of those assets.

As at 31 December 2023, EDPR Group recorded in caption Tax Liabilities a fair value for this contribution of 2,964 thousand Euros.

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This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
COST		
Land and natural resources	55,130	50,481
Buildings and other constructions	17,615	30,925
Plant and machinery:		
– Renewables generation	21,500,825	19,969,929
– Other plant and machinery	10,926	9,992
Other	105,925	87,417
Assets under construction	6,343,435	4,870,215
	28,033,856	25,018,959
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-680,157	-648,345
Accumulated depreciation in previous years	-6,722,131	-6,280,429
Impairment losses	-146,917	-54,432
Impairment losses in previous years	-232,487	-144,899
	-7,781,692	-7,128,105
Carrying amount	20,252,164	17,890,854

The movement in Property, plant and equipment for the period ended 31 December 2023, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	50,481	3,308	-199	-	-755	2,295	55,130
Buildings and other constructions	30,925	1,068	-93	-	-713	-13,572	17,615
Plant and machinery	19,979,921	175,334	-36,892	2,905,681	-350,929	-1,161,364	21,511,751
Other	87,417	4,840	-1,251	14,283	-1,346	1,982	105,925
Assets under construction	4,870,215	4,376,031	-19,299	-2,919,289	41,280	-5,503	6,343,435
	25,018,959	4,560,581	-57,734	675	-312,463	-1,176,162	28,033,856

THOUSAND EUROS	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	IMPAIRMENT LOSSES/ REVERSES	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Buildings and other constructions	14,638	476	-	-65	-449	-625	13,975
Plant and machinery	6,932,514	670,278	2,990	-35,464	-124,325	-45,557	7,400,436
Assets under construction	122,987	-	143,927	-	32,844	-	299,758
Other	57,966	9,403	-	-753	-1,164	2,071	67,523
	7,128,105	680,157	146,917	-36,282	-93,094	-44,111	7,781,692

Plant and machinery include the cost of the wind farms and solar plants under operation.

Additions includes, the investment in wind farms and solar plants under development and construction mainly in the United States of America, Brazil, Italy, Spain, Canada, Poland, Chile, Colombia, Portugal, Greece, Singapore, France, China, Mexico, United Kingdom, Taiwan, Netherlands, Japan and Hungary.

This caption also includes the allocation of the acquisition cost of certain companies due to the nature of the transactions, the type of assets and the initial stage of completion of the projects acquired (see note 6). The most significant ones, including additions from their acquisition, are:

- North American companies Cheboygan Solar Farm LLC and Three Lakes Solar LLC for a total amount of 39,883 thousand Euros;

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Rossburg LLC, CF OH Solar SR 309, Kenton LLC, CF OH Solar County Hwy 58, Upper Sandusky LLC, CF OH Solar Lincoln Hwy, Bucyrus1 LLC, CF OH Solar Rd N, Pandora LLC and CF OH Solar SR 81 Ada LLC, Generate USF Livermore LLCand CF OH Solar N Dixie Hwy Lima LLC, for a total amount of 5,498 thousand Euros;

- Italian Companies Solar Italy XXIII, S.r.l., Wind Energy Castelluccio, Wind Energy Monte Cavallo, S.r.l. and Winderg Valleverde, S.r.l. for a total amount of 79,098 thousand Euros;
- Portuguese company SPEE – Sociedade Produção Energia Eólica, S.A. for a total amount of 17,165 thousand Euros;
- Spanish companies Global Pracima, S.L., Jul Solar, S.L., Agos Fotovoltaicas, S.L. and Corona Fotovoltaicas, S.L. for a total amount of 16,209 thousand Euros;
- Vietnamese companies HTD Vietnam Investment Development Co., Ltd. and HTT Binh Duong Investment Development Co., Ltd., 100%, Lam Gia Luat Co., Ltd. and Dai Linh Phat Co., Ltd. for a total amount of 4,166 thousand Euros;
- British companies Balnacraig Battery Storage Limited and Harrington Franklin Limited for a total amount of 16,269 thousand Euros;

In addition, the caption additions increases due to dismantling cost associated with the projects that have reached COD during the year ended 31 December 2023 for a total amount of 25,495 thousand Euros (see note 32).

Transfers from assets under construction into operation refer to wind and solar farms that became operational in the United States of America, Brazil, Poland, Canada, Mexico, Portugal, Spain, Italy, Singapore, France, Greece, Taiwan and China.

Write-offs mainly refer to abandonment of projects in Europe and North America. This amount is recorded under the caption Losses on fixed assets in the consolidated income statement (see note 12).

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar, Mexican Peso, Canadian Dollar, Colombian COPS, Singaporean Dollar, Polish zloty and Brazilian Real.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 48,977 thousand Euros related to the acquisition in 2023 of the new Longroad portfolio, a distributed solar generation business in the United States of America (see note 6);
- Increase amounting to 43,374 thousand Euros related to the acquisition and the adjustment in the provisional purchase price allocation of the remaining stake in San Juan de Bargas Eólica, S.L., a Wind generation business in the Spain (see notes 6 and 42);
- Net decrease amounting to 486,111 thousand Euros related to the reclassification to held for sale of certain portfolio in North America (see note 27);
- Decrease amounting to 205,842 thousand Euros related to the sale of certain portfolio in Poland (see note 6);
- Decrease amounting to 242,213 thousand Euros related to the sale of certain portfolio in Brazil (see note 6);
- Decrease amounting to 260,571 thousand Euros related to the sale of certain portfolio in Spain (see note 6).

The Company has taken out an insurance global program to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

Loans with credit institutions formalized as 'Project Finance' are secured by the shares of the corresponding wind farms and, ultimately, by the fixed assets of the wind farm to which the financing is related (see note 31). Additionally, the construction of certain assets has been partly financed by grants received from different Government Institutions.

Impairment losses are mainly related with certain projects in Colombia and other less relevant projects in APAC and Europe for a total amount of 184,714 thousand Euros. In addition, the caption includes the reversal of an impairment in Romania amounting to 37,797 thousand Euros (see note 19).

The movement in Property, plant and equipment during 2022, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	31,491	18,295	-113	-	942	-134	50,481
Buildings and other constructions	20,646	328	-135	3,814	1,007	5,265	30,925
Plant and machinery	18,276,306	63,589	-25,517	760,334	719,984	185,225	19,979,921
Other	76,909	6,425	-1,464	2,514	2,378	655	87,417
Assets under construction	2,420,599	3,340,158	-14,245	-765,880	-10,081	-100,336	4,870,215

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THOUSAND EUROS	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	IMPAIRMENT LOSSES/ REVERSES	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Buildings and other constructions	13,056	496	-	-23	1,109	-	14,638
Plant and machinery	6,126,449	641,235	344	-24,900	209,311	-19,925	6,932,514
Assets under construction	73,131	-	54,088	-	-7,851	3,619	122,987
Other	51,015	6,614	-	-1,121	1,731	-273	57,966
	6,263,651	648,345	54,432	-26,044	204,300	-16,579	7,128,105

Plant and machinery include the cost of the wind farms and solar plants under operation.

Additions included, the investment in wind farms and solar plants under development and construction mainly in the United States of America, Colombia, Brazil, Poland, Italy, Canada, Spain, Portugal, Mexico, Singapore, Greece, Taiwan, France, China. Vietnam, Chile and Hungary. This caption also included the allocation of the acquisition cost of certain companies due to the nature of the transactions, the type of assets and the initial stage of completion of the projects acquired (see note 6). The most significant ones, including additions from their acquisition, were:

- Polish companies Farma Fotowoltaiczna Radziejów, Sp. z o.o. and Farma Fotowoltaiczna Ujazd, Sp. Z.o.o. Farma Fotowoltaiczna Warta, Sp. Z o.o., Farma Fotowoltaiczna Wielkopolska, Sp. Z o.o., Farma Fotowoltaiczna Budzyn, Sp. Z o.o., Farma Fotowoltaiczna Dobrzyca, Sp. Z o.o. and Farma Fotowoltaiczna Tomaszów, Sp. Z o.o. for a total amount of 40,335 thousand Euros;
- Colombian company Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P. for a total amount of 8,036 thousand Euros;
- Hungarian companies Szabadsolar, Kft, Sunglare Capture, Kft., Sunglare Expert, Kft. and Napenergia, Kft. For a total amount of 6,726 thousand Euros;
- Greek company Aeolos Evias Energiaki, M.A.E for a total amount of 20,128 thousand Euros.
- Spanish companies Rocio Hive, S.L., Palma Hive, S.L. and Pedregal Hive, S.L. for a total amount of 19,274 thousand Euros;
- Italian companies Solar Italy I, S.r.l., Solar Italy II, S.r.l. and Solar Italy IV, S.r.l. for a total amount of 41,463 thousand Euros;
- North American Distributed Generation companies for a total amount of 33,498 thousand Euros;
- Brazilian companies for a total amount of 38,204 thousand Euros;
- Asian Distributed Generation companies for a total amount of 19,148 thousand Euros.

Changes in the perimeter / other also included the change in the dismantling provisions related to the update of the main assumptions as at 31 December 2023 (see note 32).

Transfers from assets under construction into operation refered to wind and solar farms that became operational in Poland, the United States of America, Italy, Brazil, Spain, France, Mexico, Singapore, Taiwan and Canada.

Write-offs mainly referred to abandonment of projects in the United States of America and other certain projects in Europe. This amount was recorded under the caption Losses on fixed assets in the consolidated income statement (see note 12).

Exchange differences were mainly generated by the variation in the exchange rate of the US Dollar, Mexican Peso, Canadian Dollar, Colombian COPS, Singaporean Dollar, Polish zloty and Brazilian Real.

The caption Changes in perimeter/Other mainly included:

- Increase amounting to 520,521 thousand Euros related to the acquisition of Sunseap, a distributed solar generation business in Singapore (see note 6 and 42);
- Increase amounting to 198,241 thousand Euros related to the acquisition of a certain solar generation business in Vietnam (see note 6 and 42);
- Increase amounting to 97,330 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America (see note 6 and 42);
- Increase amounting to 4,871 thousand Euros related to the acquisition of a solar generation business “Kronos” (see note 6 and 42);
- Net decrease amounting to 222,919 thousand Euros due to the sale of the companies WinCap, S.r.l., TACA Wind, S.r.l., San Mauro, S.r.l., Conza Energia, S.r.l., Lucus Power, S.r.l., Breva Wind, S.r.l. and Aria del Vento in Italy (see note 6 and 9);
- Decrease amounting to 210,044 thousand Euros due to the sale of the companies Central Eólica Aventura II, S.A., Central Eólica Aventura III, S.A., Central Eólica Aventura IV, S.A., Central Eólica Aventura V, S.A., Central Eólica SRMN I, S.A., Central Eólica SRMN II, S.A., Central Eólica SRMN III, S.A., Central Eólica SRMN IV, S.A. and Central Eólica SRMN V, S.A. in Brazil (see note 6);
- Decrease amounting to 182,766 thousand Euros due to the sale of the companies Meadow Lake Solar Park LLC and RSBF E470 I LLC in the United States of America (see note 6);
- Decrease amounting to 9,152 thousand Euros due to the reclassification to held for sale of

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that have reached the COD during the year ended 31 December 2022.
- Update on the estimated dismantling cost according to an in-depth analysis performed by the EDPR's technical department with a net impact of a decrease in the amount of 84,613 thousand Euros

The Company had taken out an insurance global program to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

Loans with credit institutions formalized as 'Project Finance' were secured by the shares of the corresponding wind farms and, ultimately, by the fixed assets of the wind farm to which the financing was related (see note 31). Additionally, the construction of certain assets has been partly financed by grants received from different Government Institutions.

Impairment losses were mainly related to certain projects in Colombia as a result of the recoverability assessment (see note 19).

Assets under construction as at 31 December 2023 and 31 December 2022 were analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
EDPR NA	3,788,190	2,589,575
EDPR EU	1,087,256	1,074,177
EDPR LATAM	1,389,904	1,098,164
EDPR APAC	78,085	108,299
	6,343,435	4,870,215

Assets under construction as at 31 December 2023 are mainly related to wind and solar farms under construction and development in the United States of America, Colombia, Poland, Canada, Spain, Brazil, Mexico, Italy, Greece, Portugal, China, Japan, Singapore, Taiwan, Hungary, France, United Kingdom, Chile and Romania.

Financial interests capitalized during the period amount to 131,711 thousand Euros as at 31 December 2023 (31 December 2022: 41,342 thousand Euros) (see note 14). Personnel costs capitalised during the period amount to 97,445 thousand Euros as at 31 December 2023 (31 December 2022: 72,666 thousand Euros) (see note 11).

The EDP Renováveis Group has purchase obligations disclosed in Note 38 – Commitments.

17. Right of use assets

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
COST		
Land and natural resources	1,032,162	1,070,178
Buildings and other constructions	81,115	51,490
Plant and machinery:	140	–
Other	9,068	6,743
	1,122,485	1,128,411
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-51,314	-44,067
Accumulated depreciation	-135,534	-96,042
	-186,848	-140,109
Carrying amount	935,637	988,302

The movements in Right of use assets, for the Group, for the period ended 31 December 2023, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	1,070,178	93,715	–	–	-21,533	-110,198	1,032,162
Buildings and other constructions	51,490	18,200	-153	–	-829	12,406	81,114
Plant and machinery:	–	1,954	–	–	37	-1,851	140
Other	6,743	478	-91	–	77	1,862	9,069

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THOUSAND EUROS	AT 01 JAN	FOR THE PERIOD	WRITE-OFF	TRANSFERS	DIFFERENCES	PERIMETER / OTHER	AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Land and natural resources	113,271	39,207	-	-	-2,549	-3,568	146,361
Buildings and other constructions	22,590	10,674	-46	-	-213	1,865	34,870
Plant and machinery:	-	3	-	-	31	-34	
Other	4,248	1,431	-44	-	54	-72	5,617
	140,109	51,315	-90	-	-2,677	-1,809	186,848

Cost additions include new lease contracts mainly located in the United States, Spain and APAC. Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar.

The caption Changes in perimeter/Other mainly includes:

- Decrease, net of accumulated depreciation, amounting to 22,213 thousand Euros due to the sale of certain portfolio in Spain, Brazil and Poland (see note 6).
- Decrease, net of accumulated depreciation, amounting to 57,478 thousand Euros due to the reclassification to held for sale of certain portfolio of US companies (see note 27).

The movements in Right of use assets, for the Group, for the period ended 31 December 2022, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	721,642	316,735	-1,613	3,221	28,222	1,971	1,070,178
Buildings and other constructions	35,720	15,015	-	-3,193	1,108	2,840	51,490
Plant and machinery:	119	-	-	-119	-	-	-
Other	5,568	1,508	-288	-74	32	-3	6,743
	763,049	333,258	-1,901	-165	29,362	4,808	1,128,411

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Land and natural resources	75,789	35,523	-795	325	2,554	-125	113,271
Buildings and other constructions	15,168	7,451	-	-407	391	-13	22,590
Plant and machinery:	10	4	-	-14	-	-	-
Other	3,294	1,089	-116	-24	8	-3	4,248
	94,261	44,067	-911	-120	2,953	-141	140,109

Cost additions include new lease contracts mainly located in the USA, Spain, Canada and Poland.

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 39,000 thousand Euros related to the acquisition of the Sunseap Group (see note 6);
- Decrease amounting to 9,705 thousand Euros due to the sale of a certain portfolio in Europe;
- Decrease amounting to 24,346 thousand Euros due to the sale of certain portfolio in North America.

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This caption is analysed as follows:

THOUSAND EUROS EUROS	31 DEC 2023	31 DEC 2022
Cost		
Industrial property, other rights and other intangible assets	464,551	426,891
Concession Rights	51,536	55,913
Intangible assets under development	63,785	70,511
	579,872	553,315
Accumulated amortisation		
Amortisation charge	-43,107	-23,900
Accumulated amortisation in previous years	-156,451	-137,010
Impairment losses	-	-
Impairment losses in previous years	-442	-11,559
	-200,000	-172,469
Carrying amount	379,872	380,846

Industrial property, other rights and other intangible assets include mainly:

- Power sales contracts in relation to former asset acquisitions out of the scope of IFRS 3 in the amount of 56,845 thousand Euros (31 December 2022: 58,892) that are amortized over the term of the power sales contracts. The variation is explained by the effect of the exchange rates;
- Fair value related to the power sales contracts acquired in business combination transactions in the amount of 233,235 thousand Euros (31 December 2022: 219,438 thousand Euros);
- Software substation access rights and wind generation permit and licenses amounting to 140,134 thousand Euros (31 December 2022: 135,698 thousand Euros).

The movement in Intangible assets for the period ended 31 December 2023, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS / WRITE-OFFS	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Industrial property, other rights and other intangible assets	426,891	1,061	-	9,345	-13,933	41,188	464,552
Concession rights	55,913	46	-	14,321	20	-18,765	51,535
Intangible assets under development	70,511	18,209	-	-24,341	-995	401	63,785
	553,315	19,316	-	-675	-14,908	22,824	579,872

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES						
Industrial property, other rights and other intangible assets	147,543	37,321	-	-3,001	84	181,948
Concession Rights	24,926	5,786	-	9	-12,667	18,052
	172,469	43,107	-	-2,992	-12,583	200,000

Additions mainly refer to software development during the period.

Changes in the perimeter and others mainly refers to the final amount for the allocation to the fair value of power purchase agreements associated to the generation assets acquired in the business combination transaction acquired in December 2022 of Longroad portfolio for a total amount of 18,364 thousand Euros (see note 6 and 19), 8,822 for the acquisition of certain rights for future projects in APAC and sale of certain portfolio in Spain for a total amount of 6,391 thousand euros (see note 6).

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THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Industrial property, other rights and other intangible assets	232,351	1,574	–	6,038	4,990	181,938	426,891
Concession rights	31,493	420	-853	5,933	41	18,879	55,913
Intangible assets under development	44,461	15,515	-1,315	-12,753	514	24,089	70,511
	308,305	17,509	-2,168	-782	5,545	224,906	553,315

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES						
Industrial property, other rights and other intangible assets	140,246	20,093	–	3,568	-16,364	147,543
Concession Rights	9,183	3,807	-177	15	12,098	24,926
	149,429	23,900	-177	3,583	-4,266	172,469

Additions mainly refer to software development during the period.

Changes in the perimeter mainly refers to the fair value of power purchase agreements associated to the generation assets agreements acquired in the business combination transactions. An amount of 113,717 thousand Euros corresponds to the Sunseap Group, 85,476 thousand Euros corresponds to the Xuan Thien and 20,667 thousand Euros to Longroad from the acquisition of the Sunseap Group.

19. Goodwill

For the Group, the breakdown of Goodwill resulting from the difference between the cost of the investments and the corresponding share of the fair value of the net assets acquired, is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022(*)
Goodwill booked in EDPR EU :	1,074,805	1,177,206
– EDPR Spain	354,439	419,023
– EDPR France	25,904	25,904
– EDPR Portugal	43,712	43,712
– Kronos Solar Group	613,487	611,605
– Other	37,263	36,910
Goodwill booked in EDPR NA	729,880	758,736
Goodwill booked in EDPR LATAM	704	668
Goodwill booked in EDPR APAC	430,212	393,354
	2,235,601	2,289,912

* See note 2.A) for details regarding the restatement as a result of the Purchase Price Allocation assessment closing during 2023.

The movements in Goodwill, by subgroup, during the period ended 31 December 2023 is as follows:

THOUSAND EUROS	BALANCE AT 01 JAN(*)	INCREASES	DECREASES/ REGULARIZATIONS	IMPAIRMENT	EXCHANGE DIFFERENCES	BALANCE AT 31 DEC
EDPR EU :						
– EDPR Spain	419,023	–	-64,584	–	–	354,439
– EDPR France	25,904	–	–	–	–	25,904
– EDPR Portugal	43,712	–	–	–	–	43,712
– Kronos Solar Group	611,605	–	1,882	–	–	613,487
– Other	36,910	–	–	–	353	37,263
EDPR NA	758,736	14,511	-17,310	–	-26,057	729,880
EDPR LATAM	668	–	–	–	36	704
EDPR APAC	393,354	16,983	28,829	–	-8,954	430,212
	2,289,912	31,494	-51,183	–	-34,622	2,235,601

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2023 (see note 42).

The movements in Goodwill, by subgroup, during 2022 are analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	INCREASES	DECREASES/ REGULARIZATIONS	IMPAIRMENT	EXCHANGE DIFFERENCES	BALANCE AT 31 DEC
EDPR EU :						
- EDPR Spain	470,784	-	-51,761	-	-	419,023
- EDPR France	25,904	-	-	-	-	25,904
- EDPR Portugal	43,712	-	-	-	-	43,712
- Kronos Solar Group	-	651,657	-	-	-	651,657
- Other	37,720	-	-685	-	-125	36,910
EDPR NA	686,842	28,965	-	-	42,929	758,736
EDPR LATAM	627	-	-33	-	75	668
EDPR APAC	2,446	384,721	-	-	6,186	393,354
	1,268,035	1,065,343	-52,479	-	49,065	2,329,964

Movements in goodwill as of 31 December 2022 were the following:

- Increase amounting to 651,657 thousand Euros provisional goodwill related to the business combination for the acquisition of the Kronos Solar Group (see note 6 and 42);
- Increase amounting to 363,485 thousand Euros provisional goodwill related to the business combination for the acquisition of the Sunseap Group (see note 6 and 42);
- Increase amounting to 28,965 thousand Euros provisional goodwill related to the business combination for the acquisition of certain portfolio in the United States of America (see note 6 and 42);
- Increase amounting to 21,236 thousand Euros provisional goodwill related to the business combination for the acquisition of certain portfolio in Vietnam (see note 6 and 42);
- Decrease in the amount of 51,761 thousand Euros related to the sale of Spanish companies during the period ended 31 December 2022 (see note 6 and 9).
- Decrease in amount of 685 thousand Euros related to completion of a sale of a certain European portfolio (see note 6 and 9).

Impairment tests - EDPR Group

Goodwill, property, plant and equipment, right of use assets, intangible assets and investments in joint ventures and associates of the EDPR Group are tested for impairment each year. In the case of operational wind farms and solar plants, it is performed by determining the recoverable value through the value in use. Goodwill is allocated to each country (CGUs) where EDPR Group performs its activity, so the EDPR Group calculates cash flows in each country in order to determine the recoverable amount of goodwill and the rest of the assets allocated.

To perform this analysis, a Discounted Cash Flow (DCF) method was used. This method is based on the principle that the estimated value of an entity or business is defined by its capacity to generate financial resources in the future, assuming these can be removed from the business and distributed among the company's shareholders, without compromising the maintenance of the activity. Therefore, for the businesses developed by EDPR's CGUs, the valuation was based on free cash flows generated by the business, discounted at appropriate discount rates.

The future cash flows projection period used is the useful life of the assets (20 to 35 years) which is consistent with the current depreciation method. The cash flows also incorporate the long-term off-take contract in place and long-term estimates of power prices, whenever the asset holds merchant exposure.

The main assumptions used for the impairment tests are as follows:

- **Power produced:** net capacity factors used for each CGU utilize the wind studies carried out, which takes into account the long-term predictability of wind output and that wind generation is supported in nearly all countries by regulatory mechanisms that allow for production and priority dispatching whenever weather conditions permit;
- **Electricity remuneration:** regulated or contracted remuneration has been applied where available, as for the CGUs that benefit from regulated remuneration or that have signed contracts to sell their output during all or part of their useful life; where this is not available, prices were derived using price curves projected by the company based on its experience, internal models and using external data references;
- **New capacity:** tests were based on the best information available on the wind and solar farms expected to be built in coming years, adjusted by probability of success and by the growth prospects of the company based on the Business Plan Targets, which includes the commitment to develop under construction wind farms, its historical growth and market size projections. The tests considered the contracted and expected prices to buy turbines from various suppliers;
- **Operating costs:** established contracts for land leases and maintenance agreements were

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inflation;

- **Discount rate:** the discount rates used are post-tax (which does not differ significatively from the discount rate pre-tax), reflect EDPR Group's best estimate of the risks specific to each CGU and range as follows:

	2023	2022
Europe	4.40%-9.02%	3.7%-8.6%
North America	6.5%-7.5%	6.0%
LATAM	6.68%-11.27%	5.9%-9.6%
APAC	2.84%-11.02%	6.9%-10.8%

Impairment tests done have taken into account the regulation changes in each country, as disclosed in note 1.

As a result of the impairment tests, it has been required to book an impairment in Property, plant and equipment during the year ended 31 December 2023, mainly, for certain Colombian projects which do not have any associated goodwill (in 2022 for certain Colombian projects which did not have any associated goodwill) and reversal impairment for previous years in Romania in the amount of 37,797 thousand Euros. Further, EDPR has performed the following sensitivity analyses in the results of goodwill impairment tests performed in Europe, North America, LATAM and APAC in some of the key variables, such as:

- 5% reduction of Merchant Prices used in the base case. This sensitivity analysis performed for this assumption independently would not suppose any impairment for the goodwill allocated to each country;
- 100 basis points increase of the discount rate used in the base case. This sensitivity analysis performed for this assumption independently would not suppose any impairment for the goodwill allocated to each country.

20. Investments in Joint Ventures and Associates

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
INVESTMENTS IN ASSOCIATES		
Interests in joint ventures	997,973	1,057,048
Interests in associates	81,603	100,201
Carrying amount	1,079,576	1,157,249

For the purpose of the consolidated financial statements presentation, goodwill arising from the acquisition of joint ventures and associated companies is presented in this caption. None of the companies is listed.

The movement in Investments in joint ventures and associates, is analysed as follows:

THOUSAND EUROS	2023	2022
Balance as at 1 January	1,157,249	988,522
Changes in the consolidation perimeter	-9,906	25,002
Changes in consolidation method	-8,595	-
Acquisitions / other perimeter variations	74,230	-839
Disposals	-875	-
Share of profits of joint ventures and associates	20,969	161,534
Dividends	-41,600	-45,445
Exchange differences	-15,039	23,142
Hedging and fair value reserve in joint ventures and associates	-80,055	85,782
Others	-16,802	-80,449
Balance as at the end of the period	1,079,576	1,157,249

Acquisition and other perimeter variations as at 31 December 2023 includes mainly an amount related to capital increases of 73,429 thousand Euros of the entity OW Offshore S.L.

Acquisition and other perimeter variations included as at 31 December 2022 an amount related to capital increases of 2,586 thousand Euros mainly of the entities of Evoikos Voreas A.E., Total Sofrano A.E. and Charge+ Pte. Ltd and a negative amount of 3,425 thousand Euros related to capital reductions mainly of the entities of San Juan de Barqas Eólica, S.L. and Unión de

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from the sale of the associate entity of Geólica Magallón, S.L. As at 31 December 2022 the caption mainly included an amount of 9,111 thousand Euros related to the acquisition of Sunseap Group (see note 42) and the fair value adjustment amounting to 14,842 thousand Euros. The caption changes in the consolidation method includes the change to full consolidation method after the acquisition of the remaining 53% of the share capital of San Juan de Bargas Eólica, S.L. (see note 6).

The caption dividends includes as at 31 December 2023 dividends distributed by Geólica Magallón S.L. before the sale of the associate, as well as a dividend distributed by San Juan de Bargas Eólica, S.L. before the change of the consolidation method, for a total amount of 2,058 thousand of Euros.

The caption "joint venture and associates" in the income statement includes a loss amounting to 10,566 thousand Euros resulting from the sale of the associate entity of Geólica Magallón, S.L., as well as the gains for the sale of the EDPR's entire stake in Sunseap Solutions Taiwan Ltd. and Charge+ Pte for an amount of 3,198 thousand euros which are not reflected in the chart above due to this amount is recorded in the corresponding holding companies (see note 6). The caption also includes an amount of 137 thousand Euros gains from other concepts not reflected as well in the chart above. As at 31 December 2022 the caption included a gain amounting to 16,981 thousand Euros resulting from the sale of the remaining stake in the offshore company Moray West Holdings Limited and an amount of 752 thousand Euros resulting from the sale of the stake in the company Solar Works! B.V., which are were not reflected in the chart above due to this amount is recorded in the corresponding holding companies.

The following table resumes the companies' financial information of joint ventures included in the Group consolidated accounts, as of December 2023:

THOUSAND EUROS	OW OFFSHORE, S.L. AND SUBSIDIARIES	GOLDFINGER VENTURES II LLC	FLAT ROCK WINDPOWER LLC	GOLDFINGER VENTURES LLC	2017 VENTO XVII LLC AND SUBSID.	2019 VENTO XX LLC AND SUBSID.
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	3,582,388	300,851	176,022	193,093	502,088	594,753
Current Assets	575,929	-59	9,339	949	11,599	9,257
Cash and cash equivalents	222,488	40	8,328	-	1	200
Total Equity	1,004,825	217,389	177,947	151,444	219,159	108,645
Long term Financial debt	1,534,036	-	-	-	-	-
Non-Current Liabilities	2,606,331	77,169	4,296	39,309	288,169	473,348
Short term Financial debt	6,323	-	-	23	146	536
Current Liabilities	547,161	6,234	3,118	3,289	6,359	22,017
Revenues	69,363	16,115	9,243	10,990	39,421	34,922
PPE and intangible assets amortisations	-8,700	-9,708	-14,341	-10,180	-22,014	-24,027
Other financial expenses	-161,732	-3,202	-58	-1,623	-13,390	-18,105
Income tax expense	3,986	-	-	-	-	-
Net profit for the period	-20,760	18,046	-18,775	9,850	37,554	30,739
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	450,073	96,905	90,064	68,630	62,557	47,788
Goodwill	5,352	-	-	-	-	-
Dividends paid	-	2,530	14,940	3,333	4,448	4,006

THOUSAND EUROS	2018 VENTO XIX LLC AND SUBSIDIARIES	RIVERSTART VENTURES LLC (SOLV)	FLAT ROCK WINDPOWER II LLC	EVOIKOS VOREAS A.E.	EVOLUCIÓN 2000, S.L.	OTHERS
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	451,809	297,048	72,433	1.,575	25,330	32,364
Current Assets	13,871	8,686	2,688	891	10,220	14,175
Cash and cash equivalents	1	-	2,489	891	9,219	6,202
Total Equity	121,934	206,674	72,688	1,967	30,404	14,770
Long term Financial debt	-	-	-	-	-	6,024
Non-Current Liabilities	338,364	96,388	1,646	-	3,995	10,353
Short term Financial debt	152	39	-	-	-	2,016
Dividends paid	-	-	-	-	-	-

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THOUSAND EUROS	XIX LLC AND SUBSIDIARIES	VENTURES LLC (SOLV)	WINDPOWE R II LLC	VOREAS A.E.	2000, S.L.	OTHERS
Revenues	30,107	24,911	3,709	-	8,758	3,706
PPE and intangible assets amortisations	-18,222	-8,867	-5,605	-	-2,583	-1,304
Other financial expenses	-16,378	-2,317	-26	-83	-107	-1,532
Income tax expense	-	-	-	-	-1,288	7
Net profit for the period	24,879	29,868	-7,408	-416	3,132	226
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	43,493	40,327	36,344	21,578	17,611	22,603
Goodwill	-	-	-	-	2,667	27
Dividends paid	4,200	3,313	-	-	-	-

The following table resumes the companies' financial information of joint ventures included in the Group consolidated accounts, as of December 2022:

THOUSAND EUROS	OW OFFSHORE, S.L. AND SUBSIDIARIES	FLAT ROCK WINDPOWER LLC	GOLDFINGER VENTURES II LLC	GOLDFINGER VENTURES LLC	2019 VENTO XX LLC AND SUBSID.	2017 VENTO XVII LLC AND SUBSID.
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	2,625,312	196,542	322,496	211,527	632,137	539,395
Current Assets	457,761	12,882	-2,069	221	7,830	11,673
Cash and cash equivalents	237,416	10,400	58	-	-	-
Total Equity	1,069,680	203,387	211,917	153,491	24,236	202,561
Long term Financial debt	493,044	-	-	-	-	-
Non-Current Liabilities	987,607	4,391	98,885	54,690	597,474	340,973
Short term Financial debt	4,918	-	-	448	517	219
Current Liabilities	1,025,786	1,646	9,625	3,567	18,257	7,534
Revenues	46,200	20,238	17,172	12,484	39,529	46,946
PPE and intangible assets amortisations	-8,466	-14,719	-10,039	-10,556	-23,872	-25,529
Other financial expenses	-121,882	-60	-3,432	-1,724	-20,218	-17,905
Income tax expense	7,298	-	-	-	-	-
Net profit for the period	257,040	-6,653	20,039	11,192	27,652	33,995
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	490,929	111,047	93,349	68,989	34,035	62,510
Goodwill	5,352	-	-	-	-	-
Dividends paid	-	1,012	5,858	3,677	4,186	4,311

THOUSAND EUROS	2018 VENTO XIX LLC AND SUBSIDIARIES	FLAT ROCK WINDPOWE R II LLC	SOL V	EVOIKOS VOREAS A.E.	EVOLUCIÓN 2000, S.L.	OTHERS
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	489,003	80,600	324,297	1,021	27,826	30,487
Current Assets	18,917	4,901	4,415	878	8,964	15,502
Cash and cash equivalents	-	3,889	-	878	7,125	7,175
Total Equity	101,026	82,815	194,623	1,723	27,272	14,461
Long term Financial debt	-	-	-	-	-	16,211
Non-Current Liabilities	398,228	1,677	125,503	-	4,037	18,716
Short term Financial debt	38	-	58	-	1	317
Current Liabilities	8,666	1,009	8,586	176	5,481	12,812
Revenues	22,271	7,653	17,751	-	23,673	2,833
PPE and intangible assets amortisations	-20,377	-5,682	-9,473	-	-2,594	-900
Other financial expenses	-17,990	-27	-3,630	-5	-86	-994

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THOUSAND EUROS	LLC AND SUBSIDIARIES	WINDPOWER II LLC	SOL V	VOREAS A.E.	2000, S.L.	OTHERS
Net profit for the period	16,866	-2,916	20,389	-153	14,022	-552
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	40,986	41,407	39,001	21,454	16,071	37,270
Goodwill	-	-	-	-	2,667	27
Dividends paid	2,290	-	1,217	-	7,063	-

The following table resumes the companies' financial information of associates included in the Group consolidated accounts, as of December 2023:

THOUSAND EUROS	EÓLICA DE SÃO JULIÃO, LDA.	PARQUE EÓLICO SIERRA DEL MADERO, S.A.	UNIÓN DE GENERADORES DE ENERGÍA, S.L.	DESARROLLOS EÓLICOS DE CANARIAS, S.A.
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	4,942	39,330	2,600	1,508
Current Assets	25,984	36,301	960	2,759
Equity	14,928	54,369	2,889	3,014
Non-Current Liabilities	8,901	4,365	3	793
Current Liabilities	7,097	16,897	668	460
Revenues	11,827	12,195	870	2,943
Net profit for the period	5,522	2,995	1,568	846
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	25,609	22,835	9,792	7,827
Goodwill	1,457	-	1,913	6,479
Dividends paid	-	-	350	2,249

THOUSAND EUROS	PARQUE EÓLICO BELMONTE, S.A	SOLAR POWER ZETA GK	EOS PAX IIA, S.L	OTHERS
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	17,577	7,593	729	13,189
Current Assets	1,912	1,239	2,677	3,671
Equity	16,015	73	2,548	8,623
Non-Current Liabilities	1,921	8,017	381	7,618
Current Liabilities	1,553	742	477	619
Revenues	4,711	1,266	2,687	3,797
Net profit for the period	879	159	-98	269
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	6,514	3,912	3,755	1,359
Goodwill	1,726	-	-	-
Dividends paid	-	156	-	17

The following table resumes the companies' financial information of associates included in the Group consolidated accounts, as of December 2022:

THOUSAND EUROS	PARQUE EÓLICO SIERRA DEL MADERO, S.A.	EÓLICA DE SÃO JULIÃO, LDA.	UNIÓN DE GENERADORES DE ENERGÍA, S.L.	GEÓLICA MAGALLÓN, S.L.
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	41,120	5,839	2,600	4,441
Current Assets	32,020	23,725	1,626	11,800
Equity	51,374	-1,219	3,171	4,243
Non-Current Liabilities	3,852	15,411	28	2,211
Current Liabilities	17,914	15,372	1,027	9,787
Revenues	30,477	15,821	-	571
Net profit for the period	17,973	12,496	8,665	8,247

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THOUSAND EUROS	PARQUE EÓLICO SIERRA DEL MADERO, S.A.	SÃO JULIÃO, LDA.	UNIÓN DE GENERADORES DE ENERGÍA, S.L.	MAGALLÓN, S.L.
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	21,577	19,639	13,851	10,181
Goodwill	-	1,457	1,913	683
Dividends paid	3,262	-	150	3,880

THOUSAND EUROS	DESARROLLOS EÓLICOS DE CANARIAS, S.A.	SAN JUAN DE BARGAS EÓLICA, S.L.	PARQUE EÓLICO BELMONTE, S.A	OTHERS
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	2,246	5,866	18,250	21,061
Current Assets	7,211	6,992	7,440	13,645
Equity	7,193	4,811	15,136	17,460
Non-Current Liabilities	607	1,741	1,934	5,935
Current Liabilities	1,658	6,306	8,620	11,311
Revenues	8,212	475	12,469	13,638
Net profit for the period	4,568	3,784	6,863	3,705
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	9,697	8,455	6,251	10,550
Goodwill	6,479	-	1,725	-
Dividends paid	1,542	3,451	360	3,186

During 2023, the significant companies' financial information of joint ventures and associates presented the following fair value reconciliation of net assets proportionally attributed to EDPR Group:

THOUSAND EUROS	EQUITY	% INVESTMENT	FAIR VALUE ADJUSTMENTS	GOODWILL	OTHERS	NET ASSETS
OW Offshore S.L. and subsidiaries [2]	997,192	50,00%	-53,875	5,352	-	450,073
Goldfinger Ventures II LLC	217,389	50,00%	-11,790	-	-	96,905
Flat Rock Windpower LLC	177,947	50,00%	-	-	1,090	90,064
Goldfinger Ventures LLC	151,444	50,00%	-7,092	-	-	68,630
2017 Vento XVII LLC and subs.	219,159	20,00%	18,725	-	-	62,557
2019 Vento XX and subsidiaries	108,645	20,00%	26,059	-	-	47,788
2018 Vento XIX LLC and subs.	121,934	20,00%	19,106	-	-	43,493
Riverstart Ventures LLC (Sol V)	206,674	20,00%	-1,008	-	-	40,327
Flat Rock Windpower II LLC	72,688	50,00%	-	-	-	36,344
Evoikos Voreas A.E [1]	1,967	51,00%	20,575	-	-	21,578
Evolución 2000, S.L.	30,404	49,15%	-	2,667	-	17,611
Eólica de São Julião, Lda.	14,928	45,00%	17,434	1,457	-	25,609
Parque Eólico Sierra del Madero, S.A.	54,369	42,00%	-	-	-	22,835
Unión de Generadores de Energía, S.L.	2,889	50,00%	6,434	1,913	-	9,792
Desarrollos Eólicos de Canarias, S.A.	3,014	44,75%	-	6,479	-1	7,827
Parque Eólico Belmonte, S.A.	16,015	29,90%	-	1,725	-	6,514
Solar Power Zeta GK	73	100,00%	1,084	-	2,755	3,912
Eos Pax IIa, S.L	2,548	48,50%	2,519	-	-	3,755

[1] According to the relevant shareholder agreements, it has been concluded a joint control over the company.
[2] In caption equity only Equity attributable to holders of parent is disclosed.

During 2022, the significant companies' financial information of joint ventures and associates presented the following fair value reconciliation of net assets proportionally attributed to EDPR Group:

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OW Offshore S.L. and subsidiaries	1.069,680	50.00%	-49,265	5,352	-	490,929
Flat Rock Windpower LLC	203,387	50.00%	-	-	9,356	111,047
Goldfinger Ventures II LLC	211,917	50.00%	-12,610	-	-	93,349
Goldfinger Ventures LLC	153,491	50.00%	-7,756	-	-	68,989
2019 Vento XX and subsidiaries	24,236	20.00%	29,188		-	34,035
2017 Vento XVII LLC and subs.	202,561	20.00%	21,998		-	62,510
2018 Vento XIX LLC and subs.	101,026	20.00%	20,781	-	-	40,986
Flat Rock Windpower II LLC	82,815	50.00%	-	-	-	41,407
Sol V	194,623	20.00%	76	-	-	39,001
Evoikos Voreas A.E[1]	1,723	51.00%	20,575	-	-	21,454
Evolución 2000, S.L.	27,212	49.15%	-	2,667	-	16,071
Parque Eólico Sierra del Madero, S.A.	51,374	42.00%	-	-	-	21,577
Eólica de São Julião, Lda.	-1,219	45.00%	18,731	1,457	-	19,639
Unión de Generadores de Energía, S.L.	3,171	50.00%	10,352	1,913	-	13,851
Geólica Magallón, S.L.	4,243	36.23%	7,961	683	-	10,181
Desarrollos Eólicos de Canarias, S.A.	7,193	44.75%	-	6,479	-1	9,697
San Juan de Bargas Eólica, S.L.	4,811	47.01%	6,193	-	-	8,455
Parque Eólico Belmonte, S.A.	15,136	29,90%	-	1,725	-	6,251

[1] According to the relevant shareholder agreements, it has been concluded a joint control over the company.

EDPR commitments to provide funding to Joint Ventures as at 31 December 2023 are:

		2023			
		CAPITAL OUTSTANDING BY MATURITY			
THOUSAND EUROS	TOTAL	LESS THAN 1 YEAR	FROM 1 TO 3 YEARS	FROM 3 TO 5 YEARS	MORE THAN 5 YEARS
EDPR Commitments to provide funding to Joint Ventures	286,135	286,135	-	-	-
	286,135	286,135	-	-	-

EDPR commitments to provide funding to Joint Ventures as at 31 December 2022 are:

		2022			
		CAPITAL OUTSTANDING BY MATURITY			
THOUSAND EUROS	TOTAL	LESS THAN 1 YEAR	FROM 1 TO 3 YEARS	FROM 3 TO 5 YEARS	MORE THAN 5 YEARS
EDPR Commitments to provide funding to Joint Ventures	295,780	295,780	-	-	-
	295,780	295,780	-	-	-

EDPR Commitments to provide funding for Joint Ventures in 2023 and 2022 refer to funds agreed to be provided to Ocean Winds for financing the offshore business.

EDPR Group granted parent company guarantees for certain joint venture projects. Total guarantees granted refer to financial and operational guarantees granted by EDPR to joint ventures in the amount of 838,531 thousand Euros and 634,810 thousand Euros respectively (411,637 thousand Euros and 455,579 thousand Euros respectively as at 31 December 2022). Further, EDP Energías de Portugal Sucursal en España has operational guarantees to EDPR's joint ventures in the amount of 11,312 thousand Euros (11,719 thousand Euros as at 31 December 2022).

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EDP Renováveis Group records the tax effect resulting from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at 31 December 2023, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

				NET DEFERRED TAX ASSETS	
THOUSAND EUROS	BALANCE AT 31.12.2022	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2023
Tax losses and tax credits	856,933	56,692	-2,262	-48,658	862,705
Provisions	51,079	8,190	-15	5,194	64,448
Financial instruments	353,836	-85,079	-313,883	109,177	64,051
Property plant and equipment	39,254	-2,883	619	3,341	40,331
Non-deductible financial expenses	-1,383	-14,047	-	15,039	-391
Lease liabilities and other temporary differences	296,187	60,464	847	8,624	366,122
Assets/liabilities compensation of deferred taxes	-970,549	-46,619	-847	242,254	-775,761
	625,357	-23,282	-315,541	334,970	621,505

				NET DEFERRED TAX LIABILITIES	
THOUSAND EUROS	BALANCE AT 31.12.2022	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2023
Financial instruments	34,361	-8,499	12,676	9,880	48,418
Property plant and equipment	613,962	34,687	-	-1,593	647,056
Allocation of fair value to assets and liabilities acquired	459,109	-4,644	1,841	-22,385	433,921
Income from institutional partnerships (North America)	439,588	6,325	88	-15,421	430,580
Other temporary differences	61,819	5,160	105	5,802	72,886
Assets/liabilities compensation of deferred taxes	-970,549	-46,619	-847	242,254	-775,761
	638,290	-13,590	13,863	218,537	857,100

As at 31 December 2022, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

				NET DEFERRED TAX ASSETS	
THOUSAND EUROS	BALANCE AT 31.12.2021	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2022
Tax losses and tax credits	762,913	58,118	3,244	32,658	856,933
Provisions	23,320	708	-30	-3,991	20,006
Financial instruments	133,261	131,506	185,624	-96,555	353,836
Property plant and equipment	68,105	-16,823	-	-12,029	39,254
Non-deductible financial expenses	15,858	-14,403	-	-2,838	-1,383
Other temporary differences	36,808	19,362	-3,159	42,340	95,352
Assets/liabilities compensation of deferred taxes	-708,461	-32,463	3,159	-875	-738,641
	331,803	146,005	188,838	-41,289	625,357

				NET DEFERRED TAX LIABILITIES	
THOUSAND EUROS	BALANCE AT 31.12.2021	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2022
Financial instruments	2,119	47,295	53,420	-68,472	34,361
Property plant and equipment	302,384	12,550	39,411	27,694	382,039
Allocation of fair value to assets and liabilities acquired	461,374	2,215	-	-4,481	459,109

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THOUSAND EUROS	BALANCE AT 31.12.2021	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2022
Other temporary differences	24,715	23,700	-1	13,404	61,819
Assets/liabilities compensation of deferred taxes	-719,260	-32,463	3,159	9,940	-738,624
	454,564	86,030	95,898	1,799	638,290

The compensation between deferred tax assets and liabilities is performed at each subsidiary, and therefore the consolidated financial statements reflect the total deferred tax assets and deferred tax liabilities of the Group's subsidiaries.

Provisions, Property plant and equipment and Other temporary differences include 204,625 thousand Euros (31 December 2022: 217,138 thousand Euros) of Deferred tax assets related to Lease liabilities and 187,504 thousand Euros (31 December 2022: 202,836 thousand Euros) of Deferred tax liability related to Right of use assets, due to the application of IFRS 16.

Additionally, Provisions and Property plant and equipment, deferred tax assets and deferred tax liabilities associated with the recognition of provisions for dismantling, pursuant to the IAS 12 amendments – Income taxes mentioned in note 3.

Management considers that in accordance with the business plan approved by the Board of Directors, the deferred tax assets related to tax losses and tax credits will be recoverable with future tax profit. In relation to the Spanish Constitutional Court ruling dated 19 January 2024, Management has concluded that it has no significant impact on the accompanying financial statements.

The Group tax losses carried forward are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
EXPIRATION DATE		
2023	-	2,983
2024	1,375	1,555
2025	2,890	3,189
2026	12,956	11,842
2027	10,736	62,869
2028	18,156	4,985
2029	417	409
2030 to 2044	2,381,523	2,313,971
Without expiration date	740,058	851,916
	3,168,111	3,253,720

In addition to the above, EDPR North America LLC has State tax losses that are recorded in the Group's accounts. The associated deferred tax asset raised to 71,035 thousand Euros as at 31 December 2023 (78,566 thousand Euros as at 31 December 2022).

Of the total tax losses available to carry forward as at 31 December 2023, an amount of 199,996 thousand Euros does not have an associated deferred tax asset, in accordance with the applicable accounting standards since, at the present date, there is still not sufficient visibility about the future period in which such tax losses will be used.

22. Inventories

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Advances on account of purchases	5,555	4,749
Finished and intermediate products	18,132	11,490
Green certificates and RECs	171,668	172,658
Raw and subsidiary materials and consumables	64,467	63,947
	259,822	252,844

The caption Green certificates and RECs includes the Green certificates and RECs generated and pending to be sold.

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Debtors and other assets from commercial activities are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Trade receivables	5	54
Deferred costs	22,337	23,209
Sundry debtors and other operations	35,602	12,743
	57,944	36,006
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES – CURRENT		
Trade receivables	313,582	370,231
Services rendered	37,272	44,825
Advances to suppliers	30,177	44,810
Deferred costs	86,418	58,473
Sundry debtors and other operations	37,325	55,344
	504,774	573,683
Impairment losses	-3,826	-3,996
	558,892	605,693

The amount of trade receivables - current as at 31 December 2023 principally refers to Europe in the amount of 111,712 thousand Euros (188,828 thousand Euros as at 31 December 2022) and to North America in the amount of 133,678 thousand Euros (120,288 thousand Euros as at 31 December 2022), which mainly includes electricity generation invoicing. Also, as at 31 December 2023 the caption includes an amount of 30,317 thousand Euros refers to APAC (32,210 thousand Euros as at 31 December 2022).

The caption debtors and other assets from commercial activities – Current, includes 3,826 thousand Euros, which is the result of impairment losses under the expected credit loss model recommended in IFRS 9 (3,996 thousand Euros as at 31 December 2022).

The caption Advances to suppliers mainly includes as at 31 December 2023 an amount of 30,177 thousand Euros as a result of the under construction of certain projects mainly in Italy, Portugal, Colombia and Brazil. The caption mainly included as at 31 December 2022 an amount of 44,801 thousand Euros as a result of the under construction of certain projects in LATAM and Europe.

The caption Deferred costs – current has increased due to the variation of the availability bonus receivables in North America.

The credit risk analysis are disclosed in note 5, under the Counterparty credit risk management section.

The fair values and carrying amounts of current debtors and other assets do not differ significantly.

24. Other debtors and other assets

Other debtors and other assets are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
OTHER DEBTORS AND OTHER ASSETS - NON-CURRENT		
Loans to related parties	430,876	185,775
Derivative financial instruments	268,030	137,597
Sundry debtors and other operations	125,570	138,802
	824,476	462,174
OTHER DEBTORS AND OTHER ASSETS – CURRENT		
Loans to related parties	111,740	337,020
Derivative financial instruments	127,820	163,262
Sundry debtors and other operations	337,930	722,624
	577,490	1,222,906
	1,401,966	1,685,080

Loans to related parties mainly include loans granted to Ocean Winds in the amount of 429,098 thousand Euros in the long-term with maturity between 2028 and 2030 and 105,537 thousand Euros in the short-term, in the context of the agreement with ENGIE on January 2020 to establish

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the short-term as at 31 December 2022). These loans bear interest at market rates, which are fixed or with reference rate indexed to Euribor, plus a market spread.

Sundry debtors and other operations- non-current mainly includes:

- Fair value of the variable price in the amount of 42,813 thousand Euros in connection with the sale in 2020 of the stake in the company Mayflower Wind Energy LLC in the context of the sale of the offshore business to OW Offshore S.L. (41,452 thousand Euros as at 31 December 2022);
- 62,776 thousand Euros (51,758 thousand Euros as af 31 December 2022) mainly related to Interconnection and transmission deposits in EDPR NA;
- 9,698 thousand Euros as of 31 December 2023 (9,421 thousand Euros as of 31 December 2022) as part of the price adjustment, according to the corresponding agreements, in the transaction of selling 49% of EDP Renováveis Portugal S.A to CTG that took place in 2013.
- In addition, as of 31 December 2022, the caption also included 30,000 thousand Euros related to the advance payment paid during 2022 for future investment acquisitions.

Sundry debtors and other operations-current mainly includes:

- As of 31 December 2022 the caption included the fair value of the variable price in connection with the sale in 2020 and 2018 of 29.5% and 13.5% stake of the French companies Éoliennes en Mer Dieppe – Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et dxe Noirmoutier, S.A.S. to OW Offshore S.L. and Sumitomo Corporation respectively, in accordance with the relevant agreements signed, that amounted to 77,920 thousand Euros and 29,112 thousand Euros, respectively. As of 31 December 2023 an amount of 39,400 thousand Euros and 18,305 thousand Euros has been collected from OW Offshore S.L. and Sumitomo, respectively.
- As at 31 December 2022 included the receivable for the proceeds for the sale of the Brazilian companies Aventura Holding, S.A. and SRMN Holding, S.A. and its subsidiaries in the amount 184,778 thousand Euros (see note 9). The amount has been collected during 2023;
- Cash collateral held in markets where the Group enters into derivative instruments and trades US green certificates in the amount of 149,222 thousand Euros (238,375 thousand Euros as of 31 December 2022);
- 24,621 thousand Euros related to the sale transaction in 2021 of the company Indiana Crossroads Wind Farm LLC (116,141 thousand Euros as of 31 December 2022);
- Receivables related to the derivatives, mainly with the EDP Group, in the amount of 5,851 thousand Euros (19,916 thousand Euros as at 31 December 2022);
- An amount of 9,341 thousand Euros as part of the price adjustment, according to the corresponding agreements, in the transaction of selling 49% of EDP Renováveis Portugal S.A. to CTG that took place in 2013 (16,063 thousand Euros as of 31 December 2022);
- 55,423 thousand Euros related to receivable of the sale transaction in 2023 for the sale of Viesgo's companies (see note 9 and 6);
- As of 31 December 2022, an amount of 4,634 thousand Euros related to the advance payment paid during 2022 for future investment acquisitions.

For derivatives, refer to note 37.

The fair values and carrying amounts of other debtors and other assets do not differ significantly.

25. Current tax assets

Current tax assets are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Income tax	90,932	68,345
Value added tax (VAT)	192,044	208,883
Other taxes	58,359	25,156
	341,335	302,384

The increase in the income tax caption corresponds, mainly, to the amount related with the tax paid in the past for the sale of certain companies which Directors and legal experts have estimated recoverable.

In certain geographies, there are taxes that base their prepayments on the result of the previous year. Since 2022 had abnormally high energy prices, the base in which our instalments were calculated was also higher than usual, making the Company overpay and later obtain tax credits in those regions.

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Cash and cash equivalents are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Cash	554	410
BANK DEPOSITS		
Current deposits	1,064,423	799,938
Term deposits	94,680	30,632
Specific demand deposits in relation to institutional partnerships	2,915	1,536
	1,162,018	832,106
Other short-term investments	209,196	339,416
	1,371,768	1,171,932

Term deposits include temporary financial investments to place treasury surpluses.

Specific demand deposits in relation to institutional partnerships are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships (see note 33), under the accounting policy. The governing agreements of these partnerships and specific escrow agreements define the appropriate expenditure of these funds.

The caption "Other short-term investments" essentially includes, as at 31 December 2023 and 31 December 2022, the debit balance of the current account with EDP Servicios Financieros España S.A. in the amount of 199.038 thousand euros (326.815 thousand euros in 2022) in accordance with the terms and conditions of the contract signed between the parties (see note 39).

27. Assets and liabilities held for sale

The criteria for classifying assets and liabilities as held for sale and discontinued operations, as well as their presentation in the EDPR Group's consolidated financial statements, are presented under accounting policies.

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023		31 DEC 2022	
	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE
Electricity generation assets	516,602	273,816	9,198	-
	516,602	273,816	9,198	-

- Reduction of 9,198 thousand Euros related to the closing of the sale of portfolio in Europe (see note 6) and other non-current Property, plant and equipment.
- Increase in 509,908 thousand Euros related to the process of selling the assets of a project in North America. Liabilities associated to this operation amount to 273,816 thousand Euros.
- Increase in 6,694 thousand Euros related to the process of selling an asset in Europe. There are no liabilities associated to this operation.

As at 31 December 2023 the following reclassifications were made to held for sale:

THOUSAND EUROS	ELECTRICITY GENERATION
ASSETS	
Property, plant and equipment	486,111
Right-of-use assets	57,402
Other assets	12,955
Impairment loss from assets held for sale (see note 13)	-39,866
Non-Current Assets Held for Sale	516,602
LIABILITIES	
Financial debt	469
Provisions	2,447
Institutional partnerships in USA wind farms	207,452
Other liabilities	63,448
Non-Current Liabilities Held for Sale	273,816

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THOUSAND EUROS	ELECTRICITY GENERATION
ASSETS	
Property, plant and equipment	9,152
Right-of-use assets	-
Other assets	46
Cash and cash equivalents	-
Non-Current Assets Held for Sale	9,198
LIABILITIES	
Financial debt	-
Provisions	-
Other liabilities	-
Non-Current Liabilities Held for Sale	-

These reclassifications were made only for financial statement presentation purposes. As a consequence of the reclassification in accordance with IFRS 5, it has been necessary to register an impairment because the book value was higher than the fair value less the sale cost expected to receive (see note 13).

28. Share capital and share premium

On March 6, 2023, EDPR made a capital increase by issuing 50,968,400 ordinary shares, with a par value of 5 Euros each and a share premium of 14,62 Euros per share. The new shares are fungible with EDPR's other shares and will confer on their holders, as from the date of the respective issue, the same rights as the other shares existing prior to the capital increase.

On April 4, 2023, the Annual General Shareholders' Meeting approved for 2022 profits distribution through a scrip dividend to be executed as a share capital increase, through the issuance of new ordinary shares, with a par value of 5 Euros, without share premium. The scrip dividends were executed by the 92,32% of the Shareholders. This has meant that the company has increased its share capital by issuing 12,451,539 new shares with a par value of 5 Euro against the share premium. The new shares are fungible with EDPR's other shares and will confer on their holders, as from the date of the respective issue, the same rights as the other shares existing prior to the capital increase. The capital increase has been completed on May 25, 2023. The shareholders who have not executed this mechanism have sold their subscription rights to the company for a total amount of 20,580 thousand Euro, receiving this amount as a dividend charged against the EDPR's share premium.

As such, the share capital of EDPR at 31 December 2023 amounts to 5,119,890,505 Euros, represented by 1,023,978,101 shares of 5 euros par value each, all of a single class and series. As of 31 December2022 the share capital of EDPR amounted to 4,802,790,810 Euros, represented by 960,558,162 shares of 5 euros par value each, all of a single class and series.

EDP Renováveis, S.A. shareholder's structure as at 31 December 2023 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP – Energias de Portugal, S.A. Sucursal en España (EDP Branch)	729,793,922	71.27%	71.27%
Other*	294,184,179	28.73%	28.73%
	1,023,978,101	100.00%	100.00%

* Shares quoted on the Lisbon stock exchange

EDP Renováveis, S.A. shareholder's structure as at 31 December 2022 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP – Energias de Portugal, S.A. Sucursal en España (EDP Branch)	720,191,372	74.98%	74.98%
Other*	240,366,790	25.02%	25.02%
	960,558,162	100.00%	100.00%

* Shares quoted on the Lisbon stock exchange

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	SHARE CAPITAL	SHARE PREMIUM
Balance as at 1 January 2023	4,802,791	1,599,013
Movements during the period (net of transaction costs)	317,100	655,542
Balance as at 31 December 2023	5,119,891	2,254,555

There were no changes in Share capital and Share premium during 2023. The Share premium is freely distributable.

Earnings per share attributable to the shareholders of EDPR are analysed as follows:

	31 DEC 2023	31 DEC 2022
Profit attributable to the equity holders of the parent (in thousand Euros)	309,014	616,231
Profit from continuing operations attributable to the equity holders of the parent (in thousand Euros)	309,014	616,231
Weighted average number of ordinary shares outstanding	1,011,332,855	960,558,162
Weighted average number of diluted ordinary shares outstanding	1,011,332,855	960,558,162
Earnings per share (basic) attributable to equity holders of the parent (in Euros)	0.31	0.64
Earnings per share (diluted) attributable to equity holders of the parent (in Euros)	0.31	0.64
Earnings per share (basic) from continuing operations attributable to the equity holders of the parent (in Euros)	0.31	0.64
Earnings per share (diluted) from continuing operations attributable to the equity holders of the parent (in Euros)	0.31	0.64

The EDPR Group calculates its basic and diluted earnings per share attributable to equity holders of the parent using the weighted average number of ordinary shares outstanding during the period.

The company does not hold any treasury stock as at 31 December 2023 and 31 December 2022.

The average number of shares was determined as follows:

	31 DEC 2023	31 DEC 2022
Ordinary shares issued at the beginning of the period	960,558,162	960,558,162
Effect of shares issued during the period	50,774,693	-
Average number of realised shares	1,011,332,855	960,558,162
Average number of shares during the period	1,011,332,855	960,558,162
Diluted average number of shares during the period	1,011,332,855	960,558,162

29. Other comprehensive income, reserves and retained earnings

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
OTHER COMPREHENSIVE INCOME		
Fair value reserve (cash flow hedge)	-271,501	-1,052,141
Fair value reserve (equity instruments at fair value)	3,278	19,737
Exchange differences - Currency translation arising on consolidation	508,257	672,254
Exchange differences - Net investment hedge	-639,118	-790,670
Exchange differences - Net investment hedge - Cost of hedging	-11,398	-20,925
	-410,482	-1,171,745
OTHER RESERVES AND RETAINED EARNINGS		
Retained earnings and other reserves	3,513,784	2,903,746
Additional paid in capital	60,666	60,666
Legal reserve	214,829	214,829
	3,789,279	3,179,241
	3,378,797	2,007,496

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The changes in these captions for the year 2023 are as follows:

THOUSAND EUROS	NET INVESTMENT HEDGE	COST OF HEDGING
Balance as at 31 December 2022		-20,925
Changes in fair value	203,939	12,704
Tax effect fair value changes	-49,411	-3,176
Transfer to income statement resulting from the sale of a foreign subsidiary	-2,976	-
Balance as at 31 December 2023	-639,118	-11,397

The changes in these captions for the year 2022 are as follows:

THOUSAND EUROS	NET INVESTMENT HEDGE	COST OF HEDGING
Balance as at 31 December 2021	-544,039	711
Changes in fair value	-320,792	-28,849
Tax effect fair value changes	77,383	7,213
Transfer to income statement resulting from the sale of a foreign subsidiary	-3,222	-
Balance as at 31 December 2022	-790,670	-20,925

Additional paid in capital

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance, within IFRSs, the Group EDPR has adopted an accounting policy for such transactions, judged appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated financial statements using the book values of the acquired company (subgroup) in the EDPR consolidated financial statements. The difference between the carrying amount of the net assets received and the consideration paid is recognised in equity.

Legal reserve

The legal reserve has been appropriated in accordance with Article 274 of the Spanish Companies Act whereby companies are obliged to transfer 10% of the profits for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset losses, if no other reserves are available, or to increase the share capital.

Results distribution (parent company)

The EDP Renováveis, S.A. Board of Directors proposal for 2023 results distribution to be presented in the Annual General Meeting is as follows:

	EUROS
BASE FOR DISTRIBUTION	
Loss for the year 2023	-247,715,982
Prior years' losses	247,715,982

The Board of Directors of EDP Renováveis, S.A. has agreed to propose to the Ordinary General Shareholders' Meeting to remunerate its shareholders through a flexible dividend (scrip dividend) for a maximum gross amount of 210,000 thousand Euros , so that they may elect to receive new issued shares of the Company or all or part of the remuneration in cash.

The scrip dividend will be paid through the issue of free allotment rights for new shares and the subsequent execution of a capital increase, which the Board of Directors will propose to the Ordinary General Meeting of Shareholders, so that shareholders wishing to receive their remuneration in cash will do so by selling their free-of-charge allocation rights to the Company, which will undertake to purchase them at a guaranteed fixed price, the approval of which will also be proposed to the Annual General Meeting of Shareholders, or on the regulated market of Euronext Lisbon.

Both the acquisition of the free-of-charge allocation rights by the Company and the capital increase will be charged against share premium at the date on which the Board of Directors, if any,

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to the sum of the amounts indicated below:

(i) the result of multiplying the nominal value of the Company's shares (€5) by the number of shares issued in the capital increase, resulting from the conversion of the free-of-charge allocation rights outstanding after the end of the period for requesting the Company to exercise the purchase commitment or their sale on the market; plus

(ii) (ii) the result of multiplying the guaranteed fixed price by the number of free-of-charge allocation rights acquired by the Company under the purchase commitment.

At the date of preparation of these Consolidated Financial Statements, it is not possible to specify the amount of the scrip dividend or, consequently, the amount of the dividend to be charged to the results of the financial year 2023.

Once the scrip dividend process has been completed, the final nominal amounts of the capital increase and of the cash remuneration to be applied to the share premium will be communicated as soon as the Board of Directors, or the person to whom it delegates the corresponding powers, determines them in accordance with the terms of the resolution to distribute the dividend corresponding to financial year 2023 and to increase the share capital, which the Board of Directors will propose to the Ordinary General Shareholders' Meeting in relation to the scrip dividend.

The EDP Renováveis, S.A. Board of Directors proposal for 2022 profits distribution was presented in the Annual General Meeting was as follows:

	EUROS
BASE FOR DISTRIBUTION	
Loss for the year 2022	-220,662,410
Retained earnings from previous periods	240,139,541
DISTRIBUTION	
Prior years' losses	-220,662,410
Dividends	240,139,541

Fair value reserve (cash flow hedge)

The Fair value reserve (cash flow hedge) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

Fair value reserve (equity instruments at fair value)

This reserve includes the cumulative net change in the fair value of equity instruments at fair value as at the balance sheet date:

	THOUSAND EUROS
Balance as at 1 January 2021	4,146
Parque Eólico Montes de las Navas, S.L.	4,542
Eólicas Páramo de Poza, S.A.	10,352
Others	697
Balance as at 31 December 2022	19,737
Parque Eólico Montes de las Navas, S.L.	-4,205
Eólicas Páramo de Poza, S.A.	-3,918
Lhyfe, S.A.S.	-7,664
Others	-672
Balance as at 31 December 2023	3,278

Exchange differences arising on consolidation

This caption reflects the amount arising on the translation of the financial statements of subsidiaries and associated companies from their functional currency into Euros. The most significant exchange rates used in the preparation of the consolidated financial statements are as follows:

		EXCHANGE RATES AT 31 DECEMBER 2023		EXCHANGE RATES AT 31 DECEMBER 2022	
		CLOSING RATE	AVERAGE RATE	CLOSING RATE	AVERAGE RATE
US Dollar	USD	1.105	1.081	1.067	1.053

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		AT 31 DECEMBER 2023		AT 31 DECEMBER 2022	
		CLOSING RATE	AVERAGE RATE	CLOSING RATE	AVERAGE RATE
Brazilian Real	BRL	5.362	5.401	5.639	5.440
New Leu	RON	4.975	4.946	4.947	4.931
Pound Sterling	GBP	0.869	0.870	0.887	0.853
Canadian Dollar	CAD	1.464	1.459	1.444	1.369
Mexican Peso	MXN	18.690	19.167	20.781	21.198
Colombian Peso	COP	4,222	4,677	5,133.687	4,470.960
Hungarian Forint	HUF	382.800	381.853	400.87	391.286
Vietnamese Dong	VND	26,807	25,828	25,182	24,601
Singaporian Dollar	SGD	1.459	1.452	1.43	1.451

30. Non-controlling interests

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Non-controlling interests in income statement	150,421	200,871
Non-controlling interests in share capital and reserves	1,439,748	1,344,263
	1,590,169	1,545,134

Non-controlling interests, by subgroup, are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
EDPR NA	905,241	912,461
EDPR EU	573,592	520,217
EDPR LATAM	67,026	65,131
EDPR APAC	44,310	47,325
	1,590,169	1,545,134

The movement in non-controlling interests of EDP Renováveis Group is mainly related to:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Balance as at 1 January	1,545,134	1,408,026
Dividends distribution	-59,122	-62,867
Net profit for the year	150,421	200,871
Exchange differences arising on consolidation	-18,089	55,916
Acquisitions and sales without change of control	7,106	-2,076
Increases/(Decreases) of share capital	-36,353	-98,508
Other changes	1,072	43,772
Balance as at 31 December	1,590,169	1,545,134

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Financial debt current and Non-current is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
FINANCIAL DEBT - NON-CURRENT		
Bank loans:		
- EDPR EU	23,825	66,876
- EDPR LATAM	366,292	325,656
- EDPR NA	438,678	361,177
- EDPR APAC	184,349	182,886
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	-	207,507
- EDP Renováveis Servicios Financieros, S.L.	5,028,467	3,698,948
Other loans:		
- EDPR EU	358	15,374
- EDPR APAC	7,472	11,428
Total Debt and borrowings - Non-current	6,049,441	4,869,851
Collateral Deposit - Project Finance and others*	- 31,914	-23,311
Total Collateral Deposits - Non-current	- 31,914	-23,311
FINANCIAL DEBT - CURRENT		
Bank loans:		
- EDPR EU	155,094	318,482
- EDPR LATAM	91,529	9,393
- EDPR NA	24,900	37,455
- EDPR APAC	23,957	66,847
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	200,167	37,026
- EDP Renováveis Servicios Financieros, S.L.	609,088	770,298
Other loans:		
- EDPR EU	4	1,207
- EDPR APAC	2,759	1,258
Interest payable	82,537	48,137
Total Debt and borrowings – Current	1,190,035	1,290,103
Collateral Deposit - Project Finance and others*	- 35,213	-26,734
Total Collateral Deposits – Current	- 35,213	-26,734
Total Debt and borrowings – Current and Non-current	7,239,476	6,159,954
Total Debt and borrowings net of collaterals – Current and Non-current	7,172,349	6,109,909

* Collateral deposits mainly refer to amounts held in bank accounts to comply with obligations under project finance agreements entered into by certain EDP Renewable subsidiaries.

Loans received from EDP group entities current and non-current as of 31 December 2023 mainly refer to a set of loans granted by EDP Finance BV amounting to 4,566,019 thousand Euros (31 December 2022: 4,213,354 thousand Euros), including accrued interests and deducted of debt origination fees (4,028,467 thousand Euros non-current and 537,552 thousand Euros current) (31 December 2022: 3,906,456 thousand Euros non-current and 306,898 thousand Euros current) and by EDP Servicios Financieros España S.A. amounting to 1,000,000 thousand Euros non-current and 348,789 current (31 December 2022: 544,832 thousand euros current), the balance includes an amount related to cash pooling of 338,037 thousand Euros (31 December 2022: 311,807 thousand euros).

The bundled average maturity regarding long-term loans is approximately 5 years and bear interest at weighted average fixed market rates of 3,85% for EUR loans and 4% for USD loans. In 2023, EDPR has received corporate loans from EDP Group for total amount of 1,685 million of Euros. The purpose of these corporate financings is to fund the growth of EDPR either paying new investments in acquisition of projects (mainly in Europe) and developing and construction costs of the EDPR pipeline.

The main events regarding external financing and refinancing of the Group refers to: i) new debt in the Sunseap portfolio, (CNY 353,926,575.69, TWD 1,006,071,180 and VND 64,571,617,406), ii) Brazilian project of Monte Verde and Catanduba plus additional dispositions in existing projects resulting in 149,6 million Euros debt increase and iii) Amortization on existing project finance

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were financed, with EDP Finance BV, on a 5 year tenor, at a variable rate, but with an interest rate swap of 70% over the notional amount of the loan, with an average all-in rate, at 31 of December of 4,86%; a 500,000 thousand Euros Loan and two 250,000 thousand euros with EDP Servicios Financeiros España SA also with a 5y tenor, at fixed rate, but due to the use of the pre-hedge executed, in 2022, by the EDPR group, the average all-in rate of this loan was set on 3,37%, 4,16% and 4,73% respectively.

As at 31 December 2023, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	2024	2025	2026	2027	2028	FOLLOWING YEARS	TOTAL
BANK LOANS							
Euro	127,981	11,755	352	-	-	-	140,088
Polish Zlotych	20,707	8,873	3,564	-	-	-	33,144
American dólar	23,941	22,435	22,446	77,861	55,095	190,676	392,454
Brazilian Real	95,577	24,318	28,906	30,093	31,292	237,341	447,527
Canadian dólar	6,714	7,681	7,864	7,995	8,247	104,195	142,696
Singapore dólar	5,724	27,435	-	-	-	-	33,159
Other	20,732	12,942	13,038	14,936	17,616	56,215	135,479
	301,376	115,439	76,170	130,885	112,250	588,427	1,324,547
LOANS RECEIVED FROM EDP GROUP							
Euro	338,082	-	-	-	500,000	500,000	1,338,082
American Dollar	539,009	225,241	478,054	452,489	-	2,187,329	3,882,122
Singapore Dolar	9,250	-	-	-	685,354	-	694,604
	886,341	225,241	478,054	452,489	1,185,354	2,687,329	5,914,808
OTHER LOANS							
Euro	7	-	-	358	-	-	365
Other	2,831	-	-	-	-	7,472	10,303
	2,838	-	-	358	-	7,472	10,668
Origination fees	-520	-	-18	-349	-	-9,660	-10,547
	1,190,035	340,680	554,206	583,383	1,297,604	3,273,568	7,239,476

As at 31 December 2022, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	2023	2024	2025	2026	2027	FOLLOWING YEARS	TOTAL
BANK LOANS							
Euro	302,990	25,224	11,755	158	-	-	340,127
Polish Zlotych	15,938	19,121	8,226	3,901	-	-	47,186
American dólar	33,194	23,874	23,242	28,104	23,822	177,350	309,585
Brazilian Real	14,298	17,817	19,441	24,287	22,737	250,173	348,753
Canadian dólar	6,338	6,442	7,789	7,974	8,107	114,015	150,665
Singapore dólar	31,147	2,336	4,695	2,568	23,091	15,262	79,099
Other	32,526	12,226	12,846	9,752	11,082	31,156	109,588
	436,431	107,040	87,994	76,743	88,839	587,956	1,385,002
LOANS RECEIVED FROM EDP GROUP							
Euro	589,224	-	-	-	-	1,126,220	1,715,444
American Dollar	262,507	488,641	233,350	507,242	568,779	982,223	3,042,742
	851,731	488,641	233,350	507,242	568,779	2,108,443	4,758,186
OTHER LOANS							
Euro	1,243	1,011	1,031	1,304	1,073	10,954	16,616
Other	1,305	-	11,428	-	-	-	12,733
	2,549	1,011	12,459	1,304	1,073	10,954	29,350
Origination fees	-607	-	-	-11,977	-	-	-12,584

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The Group has project finance funding that include the usual guarantees on this type of financings, namely the pledge or a promise of pledge of bank accounts and assets of the related projects. As of 31 December 2023, these financings amount to 1,034,866 thousand Euros (31 December 2022: 1,097,288 thousand Euros), which are included within the financial debt caption. At 31 December 2023 and 31 December 2022, the Group confirms the fulfilment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are no loans, as of 31 of December 2023, that are being guaranteed by EDPR (31 December 2022 was 16,111 thousand Euros), due to an early repayment performed in June 2023.

The fair value of EDP Renováveis Group's debt is analysed as follows:

	31 DEC 2023		31 DEC 2022	
THOUSAND EUROS	CARRYING VALUE*	MARKET VALUE	CARRYING VALUE*	MARKET VALUE
Financial debt – Non-current	6,049,441	5,311,864	4,869,851	4,196,714
Financial debt – Current	1,190,035	1,190,035	1,290,103	1,290,103
	7,239,476	6,501,899	6,159,954	5,486,817

* Net of origination fees

The market value of the medium/long-term (non-current) debt and borrowings that bear a fixed interest rate is calculated based on the discounted cash flows at the rates ruling at the balance sheet date. The market value of debt and borrowing that bear a floating interest rate is considered not to differ from its book value as these loans bear interest at a rate indexed to Euribor. The book value of the short-term (current) debt and borrowings is considered to be the market value.

32. Provisions

Provisions are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Dismantling and decommission provisions	294,730	264,756
Provision for other liabilities and charges	24,416	4,989
Long-term provision for other liabilities and charges	20,356	4,266
Short-term provision for other liabilities and charges	4,060	723
Employee benefits	660	468
	319,806	270,213

Dismantling and decommission provisions refer to the costs to be incurred for dismantling wind and solar farms and restoring sites and land to their original condition, in accordance with the corresponding accounting policy. The above amount mainly refers to: (i) 133,033 thousand Euros for wind farms and solar plants in North America (31 December 2022: 140,723 thousand Euros); (ii) 116,758 thousand Euros for wind farms and solar plants in Europe (31 December 2022: 110,441 thousand Euros); (iii) 40,330 thousand Euros for wind farms and solar plants in APAC (31 December 2022: 10,913 thousand Euros) and (iv) 4,609 thousand Euros for wind farms and solar plants in LATAM (31 December 2022: 2,679 thousand Euros).

The variation during the year ended 31 December 2023 in the dismantling provision is mainly explained by:

- Increase in the amount of 25,495 thousand Euros for projects that have reached the COD during the period ended 31 December 2023 (31 December 2022: 9.841 thousand Euros);
- Increase in the amount of 4,355 thousand Euros related to the Longroad acquisition (see note 6) and 640 thousand Euros related to the Juan de Bargas Eólica, S.L. acquisition.
- Decrease in the amount of 7,937 thousand euros for the sale of various projects in Europe and LATAM (See note 6);
- Decrease in the amount of 2,447 thousand euros for projects under held for sale in North America (see note 27);
- Increase for the unwinding charged for the period ended 31 December 2023 amounted to 11,270 thousand Euros.
- Increase in the amount of 4,849 thousand Euros due to the purchase price allocation from the acquisition of Longroad during 2022 and 2023 (see note 19);
- Update on the estimated dismantling cost according to an in-deep analysis performed by the EDPR's technical department as well as update in the discount and inflation rates used for determining the provisions, with a net impact of a decrease in the amount of 1,489 thousand Euros.
- Decrease in the amount of 4,762 thousand Euros related to the effect of the exchange rates variation, and mainly for the US Dollar.

EDP Renováveis believes that the provisions booked on the consolidated statement of financial

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This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Deferred income related to benefits provided	769,191	798,362
Liabilities arising from institutional partnerships in North America	1,419,054	1,413,800
	2,188,245	2,212,162

The movements in Institutional partnerships in North America are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Balance at the beginning of the period	2,212,162	2,259,741
Proceeds received from institutional investors	505,922	57,095
Deferred transaction costs	-4,311	-2,172
Cash paid to institutional investors	-130,745	-134,480
Income (see note 8)	-231,055	-233,505
Unwinding (see note 14)	81,058	96,955
Transfers to Held for sale (see note 27)	-207,452	-
Perimeter variations	45,581	-
Exchange differences	-78,032	142,242
Others	-4,883	26,286
Balance at the end of the period	2,188,245	2,212,162

The Group has entered in several partnerships with institutional investors in the United States, through limited liability companies operating agreements that apportions the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTC), Investment Tax Credits (ITC) and accelerated depreciation, largely to the investor.

Proceeds received from institutional investors refer to proceeds secured and received amounting to 505,922 thousand Euros (547,038 thousand US dollars) mainly related to institutional equity financing from First Development LLC, Huntington Bank and State Street & Citizens Bank, in exchange for an interest in onshore wind and solar projects.

EDPR NA is providing its tax equity investors with standard corporate guarantees typical of these agreements to indemnify them against costs they may incur as a result of fraud, willful misconduct or a breach of EDPR NA of any operational obligation under the tax equity agreements.

Caption perimeter variations includes, mainly, as at 31 December 2023 an amount related to the Longroad acquisition of 2023.

34. Trade and other payables from commercial activities

Trade and other payables from commercial activities are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Government grants / subsidies for investments in fixed assets	293,102	317,446
Electricity sale contracts - EDPR NA	3,397	4,353
Property, plant and equipment suppliers	196,195	202,826
Other creditors and sundry operations	79,485	108,424
	572,179	633,049
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES – CURRENT		
Suppliers	245,300	248,577
Property, plant and equipment suppliers	2,642,857	2,387,080
Other creditors and sundry operations	253,950	283,087
	3,142,107	2,918,744
	3,714,286	3,551,793

Government grants for investments in fixed assets are essentially related to grants received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States of America Government.

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long term for the acquisition of certain projects in Colombia for a total amount of 46,094 thousand Euros (47,754 thousand Euros as of December 31, 2022), the United States for a total amount of 25,529 thousand Euros (46,600 thousand Euros as of December 31, 2022), UK for a total amount of 26,956 thousand Euros (32,754 thousand Euros as of December 31, 2022), Greece for a total amount of thousand Euros 24,757 (32,687 thousand Euros as of December 31, 2022), Italy for a total amount of 20,000 thousand Euros, Poland for a total amount of 12,755 thousand Euros (22,155 thousand Euros as of December 31, 2022), Romania for a total amount of 18,179 thousand Euros (13,396 thousand Euros as of December 31, 2022), Brazil for a total amount 17,585 thousand Euros and Portugal for a total amount of 4,500 thousand Euros that, due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions (see note 6). The main variation in this caption is due to the acquisition of various projects in North America and Europe and payments made in Europe.

Variation in other creditors and sundry operations – non-current is mainly explained by the evolution of the energy pool prices in the Spanish market related to the establishment of the pool boundaries adjustment as a result of the publication of Royal Decree-Law 413/2014 and Order IET/1045/2014, and the regulatory reforms established by Royal Decree-Law 6/2022 and Royal Decree-Law 10/2022.

The balance of such concept as at 31 December 2023 amounts to a credit amount of 41,222 thousand Euros (87,369 thousand Euros as at 31 December 2022) of which a debit amount of 12,733 thousand Euros refers to the current 2023 semi-period, a credit amount of 45,276 thousand Euros refers to the 2020-2021 and 2022 semi-periods, a credit amount of 11,405 thousand Euros refers to the 2017-2019 semi-period and a debit amount of 2,726 thousand Euros refers to the 2014-2016 semi-period.

The movements during the period, which has been recorded under the revenues caption of the consolidated income statement, are mainly related to:

- Decrease amounting to 15,540 thousand Euros as a result of the adjustment for the current 2023 period.
- Decrease amounting to 10,826 thousand Euros as a result of the straight-line basis recognition according to the EDPR accounting policy.
- Decrease amounting to 19,780 thousand Euros as a result of the sale of certain portfolio in Spain (see note 6).

Because of the high electricity prices that were occurring in the Spanish market in 2022, considering the market prices until December 2022 and updated in December 2023, the EDPR Group facilities whose commissioning was in the years 2006, and 2007 will reach net present value equal to zero before the next regulatory semi-period (2026) instead of at the end of the regulatory useful life of the facility. Thus, EDPR Group had stopped recognizing, for these installations, adjustments for deviations from market prices, and had derecognized the net accruals (assets & liabilities). The accounting impact as at 31 December 2022, in the amount of 40,324 thousand Euros, had been recorded as an increase under the revenues caption of the consolidated income statement.

Variation in suppliers, is cause by the normal course of the business.

Property plant and equipment suppliers - current refer to wind and solar farms in construction mainly in the United States in the amount of 1,855,254 thousand Euros (1,225,554 thousand Euros as of December 31, 2022), Italy in the amount of 134,636 thousand Euros (31 December 2022: 69,769 thousand Euros), Canada in the amount of 87,711 thousand Euros (31 December 2022: 108,275 thousand Euros), Brazil in the amount of 77,870 thousand Euros, Colombia in the amount of 71,154 thousand Euros (31 December 2022: 356,474 thousand Euros), Greece in the amount of 57,464 thousand Euros, Spain in the amount of 54,623 thousand Euros (31 December 2022: 73,724 thousand Euros), Mexico in the amount of 51,269 thousand Euros (31 December 2022: 74,769 thousand Euros), Chile in the amount of 46,316 thousand Euros, Portugal in the amount of 28,040 thousand Euros (31 December 2022: 97,709 thousand Euros) and Poland in the amount of 25,931 thousand Euros (31 December 2022: 172,308 thousand Euros).

The caption Property plant and equipment suppliers -current also includes success fees payables for the acquisition of certain projects in the amount of 125,491 thousand Euros (31 December 2022: 141,838 thousand Euros) mainly in the United States, Colombia, UK, Greece, Italy, Romania and Poland that due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions.

The fair values and carrying amounts of current trade and other payables do not differ significantly.

The Company has prepared the below information for Spanish subsidiaries, according to criterion required by the Spanish Accounting and Auditing Institute (ICAC) resolution of 29 January 2017 and the requirements introduced by the Law 18/2022 approved in 2022 on disclosures in notes to financial statements of late payments to suppliers in commercial transactions:

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DAYS		
Average payment period	33	35
Ratio paid operations	34	37
Ratio of pending operations	21	24
Total payments made	203,724	202,121
Total outstanding payments	19,802	28,799

In 2023, total number of invoices paid by Spanish companies within the legal payment period amounted to 36,259 invoices, 93% of total invoices, while the payments made within the legal payment period amounted to 184,710 thousand Euros, which represents 91% of total payments. The average supplier payment period was of 33 days, below the payment period stipulated by law of 60 days.

35. Other liabilities and other payables

Other liabilities and other payables are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022(*)
OTHER LIABILITIES AND OTHER PAYABLES – NON-CURRENT		
Amount payable for changes in the perimeter	66,032	71,035
Loans from non-controlling interests	68,394	82,895
Derivative financial instruments	584,827	1,335,600
Rents due from lease contracts	927,063	966,932
Other creditors and sundry operations	345,469	347,830
	1,991,785	2,804,292
OTHER LIABILITIES AND OTHER PAYABLES – CURRENT		
Amount payable for changes in the perimeter	114,191	229,186
Derivative financial instruments	266,014	647,419
Loans from non-controlling interests	21,067	17,407
Rents due from lease contracts	77,442	72,889
Other creditors and sundry operations	130,166	43,343
	608,880	1,010,244
	2,600,665	3,814,536

* See note 2.A) for details regarding the restatement as a result of the Purchase Price Allocation assessment closing during 2023.

The caption Loans from non-controlling interests Current and Non-Current mainly includes:

- Loans granted by ACE Portugal (CTG Group) due to the sale in 2017 of 49% of shareholding in EDPR PT – Parques Eólicos S.A and subsidiaries for a total amount of 15,382 thousand Euros, including accrued interests (20,713 thousand Euros as of 31 December 2022), bearing interest at a fixed rate of 3.75%;
- Loans granted by ACE Poland (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Polska HoldCo, S.A. and subsidiaries for a total amount of 35,390 thousand Euros including accrued interests (41,026 thousand Euros as at 31 December 2022), bearing interest at a fixed rate of a range between 2.95% and 7.23%;
- Loans granted by ACE Italy (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Italia, S.r.l. and subsidiaries for a total amount of 30,527 thousand Euros including accrued interests (31,954 thousand Euros as at 31 December 2022), bearing interest at a fixed rate of 4.50%.

The caption Rents due from lease contracts - Non-Current and Current includes lease liabilities related to IFRS 16. Variation in both captions is as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Balance as at 1 January	1,039,821	698,527
Increases due to new lease contracts	114,347	327,487
Unwinding (note 14)	34,706	33,612
Payment of leases	-61,686	-54,612
Exchange differences	-20,167	28,590
Changes in the perimeter and other changes	-102,516	6,217

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Changes in the perimeter and other changes in 2023 mainly refers to:

- Decrease amounting to 22,205 thousand Euros due to the sale of certain portfolio of European companies;
- Decrease amounting to 57,478 thousand Euros due to the reclassification to held for sale of certain US companies (see note 27).

Changes in the perimeter and other changes in 2022 mainly refers to:

- Increase amounting to 40,581 thousand Euros related to the acquisition of Sunseap Group;
- Decrease amounting to 10,072 thousand Euros due to the sale of certain portfolio of European companies;
- Decrease amounting to 24,302 thousand Euros due to the sale of a company in North America.

As at 31 December 2023, the nominal value of the rents due from lease contracts is detailed as follows: (i) less than 5 years: 403,062 thousand Euros; (ii) from 5 to 10 years: 371,430 thousand Euros; (iii) from 10 to 15 years: 359,552 thousand Euros; and (iv) more than 15 years: 734,831 thousand Euros.

The captions amount payable for changes in the perimeter non-current and current mainly include in 2023:

- Decrease amounting to 24,933 thousand Euros in the caption non-current related to the payment of the variable price associated to the sale transaction of the company Vento XX and subsidiaries;
- Decrease amounting to 76,837 thousand Euros in the caption current refers to payment during 2023 for the remaining cost related to the projects Indiana Crossroads Wind Farm LLC, Meadow Lake Solar Park LLC, Rosewater and Vento V.

The captions amount payable for changes in the perimeter non-current and current mainly included in 2022:

- Increase amounting to 71,035 thousand Euros in the caption non-current related to the acquisition of Kronos Group (see note 42);
- Decrease amounting to 20,395 thousand Euros in the caption non-current related to the payment of the variable price associated to the sale transaction of the company Vento XX and subsidiaries;
- Increase amounting to 41,288 thousand Euros in the caption current related to the acquisition of Xuan Thien Ninh Thuan JSC and Xuan Thien Thuan Vac JSC (see note 42);
- Increase amounting to 166,510 thousand Euros in the caption current related to the remaining cost to pay, mainly, for the projects Meadow Lake Solar Park LLC, Rosewater and Vento XX;
- Decrease amounting to 39,549 thousand Euros in the caption current refers to payment during 2022 for the remaining cost related to the project Indiana Crossroads Wind Farm LLC.

The caption other creditors and sundry operations non-current mainly includes as at 31 December 2023 the present value accrued for the put options associated to the Sunseap Group acquisition in the amount of 40,173 thousand Euros (40,991 thousand Euros as at 31 December 2022) and Kronos Group in the amount of 301,944 thousand Euros (341,996 thousand Euros as at 31 December 2022) (see note 19 and 2.A). As at 31 December 2022 the caption other creditors and sundry operations current included 15,451 thousand Euros related to the put option associated to the Sunseap Group which has been executed by EDPR in 2023 (see note 6).

The caption other creditors and sundry operations current mainly includes as at 31 December 2023 i) an amount of 6,303 thousand Euros related to the acquisition of ITPD Group (see note 42); ii) an amount of 5,380 thousand Euros related to the acquisition of Kronos Group in 2022 which has been reclassified from the caption amount payable for changes in the perimeter non-current; iii) 22,669 thousand Euros related to certain cost outstanding in relation to the portfolio sold in Poland and iv) 17,100 thousand Euros related to dividends to non-controlling interest. In addition the caption includes 41,950 thousand Euros related to the balance of tax pooling with the head of the Spanish tax Group, EDP - Energias de Portugal, S.A. Sucursal en España.

The fair values and carrying amounts of current trade and other payables do not differ significantly.

See note 37 for non-current and current derivatives.

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This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Income tax	60,295	99,463
Withholding tax	8,532	13,674
Value added tax (VAT)	43,807	45,430
Other taxes	88,198	76,837
	200,832	235,404

The caption Other taxes mainly includes windfall taxes in Poland as well as Property taxes in the United States of America.

37. Derivative financial instruments

As of 31 December 2023, the fair value of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		NOTIONAL (THOUSAND UNITS)				
	ASSETS	LIABILITIES	UNITS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
NET INVESTMENT HEDGE							
Cross currency rate swaps	68,484	-63,726	EUR	1,187,392	317,232	1,212,812	2,717,436
Currency forwards	690	-10,321	EUR	254,856	22,113	-	276,969
	69,174	-74,047		1,442,248	339,345	1,212,812	2,994,405
FAIR VALUE HEDGES							
Cross currency rate swaps	195	-4,239	EUR	39,800	-	82,912	122,712
	195	-4,239		39,800	-	82,912	122,712
CASH FLOW HEDGE							
Power price swaps	263,749	-572,010	MWh	13,297	46,007	78,075	137,379
Interest rate swaps	15,348	-17,305	EUR	91,021	227,862	270,583	589,466
Currency forwards	7	-23,485	EUR	361,430	-	-	361,430
	279,104	-612,800					
TRADING							
Power price swaps	27,404	-114,687	MWh	4,737	3,253	837	8,827
Interest rate swaps	9,288	-8,761	EUR	-	-	7,460	7,460
Cross currency rate swaps	303	-2,859	EUR	73,598	45,777	-	119,375
Currency forwards	10,382	-33,448	EUR	1,428,381	54,101	-	1,482,482
	47,377	-159,755					
	395,850	-850,841					

The fair value of derivative financial instruments is recorded under Other debtors and other assets (note 24) or Other liabilities and other payables (note 35), if the fair value is positive or negative, respectively.

The net investment derivatives are mainly related to the CIRS and Forward in USD and EUR with EDP SA as referred in the notes 39 and 40. The net investment derivatives also include CIRS and Forward in CAD, BRL, COP, CNY, TWD, PLN, GBP and SGD with EDP with the purpose of hedging EDP Renováveis Group's operations in Canada, Brazil, Colombia, Taiwan, China, Poland, UK and Singapore.

Interest rate swaps are related to the project finances and have been formalised to convert variable to fixed interest rates.

Cash flow hedge power price swaps are related to the hedging of the sales price. EDPR NA has entered into a power price swap to hedge the variability in the spot market prices received in some of its projects. Additionally, both EDPR NA and EDPR EU have entered in short and long term hedges to hedge the short and long term volatility of certain un-contracted generation of its wind farms.

In certain US power markets, EDPR NA is exposed to congestion and line loss risks which typically have a negative impact on the price received for power generated in these markets. To economically hedge these risk exposures, EDPR NA entered into Financial Transmission Rights ("FTR") and a three year fixed for floating Locational Marginal Price (LMP) swap.

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are not eligible for hedge accounting.

Fair value of derivative financial instruments is based, mainly, on quotes indicated by external entities, which are compared in each date of report to fair values available in common financial information platforms. These entities use discounted cash flows techniques usually accepted and data from public markets. The only exceptions are the CIRS in USD/EUR with EDP SA, which fair values are determined by the Financial Department of EDP, using the same above-mentioned discounted cash flows techniques and data. As such, according to IFRS13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 40) and no changes of level were made during this period.

As of 31 December 2022, the fair value and maturity of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE			NOTIONAL (THOUSAND UNITS)			
	ASSETS	LIABILITIES	UNITS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
NET INVESTMENT HEDGE							
Cross currency rate swaps	5,702	-159,114	EUR	91,158	1,430,850	957,776	2,479,784
Currency forwards	22,583	-84,063	EUR	1,819,013	133,660	-	1,952,673
	28,285	-243,177		1,910,171	1,564,510	957,776	4,432,457
FAIR VALUE HEDGES							
	18	-2,056	EUR	-	-	85,897	85,897
	18	-2,056	EUR	-	-	85,897	85,897
CASH FLOW HEDGE							
Power price swaps	44,117	-1,594,997	MWh	13,261	42,051	72,915	128,227
Interest rate swaps	79,753	-1,725	EUR	159,363	204,355	1,725,040	2,088,758
Currency forwards	13,985	-14,578	EUR	146,760	290	-	147,050
	137,855	-1,611,300					
TRADING							
Power price swaps	29,338	-94,952	MWh	4,082	5,124	871	10,077
Interest rate swaps	1,189	-105	EUR	700	3,070	8,753	12,523
Cross currency rate swaps	25,539	-1,521	EUR	182,062	32,353	493,896	708,311
Currency forwards	78,635	-29,654	EUR	2,349,940	72,629	-	2,422,569
	134,701	-126,231					
	300,859	-1,983,019					

The changes in the fair value of hedging instruments and risks being hedged are as follows:

			31 DEC 2023		31 DEC 2022	
			CHANGES IN FAIR VALUE		CHANGES IN FAIR VALUE	
THOUSAND EUROS	HEDGING INSTRUMENT	HEDGED ITEM	INSTRUMENT	RISK	INSTRUMENT	RISK
Net Investment hedge	Cross currency rate swaps	Subsidiary accounts in USD, RON, BRL, GBP, CAD and COP	158,170	-151,909	-91,970	77,881
Net Investment hedge	Currency forward	Subsidiary accounts in USD, GBP, BRL, SGD, PLN, CNY, TWD and COP	51,849	-67,636	-34,765	9,174
Fair Value hedge	Cross currency rate swaps	Subsidiary accounts in BRL	-2,006	-2,006	-2,038	-2,038
Cash-flow hedge	Interest rate swap	Interest rate	-79,985	-	77,539	-
Cash-flow hedge	Power price swaps	Power price	1,242,619	-	-517,166	-
Cash-flow hedge	Currency forward	Exchange rate	-22,885	-	-21,783	-
			1,347,762	-221,551	-590,183	-85,017

During 2023 and 2022 the following market inputs were considered for the fair value calculation:

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Cross currency interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Libor 3M, Libor 6M daily Brazilian CDI, CAD-BA-CDOR 3M, Wibor 3M, Wibor 6M and CO IBR index; and exchange rates: EUR/BRL, EUR/PLN, EUR/CAD, EUR/GBP, EUR/RON, USD/BRL and EUR/USD.
Interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Wibor 3M, Wibor 6M Libor 1M, Libor 3M, SORA 1D and CAD-BA-CDOR 3M.
Foreign exchange forwards	Fair value indexed to the following exchange rates: EUR/USD, EUR/PLN, EUR/GBP, USD/PLN, USD/HUF, EUR/HUF, USD/CAD, EUR/CAD, BRL/CNY, BRL/EUR, BRL/USD, COP/USD, EUR/COP, SGD/USD, EUR/SGD, EUR/TWD, JPY/EUR, EUR/KRW, EUR/AUD, USD/JPY, SGD/CNY, SGD/TWD and USD/VND.
Power price swaps	Fair value indexed to the price of electricity.

The movements in cash flow hedge reserve have been as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Balance at the beginning of the year	-1,052,141	-754,884
Fair value changes	863,378	-366,010
Transfers to results	-6,567	6,323
Effect of derivatives in the equity consolidated companies	-76,137	82,639
Effect of the sale with loss of control of EDPR subsidiaries	-34	-20,209
Balance at the end of the year	-271,501	-1,052,141

The gains and losses on the financial instruments portfolio booked in the income statement are as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Net investment hedge – ineffectiveness	-8,696	-39,680
Cash-flow hedge		
Transfer to results from hedging of financial liabilities	10,977	2,829
Transfer to results from hedging of commodity prices	-4,410	-9,153
Non eligible for hedge accounting derivatives	-234,026	104,371
	-236,155	58,367

The amount from transfers to results from hedging of commodity prices is registered in Revenues while the remaining gains and losses are registered in Financial income and Financial expense, respectively (see note 14).

The effective interest rates for derivative financial instruments associated with financing operations during 2023, were as follows:

		EDPR GROUP	
	CURRENCY	PAYS	RECEIVES
INTEREST RATE CONTRACTS			
Interest rate swaps	EUR	[1.75% - 4.13%]	[-4.13% - -1.75%]
Interest rate swaps	PLN	[2.48% - 4.17%]	[-7.05% - -5.82%]
Interest rate swaps	USD	[0.86% - 1.86%]	[-5.65% - -0.01%]
Interest rate swaps	CAD	[2.10% - 2.75%]	[-5.53% - -5.44%]
Interest rate swaps	TWD	[1.47% – 1.74%]	[1.49%]
Interest rate swaps	SGD	[0.95%]	[3.94%]
Interest rate swaps	VND	[4.45%]	[5.58%]
CURRENCY AND INTEREST RATE CONTRACTS			
CIRS (currency interest rate swaps)	EUR/USD	[1.08% - 5.78%]	[-0.29% - 4.17%]
CIRS (currency interest rate swaps)	EUR/BRL	[10.71%]	[3.93% - 3.93%]
CIRS (currency interest rate swaps)	EUR/CAD	[5.15% - 5.58%]	[3.89% - 3.97%]
CIRS (currency interest rate swaps)	EUR/GBP	[1.54% - 2.19%]	[0.00%]
CIRS (currency interest rate swaps)	EUR/PLN	[6.82% - 8.72%]	[3.93% - 5.78%]
CIRS (currency interest rate swaps)	EUR/SGD	[2.94% - 3.11%]	[-0.01% - -0.01%]

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operations during 2022, were as follows:

	CURRENCY	PAYS	EDPR GROUP RECEIVES
INTEREST RATE CONTRACTS			
Interest rate swaps	EUR	[1.59% - 3.67%]	[-2.70% - -2.48%]
Interest rate swaps	PLN	[2.48% - 4.17%]	[-7.15% - 7.05%]
Interest rate swaps	USD	[1.08% - 1.86%]	[-4.73% - -3.75%]
Interest rate swaps	CAD	[2.10% - 2.75%]	[-4.88% - -4.20%]
CURRENCY AND INTEREST RATE CONTRACTS			
CIRS (currency interest rate swaps)	EUR/USD	[1.08% - 5.78%]	[-0.29% - 4.73%]
CIRS (currency interest rate swaps)	EUR/CAD	[4.41% - 5.16%]	[1.56% - 2.20%]
CIRS (currency interest rate swaps)	EUR/COP	[4.13%]	[2.13%]
CIRS (currency interest rate swaps)	EUR/GBP	[1.35% - 1.92%]	[-0.00%]
CIRS (currency interest rate swaps)	EUR/BRL	[5.95%]	[-0.44%]
CIRS (currency interest rate swaps)	USD/BRL	[1.37% - 2.02%]	[1.40% - 2.71%]

38. Commitments

As at 31 December 2023 and 2022, the financial commitments not included in the statement of financial position in respect of financial and operational guarantees provided, are analysed as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
GUARANTEES OF OPERATIONAL NATURE		
EDP Renováveis, S.A.	1,614,697	1,625,852
EDPR NA	2,495,815	1,973,492
EDPR EU	316,599	16,628
EDPR LATAM	120,572	86,373
EDPR APAC	7,302	15,166
Total	4,554,985	3,717,511

The above operating guarantees, which are not included in the consolidated statement of financial position or in the Notes, as at 31 December 2023 and 2022, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees. Concepts covered by PPA guarantees depends on the status of the project and typically cover related risks of development and construction, correct operation and maintenance of the projects and compliance with payment obligations. These guarantees amount to 1,529,951 thousand Euros as at 31 December 2023 of which 624,805 thousand Euros refer to guarantees granted by EDP to EDPR companies and 80,276 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures (1,037,351 thousand Euros as at 31 December 2022, of which 341,085 thousand Euros refer to guarantees granted by EDP to EDPR companies and 87,826 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures).

Additional to the above guarantees, there are operational guarantees amounted to 112,865 thousand Euros associated to the portfolio classified as Held for sale as at 31 December 2023 (see note 27).

In 2023, the above guarantees include an amount of 10,268 thousand Euros refer to guarantees of operational nature related to the Spanish and Polish companies that have been sold during 2023 (see note 6) although EDPR assumed temporarily the responsibility under such guarantees until these were effectively replaced.

In 2022, additionally to the above guarantees, an amount of 30,450 thousand Euros referred to guarantees of operational nature related to the Spanish, Polish, Italian and Brazilian companies that were sold as at 31 December 2022 although EDPR assumed temporarily the responsibility under such guarantees until these were effectively replaced. An amount of 152,770 thousand Euros referred to guarantees of financial nature related to Brazilian companies that were also sold in 2022, although EDPR only assumed responsibility under such guarantees until 30 January 2023, when this had been effectively replaced.

Refer to note 39 for guarantees granted by EDP Group companies to EDPR Group companies.

Refer to note 20 for guarantees granted by EDP Group and EDPR' Group to joint venture companies.

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underlying liabilities already reflected in its Consolidated Statement of Financial Position and/or disclosed in the Notes.

EDPR does not expect any significant liability arising from the above commitments related to financial and operational guarantees provided.

The EDPR Group future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations by maturity date are as follows:

		31 DEC 2032			
		CAPITAL OUTSTANDING BY MATURITY			
THOUSAND EUROS	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	210,671	16,731	27,154	17,840	148,946
Purchase obligations	5,718,473	3,608,076	1,473,233	155,239	481,925
	5,929,144	3,624,807	1,500,387	173,079	630,871

		31 DEC 2022			
		CAPITAL OUTSTANDING BY MATURITY			
THOUSAND EUROS	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	66,340	9,994	18,429	7,935	29,982
Purchase obligations	5,361,294	3,678,743	1,089,012	126,215	467,324
	5,427,634	3,688,737	1,107,441	134,150	497,306

The variation in commitments with respect to 2022 is fully in line with the evolution of the business and increasing activity of the EDPR Group.

According with IFRS 16 EDPR Group presents the information related to lease contracts in the caption Right-of-use assets (see note 17).

Purchase obligations include debts related with long-term agreements of property, plant and equipment and operational and maintenance contracts product and services supply related to the Group operational activity. When prices are defined under forward contracts, these are used in estimating the amounts of the contractual commitments.

Some of the disposal of non-controlling interests transactions retaining control carried out in previous years incorporate contingent assets and liabilities according to the terms of the corresponding agreements.

39. Related parties

The Members of the Board of Directors of the Company and its delegated Committees do not own directly or indirectly any shares from EDPR, as of 31 December 2023 or 31 December 2022.

According to Article nr 229 of "Ley de Sociedades de Capital" (Spanish Companies Law), the members of the Board of Directors of EDP Renováveis have not communicated, or the parent company has knowledge, of any conflict of interests or incompatibility that could affect the performance of their duties.

Remuneration of the members of the Board of Directors and Management Team

In accordance with the Company's by-laws, the remuneration of the members of the Board of Directors is proposed by the Appointments, Remunerations and Corporate Governance Committee to the Board of Directors on the basis of the overall amount of remuneration authorized by the General Meeting of Shareholders. The Board of Directors approves the distribution and the exact amount to be paid to each Director on the basis of this proposal. The average number of members of the Board of Directors during 2023 and 2022 is 11.

The remuneration paid to the members of the Board of Directors in 2023 and 2022 were as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
CEO	-	-
Board members	785	727

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of Directors and their membership/chairmanship of the Delegated Committees. Further, EDPR signed an Executive Management Services Agreement with EDP, under which EDP bears the cost for the services rendered by its Executive and Non-Executive Directors, which are Miguel Stilwell d'Andrade, Rui Teixeira, Miguel Setas (until April 2023), Vera de Morais Pinto Pereira Carneiro and Ana Paula Marques. This corporate governance practice of remuneration is in line with the model adopted by the EDP Group, in which the executive Directors of EDP do not receive any remuneration directly from the group companies on whose governing bodies they serve, but rather through EDP.

Under this contract, EDPR is due to pay an amount to EDP, for the services rendered by the Executive Managers and the Non-executive Managers. The amount due under said Agreement for the management services rendered by EDP in 2023 is 1,862 thousand Euros (1,208 thousand Euros in 2022), of which 1,710 thousand Euros refers to the management services rendered by the Executive Members (979 thousand Euros as at 31 December 2022) and 152 thousand Euros to the management services rendered by the non-executive Members (195 thousand Euros as at 31 December 2022). There is an additional amount of 46 thousand Euros related to retirement saving plans (34 thousand Euros as at 31 December 2022).

As per the Management Team, there is a retirement savings plan for the members indicated which, acts as an effective retirement supplement with a range between 3% to 6% of their annual salary. The percentage is defined according with the retirement savings plan applicable in their home country.

In the case of the Duarte Bello- COO EU&LatAm; Bautista Rodríguez, -CTO&Business Offshore; Sandhya Ganapathy - COO NA; and Pedro Vasconcelos - COO APAC , the remuneration in 2023 was as follows:

THOUSAND EUROS	31 DEC 2023	31 DEC 2022
Salaries and other allowances	2,967	2,808
Retirement saving plans	75	44
Life insurance premiums	7	16
	3,049	2,868

Since April 2023, following his appointment as member of the Executive Board of Directors of EDP Energías de Portugal, S.A., Pedro Vasconcelos receives his remuneration exclusively from EDP Energías de Portugal, S.A. Since that moment, the amount corresponding to the services rendered by Pedro Vasconcelos to EDPR is invoiced by EDP Energías de Portugal, S.A. to EDPR.

Additionally they received the following non-monetary benefits: retirement savings plan (as described above), company car and Health Insurance in the amount of 116 thousand Euros (363 thousand Euros in 2022).

Relevant balances and transactions with subsidiaries and associates of China Three Gorges Group

Within the context of the transactions with CTG related to the sale of 49% of EDPR Portugal, EDPR PT-PE, EDPR Italia and EDPR Polska equity shareholding to CTG Group, CTG has granted loans to the EDPR Group in the amount of 81,299 thousand Euros including accrued interests (19,576 thousand Euros as current and 61,732 thousand Euros as non-current) as at 31 December 2023. As at 31 December 2022, this balance amounted to 93,693 thousand Euros including accrued interests (17,392 thousand Euros as current and 76,301 thousand Euros as non-current). See note 35.

During the year ended 31 December 2022, EDPR sold the entire stake in the Spanish companies Eólica La Janda, S.L. and Parc Eòlic Serra Voltorera, S.L. to CTG. Total shares proceeds amounted to 207,018 thousand Euros.

Balances and transactions with EDP Group companies

In their ordinary course of business, EDPR Group companies establish commercial transactions and operations with other Group companies, whose terms reflect current market conditions.

As at 31 December 2023, assets and liabilities with related parties, are analysed as follows:

THOUSAND EUROS	ASSETS		
	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	23,674	23,674
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	3,253	3,253
Joint Ventures and Associated companies	540,348	89,038	629,386
EDP Serviço Universal, S.A.	-	19,068	19,068
EDP Finance B.V.	-	69,218	69,218

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THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Servicios Financieros España, S.A.	199,567	–	199,567
EDP España S.A.U.	–	29,511	29,511
EDP GEM Portugal, S.A.	–	135,922	135,922
Other EDP Group companies	–	3,327	3,327
	739,915	373,011	1,112,926

THOUSAND EUROS	LOANS AND INTERESTS TO PAY	LIABILITIES OTHERS	TOTAL
EDP Energias de Portugal, S.A.	–	121,917	121,917
EDP – Energias de Portugal, S.A. Sucursal en España (EDP Branch)	–	61,372	61,372
Joint Ventures and Associated companies	52	4,028	4,080
EDP Finance B.V.	4,566,019	17,242	4,583,261
EDP Servicios Financieros España, S.A.	1,348,789	8,494	1,357,283
EDP Global Solutions	–	1,443	1,443
EDP GEM Portugal, S.A.	–	128,589	128,589
Other EDP Group companies	–	2,834	2,834
	5,914,860	345,919	6,260,779

Assets mainly refer to:

- Debit balance of the Euro and US Dollar current accounts with EDP Servicios Financieros España, S.A. (see note 26) amounting to 199,038 thousand Euros as at 31 December 2023 (31 December 2022: 326,815 thousand Euros);
- Loans granted to companies consolidated by the equity method, mainly to Ocean Winds in the total amount of 534,635 thousand Euros (31 December 2022: 511,374 thousand Euros);
- Others with Joint Ventures and Associated companies correspond mainly with the variable price related to the sale of the offshore business to Ocean Winds in the amount of 77,679 thousand Euros and derivatives contracted with Eólica de São Julião in the amount of 5,550 thousand Euros (31 December 2022: 77,920 thousand Euros and 17,775 thousand Euros respectively) (see note 24 and 37);
- Commercial receivables related to the sale of energy in EDPR Portugal and EDPR Spain through EDP Serviço Universal, S.A. (which is a last resort retailer due to regulatory legislation) and EDP España S.A.U.;
- Derivatives contracted with EDP Energias de Portugal, S.A., EDP Finance B.V. and EDP GEM Portugal, S.A. which market value as at 31 December 2023 amounts to 22,044 thousand Euros (31 December 2022: 84,686thousand Euros), 69,218 thousand Euros (31 December 2022: 73,812 thousand Euros) and 122,767 thousand Euros, respectively (see note 37).

Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.A. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 4,566,019 thousand Euros (31 December 2022: 4,212,912 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 1,010,752 thousand Euros (544,832 thousand Euros as at 31 December 2022) (see note 31) including the cash-pooling in the amount of 338,037 thousand Euros as at 31 December 2023;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2023 amounts to 119,160 thousand Euros (31 December 2022: 614,415 thousand Euros), with EDP Finance B.V. which market value as at 31 December 2023 amounts to 17,099 thousand Euros (31 December 2022: 37,270 thousand Euros) and with EDP GEM Portugal, S.A. which market value as at 31 December 2023 amounts to 124,204 thousand Euros, mainly related to power price derivatives and Cross currency rate swaps (See note 37);
- The amount included in EDP – Energias de Portugal, S.A. Sucursal en España is mainly explained by the increase of the tax pooling base for a total amount of 41,707 thousand Euros.

Transactions with related parties for the period ended 31 December 2023 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	11,704	310,637	-331,324	-373,146
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	67	-	-47,694	-1,298
Joint Ventures and Associated				

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THOUSAND EUROS	INCOME	INCOME	EXPENSES	EXPENSES
EDP Serviço Universal, S.A.	254,809	20	-30	-41
EDP Finance B.V.	-	125,420	-	-210,894
EDP Servicios Financieros España, S.A.	-	5,755	-	-47,283
EDP España S.A.U.	339,027	-	-5,396	-41
EDP Clientes S.A.	4,109	-	-1,640	-
EDP Trading Comercialização e Serviços de Energia	60,758	-	-66	-
EDP GEM Portugal, S.A.	371,322	-	-3,887	-1,825
Other EDP Group companies	4,463	-	-5,843	-
	1,071,938	468,963	-409,735	-634,528

Operating income mainly includes electricity sales to EDP Serviço Universal, S.A. which is a supplier of last resource in Portugal due to regulatory legislation, to EDP España S.A.U. as the commercial agent in Spain and to EDP Trading Comercialização e Serviços de Energia;

Operating transactions with EDP Energias de Portugal, S.A. and EDP GEM Portugal, S.A. are mainly related to commodity derivatives financial instruments;

Financial Income is mainly explained by the derivative financial instruments of EDP Energias de Portugal, S.A. and EDP Finance B.V. as well as interests accrued with Joint Ventures and Associated companies;

Financial expenses with EDP Finance B.V., EDP Energias de Portugal, S.A. and EDP Servicios Financieros España S.A., are related interests on the loans granted to EDP Renováveis S.A. and EDP Renováveis Servicios Financieros, S.A. referred above, and the income/expenses related to derivative instruments;

The payments for financial leasing of IFRS 16 during the period amounts to 1,786 thousand Euros with EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch).

As at 31 December 2022, assets and liabilities with related parties, are analysed as follows:

THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	ASSETS TOTAL
EDP Energias de Portugal, S.A.	-	100,978	100,978
EDP – Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	140	140
Joint Ventures and Associated companies	521,584	148,361	669,945
EDP Finance B.V.	-	26,860	26,860
EDP Serviço Universal, S.A.	-	73,812	73,812
EDP Servicios Financieros España, S.A.	326,815	-	326,815
EDP España S.A.U.	-	41,947	41,947
Other EDP Group companies	-	5,322	5,322
	848,399	397,420	1,245,819

THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	LIABILITIES TOTAL
EDP Energias de Portugal, S.A.	-	634,935	634,935
EDP – Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	13,243	13,243
Joint Ventures and Associated companies	-	820	820
EDP Finance B.V.	4,213,354	37,693	4,251,047
EDP Servicios Financieros España, S.A.	544,832	3,493	548,325
EDP Global Solutions	-	1,861	1,861
Other EDP Group companies	-	16,951	16,951
	4,758,186	708,996	5,467,182

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- Debit balance of the Euro and US Dollar current accounts with EDP Servicios Financieros España, S.A. (see note 26) amounting to 326,815 thousand Euros as at 31 December 2022;
- Loans granted to companies consolidated by the equity method, mainly to Ocean Winds in the total amount of 511,374 thousand Euros;
- Others with Joint Ventures and Associated companies correspond mainly with the variable price related to the sale of the offshore business to Ocean Winds in the amount of 77,920 thousand Euros and derivatives contracted with Eólica de São Julião in the amount of 17,775 thousand Euros (see note 24 and 37);
- Commercial receivables related to the sale of energy in EDPR Portugal and EDPR Spain through EDP Serviço Universal, S.A. (which is a last resort retailer due to regulatory legislation) and EDP España S.A.U.;
- Derivatives contracted with EDP Energias de Portugal, S.A. and EDP Finance B.V. which market value as at 31 December 2022 amounts to 84,686 thousand Euros and 73,812 thousand Euros, respectively (see note 37);

Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.A. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 4,212,912 thousand Euros (31 December 2021: 2,652,219 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 544,832 thousand Euros (445,499 thousand Euros as at 31 December 2021) (see note 31) including the cash-pooling in the amount of 311,807 thousand Euros as at 31 December 2022;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2022 amounts to 614,415 thousand Euros and with EDP Finance B.V. which market value as at 31 December 2022 amounts to 37,270 thousand Euros, mainly related to power price derivatives and Cross currency rate swaps (See note 37).

Transactions with related parties for the year ended 31 December 2022 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	56,488	296,834	-264,171	-233,580
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	16	-	-36,197	-1,134
Joint Ventures and Associated companies	50,497	16,388	-5,247	-2,761
EDP Serviço Universal, S.A.	255,983	-	-26	-
EDP Finance B.V.	20,234	97,679	-	-170,958
EDP Servicios Financieros España, S.A.	-	-	-	-31,767
EDP España S.A.U.	728,267	-	-8,523	-57
EDP Clientes S.A.	1,928	-	-359	-
EDP Trading Comercialização e Serviços de Energia	37,601	-	-1,002	-
Other EDP Group companies	187	-	-6,557	-
	1,151,201	410,901	-322,082	-440,257

Operating income mainly includes electricity sales to EDP Serviço Universal, S.A. which is a supplier of last resource in Portugal due to regulatory legislation, to EDP España S.A.U. as the commercial agent in Spain, to EDP Trading Comercialização e Serviços de Energia.

Operating transactions with EDP Energias de Portugal, S.A., EDP Finance BV and EDP GEM Portugal, S.A. are mainly related to commodity derivatives financial instruments;

Financial expenses with EDP Finance B.V. and EDP Servicios Financieros España S.A., are related interests on the loans granted to EDP Renováveis S.A. and EDP Renováveis Servicios Financieros, S.A. referred above, and the income/expenses related to derivative instruments.

Financial Income is mainly explained by the derivative financial instruments of EDP Energias de Portugal, S.A. and EDP Finance B.V.

As part of its operational activities, the EDP Renováveis Group must present guarantees in favor of certain suppliers and in connection with renewable energy contracts. As at 31 December 2023, EDP España and EDP Energías de Portugal Sucursal en España granted operational guarantees to suppliers in favour of EDP Renováveis S.A. and EDPR NA in the amount of 697,278 thousand Euros (444,520 thousand Euros as at 31 December 2022). The operational guarantees are issued following the commitments assumed by EDPR EU and EDPR NA in relation to Power Purchase Agreements (PPA), interconnection, permits and market participation.

Refer to note 20 for guarantees granted by EDP Group and EDPR Group to joint venture companies.

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Fair value of financial instruments is based, whenever available, on quoted market prices. Otherwise, fair value is determined through internal models, which are based on generally accepted cash flow discounting techniques and option valuation models or through quotations supplied by third parties.

Non-standard instruments may require alternative techniques, which consider their characteristics and the generally accepted market practices applicable to such instruments. These models are developed considering the market variables that affect the underlying instrument, namely yield curves, exchange rates and volatility factors.

Market data is obtained from generally accepted suppliers of financial data (Bloomberg and Reuters). Non-listed equity instruments, for which a reliable and consistent fair value estimate is not available either by internal models or external providers, are recognized at their historical cost.

As at 31 December 2023 and 2022, the following table presents the interest rate curves of the major currencies to which the Group is exposed. These interest rates were used as the base for the fair value calculations made through internal models referred above:

	31 DEC 2023 CURRENCIES			31 DEC 2022 CURRENCIES		
	EUR	USD	SGD	EUR	USD	SGD
3 months	3,88%	5,66%	3,48%	2.13%	4.77%	3.57%
6 months	3,09%	5,49%	3,38%	2.69%	5.07%	3.86%
9 months	3,63%	5,26%	3,30%	3.45%	5.16%	3.88%
1 year	3,46%	5,04%	3,19%	3.69%	5.07%	3.84%
2 years	2,80%	4,35%	2,81%	3.39%	4.71%	3.48%
3 years	2,55%	4,04%	2,64%	3.31%	4.34%	3.30%
5 years	2,43%	3,82%	2,56%	3.24%	4.02%	3.15%
7 years	2,44%	3,77%	2,57%	3.20%	3.90%	3.10%
10 years	2,49%	3,76%	2,58%	3.20%	3.84%	3.04%

Equity instruments at fair value and financial assets at fair value through profit or loss

Listed financial instruments are recognized at fair value based on market prices. The financial instruments for which reliable fair value estimates are not available, are recorded in the statement of financial position at their cost.

Cash and cash equivalents, trade receivables and suppliers

These financial instruments include mainly short-term financial assets and liabilities. Given their short-term nature at the reporting date, their book values are not significantly different from their fair values.

Loans granted

These loans bear interest at market rates, which are fixed or with reference rate indexed, such as Euribor and SOFR, etc plus a market spread. Given the long-term maturity, for fixed rate loans, fair value has been calculated based on the discounted cash flows at market interest rates at the balance sheet date.

Financial debt

The fair value of the financial debt is estimated through internal models, which are based on generally accepted cash flow discounting techniques. At the reporting date, the carrying amount of floating rate loans is approximately their fair value. In case of fixed rate loans, mainly the intercompany loans granted by EDP Group, their fair value is obtained through internal models based on generally accepted discounting techniques.

Derivative financial instruments

All derivatives are accounted at their fair value. For those which are quoted in organized markets, the respective market price is used. For over-the-counter derivatives, fair value is estimated through the use of internal models based on cash flow discounting techniques and option valuation models generally accepted by the market, or by dealer price quotations.

CIRS with EDP - Energias de Portugal, S.A. (note 37)

With the purpose of hedging the foreign exchange risk resulting from the net investment in EDPR NA, the Group entered into CIRS in USD and EUR with EDP - Energias de Portugal, S.A. These

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interest rates were based on the interest rate curves referred to above and the USD/EUR exchange rate is disclosed on note 35.

The fair values of assets and liabilities as at 31 December 2023 and 2022 are analysed as follows:

	31 DECEMBER 2023			31 DECEMBER 2022		
THOUSAND EUROS	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE
FINANCIAL ASSETS						
Equity instruments at fair value	24,785	24,785	-	43,321	43,321	-
Debtors and other assets from commercial activities	558,682	558,682	-	605,693	605,693	-
Loans to related parties	542,616	436,661	-105,955	522,795	476,624	-46,171
Other debtors and other assets	845,611	845,611	-	1,162,285	1,162,285	-
Derivative financial instruments	382,110	382,110	-	272,660	272,660	-
Cash and cash equivalents	1,371,768	1,371,768	-	1,171,932	1,171,932	-
	3,725,572	3,619,617	-105,955	3,707,166	3,732,515	-46,171
FINANCIAL LIABILITIES						
Financial debt	7,239,476	6,501,899	-737,577	6,159,954	5,486,817	-673,137
Suppliers	3,084,352	3,084,352	-	2,838,483	2,838,483	-
Institutional partnerships in North America	2,188,245	2,188,245	-	2,212,162	2,212,162	-
Trade and other payables from commercial activities	629,934	629,934	-	713,310	713,310	-
Other liabilities and other payables	1,749,983	1,749,983	-	1,871,568	1,871,568	-
Derivative financial instruments	883,937	883,937	-	1,954,820	1,954,820	-
	15,775,718	15,038,141	737.577	15,750,297	15,077,160	-673,137

The fair value levels used to valuate EDP Renováveis Group financial assets and liabilities are defined as follows:

- **Level 1** – Quoted prices (unadjusted) in active market for identical assets and liabilities
- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e., derived from prices)
- **Level 3** – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

	31 DECEMBER 2023			31 DECEMBER 2022		
THOUSAND EUROS	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS						
Equity instruments at fair value	14,400	-	10,385	24,712	-	18,609
Derivative financial instruments	-	382,111	-	-	272,660	-
	14,400	382,111	10,385	24,712	272,660	18,609
Financial liabilities						
Liabilities arising from options with non-controlling interests	-	-	-	-	-	883
Derivative financial instruments	-	883,937	-	-	1,954,820	-
	-	883,937	-	-	1,954,820	883

The remaining assets and liabilities are valuated within Level 1 or correspond to assets and liabilities which fair value is the same as its carrying amount. In 2023, there are no transfers between levels.

The movement in 2023 and 2022 of the financial assets and liabilities within Level 3 are analysed was as follows:

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	2023	2022
Balance at the beginning of the year	883	883
Gains / (Losses) in other comprehensive income	–	–
Increases/Purchases	-883	–
Disposals	–	–
Others	–	–
Balance at the end of the year	–	883

The Trade and other payables within level 3 are related to Liabilities with non-controlling interests.

The movements in 2023 and 2022 of the derivative financial instruments are presented in note 37.

41. Relevant subsequent events

EDPR secures its first PPA in Germany

EDPR has secured a 15-year Power Purchase Agreement ("PPA") Lhyfe, with whom EDPR has a partnership agreement to provide renewable power for the future green hydrogen production sites in the region, that will be used for mobility and industrial processes, thus consolidating its sustained growth.

The PPA entitles the sale of the renewable energy generated by a 55 MW solar project in Germany with start of operations expected during 2025.

EDPR entered the German market in 2022 through the acquisition of Kronos Solar EDPR and currently has a capacity of 8.5 GW in different stages of development in solar utility scale, including agri-PV projects. Although EDPR's business in Germany is focused on solar technology, the company has the ambition of developing wind projects in the country by the end of the decade.

Germany announced in 2022 ambitious renewables capacity targets of 360 GW of renewable capacity to be installed until 2030. To reach that target, The Country has committed to install 155 GW of solar capacity, representing close to 40% of the expected EU solar additions and making it one of the largest and fastest growing solar markets in the world.

EDPR's success in securing new PPAs reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonization of the economy.

EDPR secures a PPA for a 250 MW portfolio in Spain

EDPR has secured a 15-year Power Purchase Agreement ("PPA") with a global corporate client to sell the green energy produced by a 250 MW portfolio in Spain.

The portfolio consists of 4 solar projects amounting to 205 MW and 1 wind project with 45 MW of capacity, all of them expected to enter in operation in 2025.

This pay-as-produced PPA supports EDPR's value creation thresholds, and with it EDPR has now more than 55% of the capacity secured out of the ~17 GW target additions for 2023-2026 announced in EDPR Capital Markets Day in March 2023.

EDPR awarded with 20-year CfD for 100 MW in Italy

EDPR has been awarded with 20- year contracts for difference ("CfD") for 100 MW of wind renewable capacity, at the latest renewable auction in Italy promoted by the Gestore ServiziEnergetici ("GSE"). These CfDs were attributed to 3 onshore wind projects located in the south of Italy, which are expected to enter in operation by 2026.

The auction, that has delivered 1 GW of new clean energy, achieved a clearing price of €77.6/MWh, a significant increase from last year's €66.5/MWh in the twelfth auction. CfD auctions play a pivotal role in supporting the green transition and ensuring competitive projects.

With these new contracts, EDPR has now 57% of the capacity secured out of the ~17 GW targeted additions announced in EDPR Capital Markets Day in March 2023.

EDPR signs Asset Rotation deal for a 297 MW wind project in Canada

EDPR has signed a Sale and Purchase Agreement with Connor, Clark & Lunn Infrastructure ("CC&L Infrastructure") to sell an 80% equity stake in a 297 MW operating wind project located in Alberta, Canada for an estimated Enterprise Value of C$0.6 billion (for the 80% stake).

This is EDPR's second transaction with CC&L Infrastructure, having previously sold a 560 MW portfolio of wind and solar assets in the United States. EDPR will retain a minority equity interest in the project and continue to operate and manage the asset.

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transaction of this nature.

This transaction comes in the context of the €7 billion Asset rotation program for 2023-26 announced in EDPR's Capital Markets Day in March 2023, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

EDPR completes Asset Rotation deal for a 340 MW solar portfolio in the US

EDPR announces the completion of a Sale and Purchase Agreements with a major energy global player, to sell an 80% equity stake in portfolios of 340 MW from 3 operating solar projects, 2 in Ohio and 1 in Texas, for a total Enterprise Values of $0.4 billion (for the 80% stake).

With the conclusion of these agreements, EDPR has executed and signed ~35% of the €7 billion Asset rotation program for 2023-2026 as announced in EDPR's Capital Markets Day in March 2023, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

42. Business Combination

Business Combination closed during the year ended 31 December 2023

San Juan de Bargas

On June 1, 2023, EDPR entered into an agreement to acquire the remaining 53% of the stake in San Juan de Bargas Eólica, S.L. (hereinafter, "SJB"), which holds a windfarm of 44,8 MW in operation and located in Spain, for a total consideration of 13,898 thousand Euros that were paid at a closing date. The agreement did not entail any conditions precedent therefore signing and closing was simultaneous.

Within this transaction, EDPR has gained control over the company San Juan de Bargas Eólica, S.L. (SJB), where EDPR had 47% of the shares of the company and acquired the remaining 53% of the shares, considering this acquisition a business combination achieved in stages under IFRS 3. Until the date in which the control was obtained, the shareholding previously held was being included in the consolidated financial statements under the equity method. Total value of the equity investment, previously to the transaction, amounted to 12,329 thousand Euros of which an amount of 270 thousand Euros corresponds to the result of the company for the year 2023 attributable to EDPR and the goodwill allocated to this company in the amount of 3,464 thousand Euros.

The Group used the financial statements as of 31 May 2023 of the acquired company, to determine pre-acquisition balance sheet and results, and, consequently, the company have been consolidated from that date following the full consolidation method. Thus, this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 2,196 thousand Euros and with a Net loss in the approximate amount of 1,199 thousand Euros, referring to the seven-month period ended on 31 December 2023.

If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 4,410 thousand Euros and with a Net loss for the period in the approximate amount of 1,981 thousand Euros, referring to the twelve-month period ended on 31 December 2023.

At the acquisition date, EDPR Group has determined internally the fair value of the assets acquired and liabilities assumed. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar windfarm projects in EDPR's portfolio. The after-tax cash flows were then discounted at the weighted average cost of capital, reflecting the risk of the country, and adjusted for the profile of the project.

Such valuation has determined a fair value of the net assets acquired in the amount of 34,950 thousand Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Intangible assets	115	-	115
Property, plant and equipment	4,294	39,080	43,374
Other Non-Current Assets	714	-	714
Total Non-Current Assets	5,123	39,080	44,203

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THOUSAND EUROS	AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	AT ACQUISITION DATE
Total Current Assets	3,343	-	3,343
Total Assets	8,466	39,080	47,546
LIABILITIES			
Provisions	640	-	640
Deferred tax liabilities	-	9,770	9,770
Total Non-Current Liabilities	640	9,770	10,410
Trade and other payables from commercial activities	2,186	-	2,186
Total Current Liabilities	2,186	-	2,186
Total Liabilities	2,826	9,770	12,596
Total Net assets acquired at fair value			34,950
Net assets previously held in San Juan de Bargas (business combination achieved in stages)			-12,329
Total Net assets acquire at fair value			22,621
- Total consideration for the acquisition of the shares			-13,898
Badwill			-8,723

The aforementioned San Juan de Bargas's valuation has determined a fair value for Property, plant and equipment in the amount of 43,374 thousand Euros, generating a fair value adjustment of 39,080 thousand Euros and a corresponding deferred tax liability in the amount of 9,770 thousand Euros (see notes 16 and 21).

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted in a gain recognition in the amount of 8,723 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares. The gain resulting from the purchase price allocation has been registered in the "Other income" caption of the consolidated financial statements (see note 9).

Others

In addition to the above transaction, as at 31 December 2023, EDPR Group has acquired the Australian business ITP Development Pty. Ltd. and North American business Longroad Solar Portfolio III LLC and SunE Solar V LLC (Longroad portfolio). The impact of both is consider not material. The net book values of these projects at acquisition date amounted to -3,335 thousand Euros and 2,783 thousand Euros, respectively. The provisional goodwill recognized for these transactions have been 16,983 thousand Euros related to ITP Development and 14,511 thousand Euros related to Longroad (Portfolio III and SunE Solar V)(see notes 6 and 19).

Business Combination closed during the year ended 31 December 2022

Sunseap

EDPR entered in November 2021 into an agreement with BPIN Investment Company Limited (owner of 47% issued shares at the moment of entering into the agreement) , Mr. Frank Phuan and Mr. Lawrence Wu (as the "Founder Shareholders") (owners of 14%% issued shares at the moment of entering into the agreement), and the additional selling shareholders (owners of 36%% issued shares at the moment of entering into the agreement) for the acquisition of up to 91.4% of the shares of Sunseap Group Pte.Ltd which holds a sizeable portfolio including of close to 10 GW of renewable projects at different stages of development. The agreement also includes the acquisition of the subscription rights granted to some shareholders and employees of the company by EDPR and the new issuance of those shares to be paid by EDPR, the total percentage acquired of 91.4% is inclusive of such shares. At that moment, the completion of this transaction was subject to customary conditions precedent. With this transaction, completed in 24 February 2022 once the aforementioned customary conditions precedent were fulfilled, EDPR acquired 91.4% of the mentioned Group for a total consideration of 659,658 thousand Euros (including the put option present value). This transaction is considered under the scope of IFRS 3 - Business combinations.

EDPR signed the corresponding shareholders agreements which include put and call options agreements for the remaining percentage of the shares of the Sunseap Group with the minority shareholders. As a consequence, EDPR has call options to acquire the remaining stake of the capital of the Sunseap Group and the sellers have put options to sell their shares. EDPR have applied the anticipated-acquisition method (see note 2.A and 6).The exercise price for these options has been determined in an amount equal to 56,442 thousand Euros (see note 35).

Upon completion of the agreement, Sunseap Group Pte.Ltd performed a capital increase which was subscribed solely by EDP Renováveis, S.A and lead to EDP Renováveis, S.A holding 92.28% of the total stake of the acquired company, the amount of the capital increase is not

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determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus, this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 108,763 thousand Euros and with a Net profit in the approximate amount of 224 thousand Euros, referring to the ten-month period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 121,430 thousand Euros and with a Net loss for the period in the approximate amount of 7,623 thousand Euros , referring to the twelve-month period ended at 31 December 2022.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash-flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar PV projects in EDR's portfolio. These internal assumptions used in the preparation of the cashflows of the portfolio have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital within a range of 6.3%-10.8% (blended), that has been calculated by the firm, reflecting the risks of the specific countries and adjusted for the profile of each project. Such valuation has determined a fair value of the net assets acquired in the amount of 296,173 thousand Euros.

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	409,589	110,932	520,521
Right-of-use assets	39,000	-	39,000
Intangible assets	422	113,295	113,717
Goodwill	2,159	-2,159	-
Investments in joint ventures and associates	9,111	14,842	23,954
Equity instruments at fair value	24	-	24
Deferred tax assets	9,908	-	9,908
Other Non-Current Assets	11,136	-	11,136
Total Non-Current Assets	481,348	236,910	718,259
Inventories	6,945	-	6,945
Debtors and other assets from commercial activities	70,534	-	70,534
Other debtors and other assets	49,532	-	49,532
Current tax assets	6,867	-	6,867
Cash and cash equivalents	127,576	-	127,576
Total Current Assets	261,455	-	261,455
Total Assets	742,803	236,910	979,713
LIABILITIES			
Medium / Long term financial debt	233,746	-	233,746
Provisions	6,162	-	6,162
Deferred tax liabilities	1,836	38,836	40,673
Other liabilities and other payables	115,021	-	115,021
Total Non-Current Liabilities	356,766	38,836	395,603
Short term financial debt	30,425	-	30,425
Trade and other payables from commercial activities	70,845	-	70,845
Current tax liabilities	823	-	823
Other current liabilities	147,858	-	147,858
Total Current Liabilities	249,951	-	249,951
Total Liabilities	606,707	38,836	645,554
Total Net assets acquired at fair value			334,160
- Non-controlling interests			-37,986

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THOUSAND EUROS	AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	AT ACQUISITION DATE
– Total consideration for the acquisition of the shares			-659,658
		Goodwill	363,485

The aforementioned Sunseap's group valuation has determined a fair value for Property, plant and equipment in the amount of 520,521 thousand Euros, generating a fair value adjustment of 110,932 thousand Euros corresponding to the permits, licences and concessions (PLCs) and an associated deferred tax liability in the amount of 21,472 thousand Euros (see note 16 and 21). Furthermore, the valuation has determined a fair value for Intangible assets in the amount of 113,717 thousand Euros, generating a fair value adjustment of 113,295 thousand Euros corresponding to the power purchase agreements and feed-in-tariffs of the whole portfolio and an associated deferred tax liability in the amount of 17,378 thousand Euros.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted as a goodwill recognition in the amount of 363,485 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned provisional goodwill recognition resulting from the purchase price allocation, is mainly attributable to EDPR's establishment in the APAC platform within the context of EDP Business plan 2021-25, allowing EDPR to establish a portfolio for the APAC region of close to 10 GW of solar projects, of which 563 MW operating and under construction, and an experienced team of more than 600 employees spread across 9 markets, providing a growth platform for the region. The purchase price allocation exercise has been closed during 2023 with no significant impacts compared to the allocation carried out in 2022.

Xuan Thien

EDPR, through its wholly owned Vietnamese subsidiary Sunseap Commercial & Industrial Assets (Vietnam) Co., Ltd. entered in 2022 into an agreement with Xuan Thien Group for the acquisition of 99.99% of the shares of Xuan Thien Ninh Thuan JSC and Xuan Thien Thuan Vac JSC, each of one holding a PV project totalling 200 MWac (255MWdc) (see note 6). At that moment, the completion of this transaction was subject to customary conditions precedent. With this transaction, completed in 7 September 2022 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 99,99% of the shareholding of the mentioned companies for a total consideration of 198,832 thousand Euros. Of the total consideration, 157,544 thousand Euros have been paid as of 31 December 2022, and an amount of 41,288 thousand Euros is accrued under the caption Other liabilities and other payables - Current (see note 35) correspond to the retentions that, in accordance with the sale purchase agreement, will be paid when certain milestones related to financing, module damages repairs and land use rights are fulfilled. This transaction is considered under the scope of IFRS 3 - Business combinations.

The Group used the financial statements as at 7 September 2022 of the companies acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus, this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 9,319 thousand Euros and with a Net profit in the approximate amount of 1,819 thousand Euros, referring to the four months period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 33,225 thousand Euros and with a Net profit for the period in the approximate amount of 8.985 thousand Euros referring to the twelve-month period ended at 31 December 2022.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash-flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main assumptions of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar assets in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the portfolio have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital of 10.3%, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the projects.

Such valuation has determined a fair value of the net assets acquired in the amount of 181,061 thousand Euros.

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THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	171,487	26,754	198,241
Intangible assets	-	85,476	85,476
Deferred tax assets	-	238	238
Total Non-Current Assets	171,487	112,468	283,956
Debtors and other assets from commercial activities	14,562	-	14,562
Other debtors and other assets	3,500	-16	3,484
Cash and cash equivalents	314	-	314
Total Current Assets	18,376	-16	18,360
Total Assets	189,864	112,452	302,316
LIABILITIES			
Medium / Long term financial debt	102,425	-	102,425
Provisions	2,303	-	2,303
Deferred tax liabilities	-	8,497	8,497
Other liabilities and other payables	-	3,155	3,155
Total Non-Current Liabilities	104,728	965	116,380
Short term financial debt	352	-	352
Other current liabilities	4,521	-	4,521
Total Current Liabilities	4,874	-	4,874
Total Liabilities	109,602	11,652	121,254
Total Net assets acquired at fair value			181,061
- Total consideration for the acquisition of the shares			-202,298
Goodwill			21,236

The aforementioned Xuan Thien's projects valuation has determined a fair value for Property, plant and equipment in the amount of 198,241 thousand Euros, generating a fair value adjustment of 26,754 thousand Euros corresponding to the permits, licences and concessions (PLCs) and an associated deferred tax liability in the amount of 2,026 thousand Euros (see note 16 and 21). Furthermore, the valuation has determined a fair value for Intangible assets in the amount of 85,476 thousand Euros, which equals the amount of the fair value adjustment corresponding to the power purchase agreements that these companies have in place and an associated deferred tax liability in the amount of 6,471 thousand Euros.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted in goodwill recognition in the amount of 21,236 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned provisional goodwill recognition resulting from the provisional purchase price allocation, which is identified according to what is indicated in note 2.A, is mainly attributable to EDPR doubling its operational capacity in Vietnam, strengthening its presence in the APAC region, a market where it entered in 2021 and has been since reinforced with the integration of Sunseap in February 2022. The purchase price allocation exercise has been closed during 2023 with no significant impacts compared to the allocation carried out in 2022.

Kronos Group

In the third quarter of 2022, EDPR entered into an agreement with Summercourt Capital GmbH (owner of 85% of the shares) and Bohne-Vermögensverwaltungs-GmbH (owner of 15% of the shares) to acquire a 66.80% stake of Kronos Solar Projects GmbH. which holds a solar generation portfolio of 9,4GW under development located in Germany, Netherlands, France and UK (see note 6). At that moment, the completion of this transaction was subject to customary conditions precedent. With this transaction, completed in 5 October 2022 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 66,80% of the mentioned companies for a total consideration of 663,030 thousand Euros of which an amount of 341,995 thousand Euros corresponds to the put options and an amount of 71,035 thousand Euros relates to the estimation for the success fee to be paid to the sellers (see note 35). This transaction is considered under the scope of IFRS 3 - Business combinations.

Upon completion of the agreement, Kronos Solar Projects GmbH performed a capital increase which was subscribed solely by EDP Renewables Europe, S.L.U. and lead to EDP Renewables

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Furthermore and within the context of this acquisition, and for the purpose of constructing and operating the projects, EDP Renewables Europe, S.L.U. and the sellers have incorporated the company Kronos Projektgesellschaft mbH with the same split in the shareholding (70%-30%).

EDPR signed the corresponding shareholders agreements which include put and call options agreements for the remaining percentage of the shares of the Kronos Group with the minority shareholders. As a consequence, EDPR has call options to acquire the remaining stake of the capital of the Kronos Group and the sellers have put options to sell their shares. EDPR have applied the anticipated-acquisition method (see note 2.A, 6 and 35).

The Group used the financial statements as at 30 September 2022 of the acquired companies, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method and equity method when applicable. Thus, this acquisition has contributed to the consolidated financial statements with no revenues since none of the projects of the portfolio are operating and no sales of projects have occurred during the period and with a Net loss in the approximate amount of 438 thousand Euros, referring to the four-month period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with no revenues since none of the projects of the portfolio are operating and no sales of projects have occurred during the year and with a Net loss in the approximate amount of 1,176 thousand Euros , referring to the twelve-month period ended at 31 December 2022.

At the acquisition date, EDPR Group has determined internally the fair value of the assets acquired and liabilities assumed. Since the portfolio acquired is still in an early stage of development EDPR has not allocated any value to specific assets, hence the difference amounting to 651,657 thousand Euros between the consideration transferred and the net assets acquired has been allocated to provisional goodwill. Such assessment has determined a fair value of the net assets acquired in the amount of 11,373 thousand Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	4,871	-	4,871
Intangible assets	3,331	-	3,331
Other non-current assets	455	-	455
Total Non-Current Assets	8,656	-	8,656
Other debtors and other assets	1,591	-	1,591
Cash and cash equivalents	13,423		13,423
Total Current Assets	15,014	-	15,014
Total Assets	23,670	-	23,670
LIABILITIES			
Provisions	493	-	493
Deferred tax liabilities	151	-	151
Other liabilities and other payables	5	-	5
Total Non-Current Liabilities	649	-	649
Other current liabilities	11,560	-	11,560
Total Current Liabilities	11,560	-	11,560
Total Liabilities	12,209	-	12,209
Total Net assets acquired at fair value			11,461
- Non-controlling interest			88
Total Net assets acquired at fair value			11,373
- Total consideration for the acquisition of the shares			-663,030
Goodwill			651,657

The aforementioned goodwill recognition resulting from the purchase price allocation, which is identified as provisional according to what is indicated in note 2.A, is mainly attributable to the opportunity of entrance in new regions for EDPR (namely Netherlands and Germany), which benefit from ambitious renewables targets given the increased importance of security of supply and energy independence coupled with government initiatives such as the “Easter Package” in Germany that stands out with ambitious renewables capacity targets, with 360 GW of renewable installed capacity until 2030. In that sense almost 50% of the acquired solar development portfolio is located in Germany. Another element to consider within the goodwill is the well-proven know-

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EDPR geographical current set up, not only allowing the entrance in Germany and Netherlands, but also scaling presence in France and the UK with a fully solar focused business.

The purchase price allocation exercise has been closed during 2023, see the impact in note 2. A).

Longroad

EDPR, through its majority controlled US subsidiary, EDPR NA Distributed Generation, LLC, entered into an agreement in April 2022 to acquire 100% of the equity interests in ninety one (91) distinct limited liability companies and limited partnerships owning an aggregate nameplate capacity of 99.3 MWdc of operating solar plants located throughout the US. The acquisition of these companies has been structured in 8 different transactions ("tranches") which are independent from each other. However, given that the seller is the same, the assets have same nature and risks and are all located in the same geography, the Group has opted to present all these transactions aggregated in the same note, grouping the assets and liabilities acquired depending on whether the transaction has generated goodwill or badwill. At that moment, the completion of this transaction was subject to certain conditions precedent. The conditions precedent, which were specific for each acquired company, necessitated multiple closings of discrete asset groups in separate tranches. The closing tranches served to organize companies based up common attributes and/or common conditions precedent such as acquired companies with loan repayments, sale leaseback financed companies, and companies with common off-takers.

With the aforementioned conditions precedent fulfilled, EDPR acquired the aforementioned 100% equity interests in 84 companies in four tranches, each of which is considered under the scope of IFRS 3 - Business combinations, for the following cash consideration:

CLOSING DATE	CLOSING DATE	PROJECTS ACQUIRED	PURCHASE PRICE	CAPACITY (MW DC)
THOUSAND			EUR	MW DC
Renewable Venture Solar Fund V GP, LLC	19 April 2022	7	16,659	6.46
Longroad Solar Portfolio IV, LLc	9 August 2022	3	248	1.82
Longroad Solar WF Portfolio, LLc	9 August 2022	6	3,522	10.65
SunE Solar VI, LLC	9 August 2022	2	2,623	1.22
Longroad XII Holdings, LLC	3 October 2022	7	38,257	24.19
MMA Renewable Venture Solar Fund III, LLC	3 October 2022	18	22,867	16.93
Longroad DG Portolio I, LLC	9 December 2022	11	3,661	5.94
Longroad Fund III Holdings, LLC	9 December 2022	30	45,155	32.09
		84	132,992	99.3

The Group used the financial statements as at each respective closing date to determine pre-acquisition results and, consequently, the companies and their operations have been consolidated since that date. The profit and loss and statement of cash flows reflect the activity of these project companies from the respective date of closing presented in the table above through 31 December 2022.

If these acquisitions had occurred at the beginning of 2022, these would have contributed to the consolidated financial statements with Revenues, mainly from energy and environmental attribute (REC) sales, in the approximate amount of 14,244 thousand Euros (15,000 thousand USD) and with Net income for the period in the approximate amount of 2,279 thousand Euros (2,400 thousand USD), referring to the twelve-month period ended at 31 December 2022.

At the acquisition dates for each respective tranche, the Group has determined the fair values of the assets acquired and liabilities assumed, based on valuations performed by a third party. The valuation methodology utilized was a discounted cashflow approach, where cash flows for each project were forecasted for the remaining life of the assets. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data of the assets provided by the seller. The after tax cash flows were then discounted at the weighted average cost of capital of 8.25% reflecting the risk of the debt and equity financing components adjusted for the contracted profile of each project. Lastly to the aggregate value of the portfolio, adjustments were made for one-off items, other balance sheet assets or liabilities and synergies, to reach the final equity valuation.

Such valuation has determined a fair value of the net assets acquired in the amount of 77,372 thousand Euros. Inputs and assumptions included in the valuation models relied upon the use of significant estimates including market energy pricing curves, federal income tax rates and other present value factors.

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provisional goodwill from the transaction are presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	41,506	-	41,506
Intangible assets	-	11,570	11,570
Other non-current assets	489	-	489
Total Non-Current Assets	41,995	11,570	53,565
Debtors and other assets from commercial activities	629	-	629
Other debtors and other assets	2,682	-	2,682
Cash and cash equivalents	129	-	129
Total Current Assets	3,440	-	3,440
Total Assets	43,435	11,570	57,005
LIABILITIES			
Provisions	4,416	-3,702	714
Deferred tax liabilities	-	-	-
Institutional partnerships in USA wind farms	2,821	-212	2,609
Total Non-Current Liabilities	7,237	-3,914	3,323
Other current liabilities	37	-	37
Total Current Liabilities	37	-	37
Total Liabilities	7,274	-3,914	3,360
Total Net assets acquired at fair value			53,645
- Total consideration transferred for the acquisition of the shares			-61,372
Goodwilll			7,727

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	29,273	-	29,273
Intangible assets	-	9,097	9,097
Other non-current assets	2,170	-	2,170
Total Non-Current Assets	31,443	9,097	40,540
Debtors and other assets from commercial activities	596	-	596
Other debtors and other assets	750	-	750
Cash and cash equivalents	1,662	-	1,662
Total Current Assets	3,008	-	3,008
Total Assets	34,451	9,097	43,548
LIABILITIES			
Provisions	1,639	-1,280	359
Deferred tax liabilities	-	-	-
Institutional partnerships in USA wind farms	22,070	-2,900	19,170
Total Non-Current Liabilities	23,709	-4,180	19,529
Other current liabilities	292	-	292
Total Current Liabilities	292	-	292
Total Liabilities	24,001	-4,180	19,821
Total Net ‘assets acquired at fair value			23,727
- Total consideration transferred for the acquisition of the shares			-22,804
Badwillll			923

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The purchase price allocation exercise carried out in accordance with IFRS 3 resulted as a

Ventures Solar Fund III, LLC, Longroad DG Portfolio I, LLC, and Longroad Fund III Holdings, LLC (see note19).

Other purchase price allocations resulted in a provisional badwill recognition. The acquisitions of Renewable Ventures Solar Fund V GP, LLC, Longroad Solar WF Portfolio, LLC, and SunE Solar VI, LLC contributed badwill amounted to 932 thousand Euros (see note 9).

The aforementioned provisional goodwill resulting from the purchase price allocation is mainly attributable to the acquisition of above-market power purchase agreements. The aforementioned valuations have determined a fair value for Intangible assets 20,667 thousand Euros.

In addition to the above, as at 31 December 2022, the last tranche of the transaction recently closed and a purchase price allocation has not yet been finalized for Longroad DG Portfolio I, LLC (DG1) and Longroad Fund III Holdings, LLC (Fund III). The book values of these projects at acquisition date amounted to net assets of 27,578 thousand Euros. The provisional goodwill recognized for these transactions has been 21,238 thousand Euros (see note 19).

The purchase price allocation exercises have been closed during 2023 with no significant impacts compared to the allocation carried out in 2022.

43. Environment issues

Expenses of environmental nature are the expenses that were identified and incurred to avoid, reduce or repair damages of an environmental nature that result from the Group's normal activity.

These expenses are booked in the income statement of the year, except if they qualify to be recognised as an asset, according to IAS 16.

During the year, the environmental expenses recognised in the income statement in the amount of 9,659 thousand Euros (31 December 2022: 7,734 thousand Euros) refer to costs with the environmental management plan.

Investments of an environmental nature booked as Property, plant and equipment and intangible assets during 2023 amount to 20,417 thousand Euros (31 December 2022: 13,968 thousand Euros).

As referred in accounting policy 2.P, the Group has established provisions for dismantling and decommissioning of property, plant and equipment when a legal or contractual obligation exists to dismantle and decommission those assets at the end of their useful lives. Consequently, the Group has booked provisions for property, plant and equipment related to electricity wind and solar generation for the responsibilities of restoring sites and land to its original condition, in the amount of 294,730 thousand Euros as at 31 December 2023 (31 December 2022: 264,756 thousand Euros) (see note 32).

44. Operating segments report

The Group generates energy from renewable resources and has, since 1 January 2022, four reportable segments which are the Group's business platforms, Europe, North America, Latam and Apac. The strategic business units have operations in different geographic zones and are managed separately because their characteristics are quite different. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The accounting policies of the reportable segments are the same as described in note 2. Information regarding the results of each reportable segment is included in Annex 2. Performance is based on segment operating profit measures, as included in the internal management reports that are reviewed by the Management. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

A business segment is an identifiable component of the Group, aimed at providing a single product or service, or a group of related products or services, and it is subject to risks and returns that can be distinguished from those of other business segments.

The Group generates energy from renewable sources in several locations and its activity is managed based on the following business segments:

- Europe: refers to companies that operate in Spain, Portugal, Belgium, France, Italy, Germany, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to companies that operate in United States of America, Canada and Mexico;
- LATAM: refers to companies that operate in Brasil, Chile and Colombia;
- APAC: refers to companies that operate in South Korea, Singapore, Vietnam, Malaysia,

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- Europe: refers to companies that operate in Spain, Portugal, Belgium, France, Italy, Germany, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to companies that operate in United States of America, Canada and Mexico;
- LATAM: refers to companies that operate in Brasil, Chile and Colombia;
- APAC: refers to companies that operate in Korea, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan.

Segment definition

The amounts reported in each business segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter, including the intra-segment eliminations, without any inter-segment allocation adjustment.

The financial information disclosed by each business segment is determined based on the amounts booked directly in the subsidiaries that compose the segment, including the intra-segment eliminations, without any inter-segment allocation adjustment.

45. Audit and non-audit fees

PricewaterhouseCoopers (PwC) was reappointed in the Shareholder's Meeting held on April 12th 2021 as the external auditor of the EDPR Group for years 2021, 2022 and 2023. Fees for professional services provided by this company and the other related entities and persons in accordance with Law 22/2015 of 20 July, for the year ended in 31 December 2023 are as follows:

	31 DECEMBER 2023				
THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM	APAC	TOTAL
Audit and statutory audit of accounts	1,810	2,195	388	1,008	5,401
Other non-audit services	283	13	8	-	304
Total	2,093	2,208	396	1,008	5,705

The amount of Other non-audit services in Europe includes, among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustainability included in the EDPR Group's annual report, which are invoiced to a European company. This amount also includes the limited review as of June 30, 2023 of the EDPR Consolidated Financial Statements and other reviews for Group consolidation purposes which are considered non-audit services according to the respective local regulation.

Total amount for Europe includes 969 thousand Euros of services provided by PricewaterhouseCoopers Auditores S.L. from which 693 thousand Euros refer to audit services and 276 thousand Euros refer to non-audit services.

The above fees exclude the fees for the companies that were sold during 2023 amounting 139 thousand Euros (see note 6).

The PwC fees for 2022 are as follows:

	31 DECEMBER 2022				
THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	OTHER	TOTAL
Audit and statutory audit of accounts	1,603	1,795	368	994	4,760
Other non-audit services	218	12	38	-	268
Total	1,821	1,807	406	994	5,028

Total amount for Europe includes 857 thousand Euros of services provided by PricewaterhouseCoopers Auditores S.L. from which 676 thousand Euros refer to audit services and 181 thousand Euros refer to non-audit services.

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ANNEX I

The Subsidiary Companies consolidated under the full consolidated method, as at 31 December 2023 and 2022, are as follows, where "% of capital" represents the direct stake held by the immediate parent company/ies and "% of voting rights" represents the indirect stake held by the Group's parent holding company (EDP Renováveis S.A.):

COMPANY	HEAD OFFICE	AUDITOR	2023		2022	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
GROUP'S PARENT HOLDING COMPANY AND RELATED ACTIVITIES						
EDP Renováveis, S.A. (Group's parent holding company)	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
EDP Renováveis Servicios Financieros, S.A.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
EUROPE GEOGRAPHY / PLATFORM						
Spain						
EDP Renewables Europe, S.L.U. (Europe Parent Company)	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
EDP Renovables España, S.L.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
Acampo Arias, S.L.	Zaragoza	PwC	95.00%	95.00%	95.00%	95.00%
Agos Fotovoltaicas, S.L.U.	Asturias	n.a.	100.00%	100.00%	0.00%	0.00%
Aplicaciones Industriales de Energías Limpias, S.L.	Zaragoza	n.a.	61.50%	61.50%	61.50%	61.50%
Canerde, S.L.	Madrid	n.a.	80.00%	80.00%	80.00%	80.00%
Compañía Eólica Aragonesa, S.A.U.	Zaragoza	PwC	100.00%	100.00%	100.00%	100.00%
Corona Fotovoltaicas, S.L.U.	Asturias	n.a.	100.00%	100.00%	0.00%	0.00%
Desarrollos Eólicos de Teruel, S.L.	Teruel	n.a.	51.00%	51.00%	51.00%	51.00%
Desarrollos Renovables de Alfajarin, S.L.U.	Zaragoza	n.a.	100.00%	100.00%	0.00%	0.00%
Desarrollos Renovables de Allande, S.L.U.	Asturias	n.a.	100.00%	100.00%	100.00%	100.00%
Desarrollos Renovables de la Frontera, S.L.U.	Cádiz	n.a.	100.00%	100.00%	100.00%	100.00%
Desarrollos Renovables de Teruel, S.L.	Teruel	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR México, S.L.U.	Asturias	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Terral S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Yield, S.A.U.	Asturias	PwC	100.00%	100.00%	100.00%	100.00%
Energia Geoide VIII, S.L.	Asturias	n.a.	100.00%	100.00%	0.00%	0.00%
Eólica Arlanzón, S.A.	Madrid	PwC	85.00%	85.00%	85.00%	85.00%
Eólica Campollano, S.A.	Madrid	PwC	75.00%	75.00%	75.00%	75.00%
Eólica Fontesilva, S.L.U.	La Coruña	PwC	100.00%	100.00%	100.00%	100.00%
Eólica La Brújula, S.A.U.	Madrid	PwC	100.00%	100.00%	100.00%	100.00%
Global Pracima, S.L.U.	Asturias	n.a.	100.00%	100.00%	0.00%	0.00%
IAM Caecius, S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Iberia Aprovechamientos Eólicos, S.A.	Zaragoza	PwC	94.00%	94.00%	94.00%	94.00%
ICE Tudela, S.L.U.	Madrid	n.a.	100.00%	100.00%	0.00%	0.00%
Jul Solar, S.L.U.	Asturias	n.a.	100.00%	100.00%	0.00%	0.00%
Palma Hive, S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Parque Eólico Altos del Voltoya, S.A.	Madrid	PwC	92.50%	92.50%	92.50%	92.50%
Parque Eólico de Abrazadilla, S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Parque Eólico La Sotonera, S.L.	Zaragoza	PwC	69.84%	69.84%	69.84%	69.84%
Parque Eólico Los Cantales, S.L.U.	Zaragoza	PwC	100.00%	100.00%	100.00%	100.00%
Parque Eólico Santa Quiteria, S.L.	Zaragoza	PwC	100.00%	83.96%	100.00%	83.96%
Pedregal Hive, S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Renovables Castilla La Mancha, S.A.	Madrid	PwC	90.00%	90.00%	90.00%	90.00%
Rocio Hive, S.L.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
San Juan de Pargas Eólica, S.L.U.	Zaragoza	n.a.	100.00%	100.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Site Sunwind Energy, S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Tébar Eólica, S.A.U.	Madrid	PwC	100.00%	100.00%	100.00%	100.00%
Viesgo Europa, S.L.U.	Oviedo	PwC	0.00%	0.00%	100.00%	100.00%
Viesgo Mantenimiento, S.L.U.	Cantabria	PwC	0.00%	0.00%	100.00%	100.00%
Viesgo Renovables, S.L.U.	Oviedo	PwC	0.00%	0.00%	100.00%	100.00%
Portugal						
EDP Renováveis Portugal, S.A.	Porto	PwC	51.00%	51.00%	51.00%	51.00%
EDPR Cross Solutions, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
EDPR PT – Parques Eólicos, S.A.	Porto	PwC	51.00%	51.00%	51.00%	51.00%
EDPR PT – Promoção e Operação, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Eólica da Coutada II, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Eólica da Coutada II, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Eólica da Coutada, S.A.	Soutelo de Aguiar	PwC	100.00%	51.00%	100.00%	51.00%
Eólica da Serra das Alturas, S.A.	Boticas	PwC	50.10%	25.55%	50.10%	25.55%
Eólica da Terra do Mato, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Eólica das Serras das Beiras, S.A.	Piódão – Arganil	PwC	100.00%	51.00%	100.00%	51.00%
Eólica de Alagoa, S.A.	Arcos de Valdevez	PwC	60.00%	30.60%	60.00%	30.60%
Eólica de Montenegrelo, S.A.	Vila Pouca de Aguiar	PwC	50.10%	25.55%	50.10%	25.55%
Eólica do Alto da Lagoa, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Alto da Teixosa, S.A.	Alhões	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Alto do Mourisco, S.A.	Cerdedo	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Espigão, S.A.	Vila Nova CMV	PwC	100.00%	51.00%	100.00%	51.00%
Eólica dos Altos de Salgueiros-Guilhado, S.A.	Vila Pouca de Aguiar	PwC	100.00%	51.00%	100.00%	51.00%
Fotovoltaica Flutuante do Grande Lago, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Fotovoltaica Lote A, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Malhadizes – Energia Eólica, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Parque Eólico do Barlavento, S.A.	Porto	PwC	89.98%	89.98%	89.98%	89.98%
S.E.E. – Sul Energía Eólica, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
SPEE – Sociedade Produção de Energia Eólica, S.A.	Porto	PwC	100.00%	100.00%	0.00%	0.00%
EDP Renewables SGPS, S.A.	Porto	PwC	0.00%	0.00%	100.00%	100.00%
IE2 Portugal, SGPS, S.A.	Porto	PwC	0.00%	0.00%	100.00%	100.00%
EDP Renováveis Portugal, S.A.	Porto	PwC	51.00%	51.00%	51.00%	51.00%
EDPR Cross Solutions, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
EDPR PT – Parques Eólicos, S.A.	Porto	PwC	51.00%	51.00%	51.00%	51.00%
EDPR PT – Promoção e Operação, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Eólica da Coutada II, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Eólica da Coutada, S.A.	Soutelo de Aguiar	PwC	100.00%	51.00%	100.00%	51.00%
Eólica da Serra das Alturas, S.A.	Boticas	PwC	50.10%	25.55%	50.10%	25.55%
Eólica da Terra do Mato, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Eólica das Serras das Beiras, S.A.	Piódão – Arganil	PwC	100.00%	51.00%	100.00%	51.00%
Eólica de Alagoa, S.A.	Arcos de Valdevez	PwC	60.00%	30.60%	60.00%	30.60%
Eólica de Montenegrelo, S.A.	Vila Pouca de Aguiar	PwC	50.10%	25.55%	50.10%	25.55%
Eólica do Alto da Lagoa, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Alto da Teixosa, S.A.	Alhões	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Alto do Mourisco, S.A.	Cerdedo	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Espigão, S.A.	Vila Nova	PwC	100.00%	51.00%	100.00%	51.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Eólica dos Altos de Salgueiros-Guilhado, S.A.	Vila Pouca de Aguiar	PwC	100.00%	51.00%	100.00%	51.00%
Fotovoltaica Flutuante do Grande Lago, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Fotovoltaica Lote A, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Malhadizes - Energia Eólica, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Parque Eólico do Barlavento, S.A.	Porto	PwC	89.98%	89.98%	89.98%	89.98%
S.E.E. - Sul Energía Eólica, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
SPEE - Sociedade Produção de Energia Eólica, S.A.	Porto	PwC	100.00%	100.00%	0.00%	0.00%
EDP Renewables SGPS, S.A.	Porto	PwC	0.00%	0.00%	100.00%	100.00%
IE2 Portugal, SGPS, S.A.	Porto	PwC	0.00%	0.00%	100.00%	100.00%
France						
EDPR France Holding, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Energies France, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Monts de la Madeleine Energie, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Monts du Forez Energie, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Oxavi 1, S.A.S.	Paris	n.a.	100.00%	100.00%	0.00%	0.00%
Oxavi 2, S.A.S.	Paris	n.a.	100.00%	100.00%	0.00%	0.00%
Parc Éolien d'Entrains-sur-Nohain, S.A.S.	Paris	PwC	90.00%	90.00%	90.00%	90.00%
Parc Eolien de Dionay, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Saussignac Solaire, S.A.S.	Paris	n.a.	100.00%	100.00%	0.00%	0.00%
Transition Euroise Roman II, S.A.S.	Paris	n.a.	85.00%	85.00%	85.00%	85.00%
Vanosc Energie, S.A.S.	Paris	n.a.	100.00%	100.00%	100.00%	100.00%
Kronos Solar France, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	100.00%	100.00%	100.00%
Fransol 11, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 12, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 13, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 14, S.A.S.	Paris	n.a.	100.00%	100.00%	100.00%	85.00%
Fransol 15, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 16, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 17, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 18, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 19, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 20, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 21, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	100.00%	100.00%	85.00%
Fransol 22, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 23, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 24, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 25, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 26, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 27, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	100.00%	100.00%	85.00%
Fransol 28, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 29, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Fransol 31, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 32, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 33, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 34, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 35, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 36, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 37, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 38, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 39, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 40, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 41, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 42, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 43, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 44, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 45, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 46, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 47, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 48, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 49, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 50, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	100.00%	85.00%
Fransol 51, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 52, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 53, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 54, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 55, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 56, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 57, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 58, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 59, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 60, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 61, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 62, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 63, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 64, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 65, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 66, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 67, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Fransol 69, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 70, S.A.S.	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Kronos 18 Fain, S.A.S.	Saint-Louis	n.a.	100.00%	100.00%	100.00%	85.00%
Kronos IB Vogt 15, S.A.S.	Saint-Louis	n.a.	100.00%	85.00%	100.00%	85.00%
Kronos IB Vogt 16, S.A.S.	Saint-Louis	n.a.	100.00%	85.00%	100.00%	85.00%
Kronos IB Vogt 19, S.A.S.	Saint-Louis	n.a.	100.00%	85.00%	100.00%	85.00%
Kronos IB Vogt 20, S.A.S.	Saint-Louis	n.a.	100.00%	85.00%	100.00%	85.00%
Kronos IB Vogt 22, S.A.S.	Saint-Louis	n.a.	100.00%	85.00%	100.00%	85.00%
Kronos IB Vogt 25, S.A.S.	Saint-Louis	n.a.	100.00%	85.00%	100.00%	85.00%
Kronosol 11, S.A.R.L.	Saint-Louis	n.a.	100.00%	85.00%	100.00%	85.00%
Kronosol 12, S.A.R.L.	Saint-Louis	n.a.	100.00%	100.00%	100.00%	85.00%
Kronosol 13, S.A.R.L.	Paris	n.a.	100.00%	100.00%	100.00%	85.00%
Kronosol 14, S.A.R.L.	Paris	n.a.	100.00%	100.00%	100.00%	85.00%
Kronosol 15, S.A.R.L.	Saint-Louis	n.a.	100.00%	100.00%	100.00%	85.00%
Eoles Montjean, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Poland						
EDP Renewables Polska, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
EDP Renewables Polska HoldCo, S.A.	Warsaw	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables Polska Solar, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
EDP Renewables Polska Storage, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
EDP Renewables Polska Wind, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Polska Solar 2, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Ekoenergia Solar 3, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Budzyn, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
CSH Renewables III, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Elektrownia Kamienica, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Elektrownia Wiatrowa Kresy I, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Farma Fotowoltaiczna Budzyn, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Farma Fotowoltaiczna Dobrzyca, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Farma Fotowoltaiczna Iłża, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Farma Fotowoltaiczna Koden, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Farma Fotowoltaiczna Pakosław, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Farma Fotowoltaiczna Poturzyn, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Farma Fotowoltaiczna Radziejów, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Farma Fotowoltaiczna Tomaszów, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Farma Fotowoltaiczna Ujazd, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Farma Fotowoltaiczna Warta, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Farma Fotowoltaiczna Wielkopolska, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Farma Wiatrowa Starozreby, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
FW Warta, Sp. z o.o.	Poznań	PwC	100.00%	100.00%	100.00%	100.00%
Gudziki Wind Farm, sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Karpacka Mala Energetyka, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Korsze Wind Farm, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Masovia Wind Farm I, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Miramit Investments, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Molen Wind II, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Neo Solar Chotków, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Neo Solar Farm, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Neo Solar Przykona II, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
R.Wind, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Radziejów Wind Farm, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Rampton, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Relax Wind Park I, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Relax Wind Park III, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
WF Energy III, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Wind Farm Debrzno, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Wind Farm Gniewkowo, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Wind Field Wielkopolska, Sp. z o.o.	Poznań	PwC	0.00%	0.00%	100.00%	100.00%
EW Dobrzyca, sp. z o.o.	Poznań	PwC	0.00%	0.00%	100.00%	100.00%
Ujazd, Sp. z o.o.	Poznań	PwC	0.00%	0.00%	100.00%	100.00%
Romania						
EDPR România, S.R.L.	Bucarest	PwC	100.00%	100.00%	100.00%	100.00%
Beta Wind, S.R.L.	Bucarest	n.a.	100.00%	100.00%	100.00%	100.00%
Energopark, S.R.L.	Bucarest	n.a.	100.00%	100.00%	100.00%	100.00%
Fravezac, S.R.L.	Bucarest	n.a.	100.00%	100.00%	100.00%	100.00%
International Solar Energy, S.R.L.	Bucarest	n.a.	100.00%	100.00%	100.00%	100.00%
Solar Phoenix, S.R.L.	Bucarest	n.a.	100.00%	100.00%	100.00%	100.00%
United Kingdom						
EDP Renewables UK Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Altnabreac Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Balmeanach Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Balnacraig Battery Storage Limited	Edinburgh	n.a.	100.00%	100.00%	0.00%	0.00%
Ben Sca Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Drummarnock Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Harrington Franklin Limited	Leeds	n.a.	100.00%	100.00%	0.00%	0.00%
Lurg Hill Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Moorshield Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Muirake Wind Farm Limited	Edinburgh	PwC	79.00%	79.00%	79.00%	79.00%
Kronos Solar Projects Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 00 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 46 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 62 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 64 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 65 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 67 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 68 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 69 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
KS SPV 70 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 71 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 72 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 73 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 74 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 75 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 76 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 77 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 78 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 79 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 80 Limited	Newmarket	Ensors	100.00%	100.00%	100.00%	100.00%
KS SPV 81 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 82 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 83 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 84 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
KS SPV 85 Limited	Newmarket	Ensors	100.00%	100.00%	0.00%	0.00%
Italy						
EDP Renewables Italia, S.r.l.	Milan	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables Italia Holding, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Basilicata, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Centro Italia PV, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Puglia Due, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sardegna, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sicilia Due, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sicilia PV, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sicilia Quattro, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Sicilia Tre, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sicilia Uno, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sicilia Wind, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Sud Italia, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Villa Galla, S.r.l.	Milan	PwC	100.00%	51.00%	100.00%	51.00%
AW 2, S.r.l.	Milan	PwC	75.00%	75.00%	75.00%	75.00%
C & C Tre Energy S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Custolito, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
Energia Emissioni Zero 4, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Giglio, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Re Plus, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
Sarve, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Serracapriola, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
Solar Italy I, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Solar Italy II, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Solar Italy IV, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Solar Italy XXIII, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
		Baker Tilly				

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Tivano, S.r.l.	Milan	PwC	75.00%	75.00%	75.00%	75.00%
VRG Wind 153, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Wind Energy Castelluccio, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
Wind Energy Monte Cavallo, S.r.l.	Pescara	n.a.	51.00%	51.00%	0.00%	0.00%
Wind Energy San Giorgio, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Winderg Valleverde, S.r.l.	Milan	n.a.	60.00%	60.00%	0.00%	0.00%
Greece						
Aeolos Evias Energiaki, M.A.E.	Athens	n.a.	100.00%	100.00%	100.00%	100.00%
Aioliki Oitis Energiaki A.E.	Athens	n.a.	100.00%	100.00%	100.00%	100.00%
Aioliko Parko Fthiotidas Erimia A.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Hellas 1 M.A.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Hellas 2 M.A.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
Energiaki Arvanikou E.P.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
Kadmeios Anemos Energiaki A.E.	Athens	n.a.	100.00%	100.00%	100.00%	100.00%
Voiotikos Anemos Energiaki A.E.	Athens	n.a.	100.00%	100.00%	100.00%	100.00%
Wind Park Aerorrachi M.A.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
Wind Shape A.E.	Athens	n.a.	100.00%	100.00%	100.00%	100.00%
Belgium						
EDP Renewables Belgium, S.A.	Brussels	PwC	100.00%	100.00%	100.00%	100.00%
Netherlands						
EDPR International Investments, B.V.	Amsterdam	PwC	100.00%	100.00%	100.00%	100.00%
Kronos Solar Projects NL, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL10, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL12, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL13, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL14, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL16, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL17, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL20, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL23, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL24, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL25, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL27, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL28, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL29, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL3, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL30, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL31, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL32, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL33, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL34, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL35, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL36, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL37, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL38, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL39, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL40, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL41, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
KS NL43, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL44, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL45, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL46, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL47, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL48, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL49, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL50, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL6, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
KS NL8, B.V.	Arnhem	n.a.	100.00%	100.00%	100.00%	100.00%
Hungary						
EDP Renewables Hungary	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Bora, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
EDPR Mistral, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
EDPR Pampero, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
EDPR Siesta, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
EDPR Silvanus, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
EDPR Sirocco, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
EDPR Terra, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
EDPR Zephyr, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
Napenergia, Kft.	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
Nyírség Watt, Kft.	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
Sunglare Capture, Kft.	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
Sunglare Expert, Kft.	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
Sunlight Solar, Kft.	Budapest	PwC	85.00%	85.00%	85.00%	85.00%
Szabadsolar, Kft.	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Investment Hungary, Kft.	Budapest	PwC	0.00%	0.00%	100.00%	100.00%
Germany						
EDP Renewables Germany GmbH	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
Kronos Projektgesellschaft mbH	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
Kronos Solar Projects GmbH	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
Kronos Solar Projects France UG	Munich	n.a.	85.00%	85.00%	85.00%	85.00%
KSD 11 UG	Bütow	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 12 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 13 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 14 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 15 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 16 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 17 GmbH	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 18 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 19 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 21 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 22 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 23 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 24 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 25 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 26 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 27 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
KSD 29 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 30 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 31 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 32 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 33 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 34 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 35 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 36 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 37 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 38 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 39 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 40 UG	Munich	n.a.	100.00%	100.00%	100.00%	100.00%
KSD 41 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 42 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 43 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 44 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 45 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 46 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 47 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 48 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 49 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 50 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 51 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 52 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 53 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 54 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 55 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 56 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 57 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 58 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 59 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 60 UG	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
NORTH AMERICA GEOGRAPHY / PLATFORM						
Mexico						
EDPR Servicios de México, S. de R.L. de C.V.	Ciudad de México	n.a.	100.00%	100.00%	100.00%	100.00%
Eólica de Coahuila, S.A. de C.V.	Ciudad de México	PwC	51.00%	51.00%	51.00%	51.00%
Parque Solar Los Cuervos, S. de R.L. de C.V.	Ciudad de México	n.a.	100.00%	100.00%	100.00%	100.00%
Vientos de Coahuila, S.A. de C.V.	Ciudad de México	n.a.	100.00%	100.00%	100.00%	100.00%
United States						
EDP Renewables North America LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
10 Point Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
17th Star Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
2007 Vento I LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2007 Vento II LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2008 Vento III LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2009 Vento V LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2011 Vento IX LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
2014 Vento XI LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2014 Vento XII LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2015 Vento XIII LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2015 Vento XIV LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2016 Vento XV LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2016 Vento XVI LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2017 Sol II LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2018 Vento XVIII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2019 Vento XXI LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2020 Vento XXII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2021 DG Agora Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG Agora Ventures I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG Apollo Sol II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG Apollo Ventures II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG CA Agora Ventures I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG CA Apollo Sol II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG CA Apollo Ventures II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 Vento XXIII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2022 SOL VI LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2022 SOL VII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2023 SOL IX LLC	Delaware	PwC	100.00%	100.00%	0.00%	0.00%
2023 SOL VIII LLC	Delaware	PwC	100.00%	100.00%	0.00%	0.00%
2023 Vento XXIV LLC	Delaware	PwC	100.00%	100.00%	0.00%	0.00%
Alabama Ledge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Alabama Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Antelope Ridge Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Arbuckle Mountain Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Arkwright Summit Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Arlington Wind Power Project LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Aroostook Wind Energy LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Ashford Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Athena-Weston Wind Power Project II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Athena-Weston Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Avondale Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
AZ Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Azalea Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Bar Harbor Community Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Bayou Bend Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
BC2 Maple Ridge Holdings LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
BC2 Maple Ridge Wind LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Bear Peak Beccaria LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Bear Peak Brady LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Bear Peak East Carroll LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Bear Peak Glen Hope LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Bear Peak Jennerstown LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Bear Peak Juniata LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Bear Peak Paint II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

PUBLIC

COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Big River Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Big River Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Storage II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black River Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Blackford County Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackford County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blissville Road LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Blue Canyon Windpower II LLC	Texas	PwC	100.00%	100.00%	100.00%	100.00%
Blue Canyon Windpower III LLC	Texas	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Canyon Windpower IV LLC	Texas	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Canyon Windpower V LLC	Texas	PwC	100.00%	51.00%	100.00%	51.00%
Blue Canyon Windpower VI LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Blue Canyon Windpower VII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Harvest Solar Park LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Blue Marmot I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot IX LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot VII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot VIII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot XI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Bluebird Prairie Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Bright Stalk Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Broadlands Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Broadlands Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Buffalo Bluff Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Buffalo Lick Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
C2 Alpha Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Bristol I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Bristol II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 CB 2017 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Centrica MT LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
C2 CI Holdings 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 CT Fund 1 Holding LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%

PUBLIC

COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
C2 MA Adams II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA DEPCOM 2017 LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
C2 MA Dudley II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA FKW Holdings LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
C2 MA Kelly Way Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA Lakeville Holdings LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
C2 MA Lakeville LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
C2 MA Managing Member II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA New Salem LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MN Hopkins LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 NC Kitty Hawk LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 NJ Andover I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 NY Brookhaven LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 NY Sentinel Heights Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 OH New Lebanon LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 OH Otsego II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Omega Holding Company LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 RI Hopkinton LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Scripps 3 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Scripps 4 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 SH 2019 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Starratt Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM 2020 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 10 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 1512 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 1549 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 2112 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3360 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3465 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3799 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3833 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3861 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 4 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 4451 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 5 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 5768 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 6 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 7 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 8 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 9 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 1789 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 1988 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 4202 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 4317 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
C2 WM California Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM DSA Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Greenwood Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1404 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1489 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1548 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1553 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1761 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1848 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1933 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 2215 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 2491 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 253 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 5442 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 612 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 891 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Laurens Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Louisiana 309 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Louisiana 539 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Louisiana 87 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Louisiana Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Maryland 1715 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Maryland 2436 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Maryland Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1807 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1844 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1869 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1977 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 2195 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 3795 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Phase 3 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Phase 3 Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Powdersville Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Regent Dev Holdings 2020 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Simpsonville Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Woodbury Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Gettysburg Solar Farm LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Marinwood Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Olde Thompson Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Syracuse Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Tours Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Camden PV PSEG Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Camden PV Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Cameron Solar LLC	South Caroling	PwC	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Carpenter Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Casa Grande Carmel Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Castle Valley Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cattlemen Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cattlemen Solar Park LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
CF OH Solar County Hwy 58, Upper Sandusky LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
CF OH Solar Lincoln Hwy, Bucyrus1 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
CF OH Solar N Dixie Hwy Lima LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
CF OH Solar Rd N, Pandora LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
CF OH Solar SR 309, Kenton LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
CF OH Solar SR 81 Ada LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
CF OH Solar St RT 118, Ansonia LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
CF OH Solar St RT 118, Rossburg LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Chateaugay River Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cheboygan Solar Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Cielo Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Citizens Dickenson Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Citizens Westmoreland Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Clinton County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cloud County Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Clover Creek Solar Project II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Clover Creek Solar Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Coldwater Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Coos Curry Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cortland-Virgil Road Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Creed Road Solar 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Crescent Bar Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Crooked Lake Solar II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Crooked Lake Solar III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Crooked Lake Solar LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Cropsey Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Crossing Trails Wind Power Project II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Crossing Trails Wind Power Project LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Cypress Knee Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Daffodil Grove Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Dairy Hills Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
DC Michigan Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Diamond Power Partners LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Drake Peak Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Dry Creek Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Duff Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Duff Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Duff Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Eagle Creek Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
East Klickitat Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
East River Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Eastmill Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%

PUBLIC

COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
EDPR CA Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Dahlia DevCo LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Dahlia Holdings LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Magnolia DevCo LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Magnolia Holdings LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR NA DG Holding LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
EDPR NA DG MN SLP LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPR NA DG MN YMCA LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPR NA Distributed Generation LLC	Delaware	PwC	85.00%	85.00%	85.00%	85.00%
EDPR NA Greenfield Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR NA Shelby Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Northeast Allen Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Northeast Allen Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Northeast Allen Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR RS LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Scarlet I LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Scarlet II BESS LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Scarlet II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Scarlet III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures I LLC	Delaware	n.a.	50.00%	50.00%	50.00%	50.00%
EDPR Solar Ventures II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures IX LLC	Delaware	PwC	100.00%	100.00%	0.00%	0.00%
EDPR Solar Ventures V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures VII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures VIII LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR South Table LLC	Nebraska	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Vento I Holding LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Vento II Holding LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Vento III Holding LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Vento IV Holding LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
EDPR WF LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XI LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR Wind Ventures XII LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR Wind Ventures XIII LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR Wind Ventures XIV LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR Wind Ventures XIX LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XVI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XVII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XVIII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
EDPR Wind Ventures XXI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XXII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XXIII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XXIV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPRNA Bar Harbor Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Bristol Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG CA 2016 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG CA CLNS Fairfield LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG CA Mbusa LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG California Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG CI Sponsor 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG CT Fund 1 MM LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Distributed Sun Holding LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Eaton Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Energy Holdings Inc.	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Franklin LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Gamma Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Georgia Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Illinois Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Indiana Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Kentucky Development LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Lessee Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Livermore Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG LS Rancho Cucamonga LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG MA 2016 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Adams I Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Adams I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Depcom Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Lakeville Sponsor LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Managing Member LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Owner LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Swansea Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Swansea LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Manassas LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Manning Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Maryland Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Michigan Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Mississippi Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Missouri Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Morin LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Morton Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG New York Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG O&M Services LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG OH Continental Solar	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
EDPRNA DG OH Massie Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Ohio Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Pennsylvania Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG PR Aguadilla LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG PR Radar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Rho LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Ridgefield BOE LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG RT Addison LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG RT Bedford Park LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG RT Chicago LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Scripps 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Solar Portfolio IV LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Solar WF Portfolio LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Starratt Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Texas Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Virginia Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Washington Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Wisconsin Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM 2020 Parent LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Chester Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM DSA Sponsor LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Illinois 1998 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Illinois 3459 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Indian Land Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Lake Wylie Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Phase 1 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Pickens Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG XII Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG York County Sun LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG-REA Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Edwardsport Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Eighty South Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Esker Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Esker Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Estill Solar I LLC	South Carolina	PwC	100.00%	100.00%	100.00%	100.00%
Five-Spot LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Flatland Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Ford Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Franklin Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
FRV CSU Power II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
FRV SI Transport Solar LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Generate USF Fairburn LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Generate USF Las Vegas LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Generate USF Livermore LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Generate USF Loveland LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Generate USF McClellan LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Generate USF N Las Vegas LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Generate USF Phoenix LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
German Community Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Gilpatrick Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Goldfinger Ventures III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Green Country Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Green Power Offsets LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Greenbow Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Gulf Coast Windpower Management Company LLC	Delaware	n.a.	75.00%	75.00%	75.00%	75.00%
Hampton Solar II LLC	South Carolina	PwC	100.00%	100.00%	100.00%	100.00%
HB Steel Community Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Headwaters Wind Farm II LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Headwaters Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Headwaters Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Headwaters Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Helena Harbor Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Hickory Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Hidalgo Wind Farm II LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Hidalgo Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
High Prairie Wind Farm II LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
High Trail Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Hobolochitto Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Holly Hill Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Chocolate Bayou I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Midwest IX LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Northwest I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Northwest IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Northwest VII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Northwest X LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Northwest XI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Panhandle I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Southwest I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Southwest II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Southwest III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Southwest IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Energy Valley I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Freeport Windpower I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind MREC Iowa Partners LLC	Delaware	n.a.	75.00%	75.00%	75.00%	75.00%
Horizon Wind Ventures I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horizon Wind Ventures III LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
Horizon Wind Ventures IX LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
Horizon Wyoming Transmission LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horse Mountain Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Indiana Crossroads Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Indiana Crossroads Wind Farm II LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Indiana Crossroads Wind Ventures LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Iron Valley Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Jericho Rise Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Jericho Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Juniper Wind Power Partners LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Leprechaun Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lexington Chenoa Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lexington Chenoa Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lime Hollow Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Little Brook Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Loblolly Hill Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Loki Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Loma de la Gloria Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lone Valley Solar Park I LLC	Delaware	PwC	100.00%	50.00%	100.00%	50.00%
Lone Valley Solar Park II LLC	Delaware	PwC	100.00%	50.00%	100.00%	50.00%
Long Hollow Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Longleaf Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Longroad ASD1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad CPA CDC1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad CPA CSU3 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad CPA CSU4 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad DG Portfolio I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad Fund III Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad SD LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad SIT1 Hoboken LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad Solar Fund III LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad Solar Portfolio III LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad ST6 Stockton LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad WF7 Cheshire LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad WGNJ1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Longroad WGNJ2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Lost Lakes Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lotus Blocker LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lotus DevCo II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lowland Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Loyal Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lumberjack Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Machias Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Madison Windpower LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Marathon Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Marble River LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Martinsdale Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Mastamho Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
McLean Solar 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
ME Dover Foxcroft Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
ME Ellsworth Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
ME New Vineyard Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
ME Rocky Hill Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

PUBLIC

COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Meadow Lake Wind Farm II LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Meadow Lake Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Meadow Lake Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Meadow Lake Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Meadow Lake Wind Farm VIII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Mesquite Wind LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
MidCoast C2 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Mineral Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Misenheimer Solar LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
MMA Belmar Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA BWS Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA CCC Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA DAS Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA Fresno Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA GDC Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA Happy Valley Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA LHIW Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA MDS Power I LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA MDS Power II LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA MDS Power IV LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA Mission Bay Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA Renewable Ventures Solar Fund III LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA Rita Power LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA RMS Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA Solar Fund III GP Sub	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA SROSA Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MMA WBF Power LP	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MN CSG 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Mohave Power Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Mohave Power LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Moonshine Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Morgan Road Solar East LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Morgan Road Solar West LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MT Plentywood Solar I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
MT Plentywood Solar II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NC Loy Farm Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
ND Crystal Solar I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NDIW California RE LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
New Road Power LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
New Trail Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
NH Hinsdale Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
North Coast Highway Solar 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
North Coast Highway Solar 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
North Slope Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Norton Solar I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Norton Solar II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Number Nine Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
NV Solar Sparks LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
NY CSG 2 Sponsor LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
NY Hemlock Hills Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY Mines Press Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY Morgan Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY OG 1 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
OH FP Commerce Center LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Old Trail Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Omega CSG 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
OPQ Property LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Pacific Southwest Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm II LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Paulding Wind Farm III LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm IV LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Pearl River Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Penn Yan Solar I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Peterson Power Partners LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Pioneer Prairie Wind Farm I LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Piscataquis Valley Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Pleasantville Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Plum Nellie Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Poplar Camp Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Poplarville Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Post Oak Wind LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Potsdam Community Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Prospector Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Pueblo Norte Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Quilt Block Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Ragsdale Solar II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Ragsdale Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Rail Splitter Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Rail Splitter Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Randolph Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
RE Scarlet LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
REA-EDPRNA DG 2016 Lessee LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Reloj del Sol Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Renewable Ventures Solar Fund V GP LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Renewable Ventures Solar Fund V LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Renewable Ventures V Equity Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Renewable Ventures V GP Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Renville County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
RevEnergy C2 Franklin LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
RI Abrava Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
RI- Moo Cow	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
RI Quarry Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Rio Blanco Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Rising Tree Wind Farm II LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Rising Tree Wind Farm III LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Rising Tree Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Riverstart Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Riverstart Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Riverstart Solar Park IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Riverstart Solar Park V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Riverstart Solar Park VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Rock Dane Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Rolling Upland Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Rose Run Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Rosewater Ventures LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Route 13 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Route 149 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
RS Holyoke 3 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
RSBF Jeffco II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
RTSW Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
RTSW Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
RTSW Solar Park IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
RTSW Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
RTSW Solar Park V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
RTSW Solar Park VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Rush County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
RV CSU Power LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Rye Patch Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Saddleback Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Sagebrush Power Partners LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Sailor Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Salt Lick Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
San Clemente Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Sandrini BESS Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Sandrini LandCo LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Sardinia Windpower LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Sawmill Junction Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
SC Beaufort Jasper Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SC Southern Wesleyan Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Sedge Meadow Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Shields Drive LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Shullsburg Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Shy Place Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Signal Hill Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Simpson Ridge Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Simpson Ridge Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Simpson Ridge Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Simpson Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Simpson Ridge Wind Farm V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
SLX Project 1080 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Solar Ventures Purchasing LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Soteria Solar Services LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Spruce Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Stinson Mills Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Stone North Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Strawberry Solar Farm LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Sugar Plum Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
SunE Bristow MS LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE CPA CDC2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE CPA CSU5 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE CPA CTS1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE D14 ATC-A Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE D14 DGS-A Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE D14 KHL-A Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE D14 MISC-A Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE D14 MISC-B Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE D14 SPLS-A Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE D14 WMT-A Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE Fairfield SSD LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE H3 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE Lakeland Center LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE M5 Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE M5B Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE M5C Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS Clarksburg LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE MCPS FSK LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE MCPS Gardens LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE MCPS Lakelands LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE MCPS Montgomery LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE MCPS Parkland LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE MCPS Quince Orchard LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE MCPS Shriver LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE Multnomah JBY LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE Multnomah JJC LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE NC Progress1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE NLB-2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE PD Oak LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE PD Sycamore LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE PD Willow LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE PNMC Roof LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE Solar IV LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE Solar V LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE Solar VI LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE Solar XII LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE Solar XIV LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE SR1 Arvada5 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE SR1 NREL LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE SR1 Rifle PS LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
SunE W12DG-A LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE W12DG-B LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE W12DG-C LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE W12DG-D LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE WF3 KHL A Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE WF3 KHL B Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE WF3-BART Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE WF3-Broomfield Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE WF3-ST Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE WF3-WG Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE WMT PR2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE H4 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
SunE Solar III LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Sustaining Power Solutions LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Sweet Acres Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Sweet Stream Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Telocaset Wind Power Partners LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Three Lakes Solar LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Tillman Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Tillman Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
TillmaN Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road II Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road III Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road Solar Park LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Top Crop I Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Top Crop II Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Trailing Springs Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Trolley Barn Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Tug Hill Windpower LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Tumbleweed Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Turkey Creek Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Turtle Creek Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Twin Groves I Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Twin Groves II Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Upper Road LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
VT Stone Valley LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Waverly Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Waverly Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Western Trail Wind Project I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wheat Field Holding LLC	Delaware	PwC	51.00%	51.00%	51.00%	51.00%
Wheat Field Wind Power Project LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Whiskey Ridge Power Partners LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Whistling Wind WI Energy Center LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
White Stone Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Whitestone Wind Purchasing LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wildcat Creek Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Wind Turbine Prometheus LP	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Winding Canyon Wind LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Wolf Run Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wrangler Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
WTP Management Company LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
2011 Vento X LLC	Delaware	PwC	0.00%	0.00%	100.00%	100.00%
2021 DG Agora Sol I LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
2021 DG CA Agora Sol I LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
Amsterdam 3 Solar LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
C2 CA WMS Redlands #1693 LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
C2 IL WMS Bloomington #3459 LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
C2 IL WMS Skokie #1998 LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
C2 OH Otsego I LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
C2 WM California 2039 LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
C2 WM California 5884 LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
DC Green Solar LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
DC- JD Portfolio – Barrel Roof	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
DC- JD Portfolio – Flat Roof	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
DC- JD Portfolio – Green Roof	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
DC- JD Portfolio – Parking Deck	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
DC PD Solar LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
EDPR Wind Ventures X LLC	Delaware	n.a.	0.00%	0.00%	100.00%	100.00%
McLean Solar 1 LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
New Scotland 5 Solar LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
Nine Kings Transco LLC	Delaware	n.a.	0.00%	0.00%	100.00%	100.00%
NY Broadway SAS LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
NY Gomer SAS LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
NY Highland SAS LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
RI Stainless LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
SC Heathwood Hall Solar LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
VA- Green Acres	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
Canada						
EDP Renewables Canada Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Bridge Solar Park GP Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Bridge Solar Park Limited Partnership	Alberta	n.a.	100.00%	100.00%	100.00%	100.00%
Bromhead Solar Park GP Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Bromhead Solar Park Limited Partnership	Saskatchewan	n.a.	100.00%	100.00%	100.00%	100.00%
Edgeware BESS Project GP Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Edgeware BESS Project Limited Partnership	Ontário	n.a.	50.00%	50.00%	100.00%	100.00%
EDP Renewables Canada Management Services Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables SH II Project GP Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables SH II Project Limited Partnership	Alberta	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables SH Project GP Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables SH Project Limited Partnership	Alberta	n.a.	100.00%	100.00%	100.00%	100.00%
Halbrite Solar Park GP Ltd.	British	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Halbrite Solar Park Limited Partnership	Saskatchewan	n.a.	100.00%	100.00%	100.00%	100.00%
Nation Rise Wind Farm GP Inc.	British Columbia	PwC	100.00%	100.00%	100.00%	100.00%
Nation Rise Wind Farm Limited Partnership	Ontário	PwC	49.99%	49.99%	49.99%	49.99%
SBWF GP Inc.	British Columbia	n.a.	51.00%	51.00%	51.00%	51.00%
Sounding Creek Solar Park GP Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Sounding Creek Solar Park Limited Partnership	Alberta	n.a.	100.00%	100.00%	100.00%	100.00%
South Branch BESS Project GP Ltd.	Ontário	n.a.	100.00%	100.00%	0.00%	0.00%
South Branch BESS Project Limited Partnership	Ontário	n.a.	100.00%	100.00%	0.00%	0.00%
South Branch Wind Farm II GP Inc.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
South Branch Wind Farm II Limited Partnership	Ontário	n.a.	100.00%	100.00%	100.00%	100.00%
South Dundas Windfarm Limited Partnership	Ontário	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables Sask SE GP Ltd.	British Columbia	n.a.	0.00%	0.00%	100.00%	100.00%
EDP Renewables Sask SE Limited Partnership	Ontário	n.a.	0.00%	0.00%	100.00%	100.00%
Kennedy Wind Farm GP Ltd.	British Columbia	n.a.	0.00%	0.00%	100.00%	100.00%
Kennedy Wind Farm Limited Partnership	Saskatchewan	n.a.	0.00%	0.00%	100.00%	100.00%
LATIN AMERICA GEOGRAPHY / PLATFORM						
Brazil						
EDP Renováveis Brasil, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Amanhecer I, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Amanhecer II, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Amanhecer III, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Amanhecer IV, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Amanhecer V, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Amanhecer VI, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Amanhecer VII, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Asas de Zabelê I, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Asas de Zabelê II, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Asas de Zabelê III, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Asas de Zabelê IV, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Asas de Zabelê V, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Asas de Zabelê VI, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Asas de Zabelê VII, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Aventura I, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão I, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão II, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão III, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão IV, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Barra I, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra II, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra III, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra IV, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra IX, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra V, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Central Eólica Barra VI, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra VII, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra VIII, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra X, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Barra XI, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Eólica Borborema I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Borborema II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Borborema III, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Borborema IV, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Catanduba I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Catanduba II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Itaúna I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Itaúna II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Itaúna III, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica JAU, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Monte Verde I, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde II, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde III, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde IV, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde V, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde VI, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica São Domingos I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica São Domingos II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica São Domingos III, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica São Domingos IV, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica São Domingos V, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Geradora Fotovoltaica Monte Verde Solar I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Geradora Fotovoltaica Monte Verde Solar II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Geradora Fotovoltaica Monte Verde Solar III, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Geradora Fotovoltaica Monte Verde Solar IV, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Geradora Fotovoltaica Monte Verde Solar V, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Geradora Fotovoltaica Monte Verde Solar VI, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Geradora Fotovoltaica Monte Verde Solar VII, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Nacional de Energia Eólica, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Solar Barra I, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Barra II, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Barra III, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Barra IV, S.A.	Lagoa Nova	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Fênix I, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Fênix II, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Fênix IV, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Central Solar Fênix VI, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Lagoa I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Lagoa II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Minas do Sol II, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Minas do Sol III, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Minas do Sol IV, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Minas do Sol V, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Minas do Sol VI, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Minas do Sol VIII, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Novo Oriente I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Novo Oriente II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Novo Oriente III, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Novo Oriente IV, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Novo Oriente V, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Novo Oriente VI, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto I, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto II, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto III, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto IV, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto V, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Presidente JK I, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Presidente JK VII, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Presidente JK VII, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Presidente JK XI, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Zebu I, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Zebu II, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Zebu III, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Zebu IV, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Zebu V, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Zebu VI, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Zebu VII, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Elebrás Projetos, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Monte Verde Holding, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Jerusalém Holding, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Jerusalém I, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Jerusalém II, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Jerusalém III, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Jerusalém IV, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Jerusalém V, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Jerusalém VI, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Boqueirão I, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Boqueirão II, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Colombia						
Renewables Energy Colombia, S.A.S.	Bogotá	n.a.	100.00%	100.00%	0.00%	0.00%
Elipse Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Eolos Energía, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Kappa Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Omega Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Solar Power Solutions, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Vientos del Norte, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Chile						
EDP Renewables Chile, SpA	Santiago	PwC	100.00%	100.00%	100.00%	100.00%
Los Llanos Solar, SpA	Santiago	n.a.	100.00%	100.00%	100.00%	100.00%
Parque Eólico Punta de Talca, SpA	Santiago	PwC	100.00%	100.00%	100.00%	100.00%
Parque Eólico San Andrés, SpA	Santiago	n.a.	100.00%	100.00%	100.00%	100.00%
Parque Eólico Victoria, SpA	Santiago	n.a.	100.00%	100.00%	100.00%	100.00%
ASIA – PACIFIC GEOGRAPHY / PLATFORM						
South Korea						
EDPR Korea, Ltd.	Yeosu	n.a.	100.00%	100.00%	100.00%	100.00%
Angang Wind Power Corporation	Gyeongsangbuk-do	n.a.	100.00%	100.00%	0.00%	0.00%
Gumisan Wind Power Co., Ltd.	Gyeongsangbuk-do	n.a.	100.00%	100.00%	0.00%	0.00%
OMA Haedori Co., Ltd.	Goheung-gun	n.a.	75.00%	75.00%	75.00%	75.00%
Vietnam						
EDP Renewables Vietnam Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	100.00%	100.00%
Bien Dong Energy Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
CMX RE Sunseap Vietnam Solar Power Co., Ltd.	Ninh Thuan Province	PwC	55.00%	55.00%	55.00%	55.00%
Dai Linh Phat Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	0.00%	0.00%
DKT Energy Investment Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	100.00%	100.00%
H2A Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2HA Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2HD Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2HO Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2HU Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2K Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2ML Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2O Ben Luc Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2S Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2T Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2TR Solar Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
H2VP Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
Hao Thanh Dat Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
HTD Vietnam Investment Development Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	0.00%	0.00%
HTT Binh Duong Investment Development Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	0.00%	0.00%
Incom International Investment and Development Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
Kim Cuong Energy Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
Lam Gia Luat Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	0.00%	0.00%
Long Dai Phat Investment Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Millennium Energy Investment Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	0.00%	0.00%
Phu An Energy Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
Quang Lam Printing Import Export Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
SSKT Beta Energy Co., Ltd.	Ho Chi Minh City	PwC	100.00%	59.00%	100.00%	100.00%
STP5 Energy Production Trading Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
STP6 Energy Trading Technical Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
STP7 Energy Development Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
STP8 Energy Investment Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
Sun Times 1 Energy Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
Sun Times 3 Energy Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
Sun Times 4 Energy Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
Sun Times 5 Energy Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
Sun Times 6 Energy Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
Sun Times 7 Energy Co., Ltd.	Ho Chi Minh City	PwC	100.00%	89.90%	100.00%	100.00%
Sunseap Commercial & Industrial Assets (Vietnam) Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap KTG Energy Investment Co., Ltd.	Ho Chi Minh City	PwC	59.00%	59.00%	100.00%	100.00%
Sunseap Sun Times Solar Investment Co., Ltd.	Ho Chi Minh City	PwC	89.90%	89.90%	100.00%	100.00%
Thiet Thanh Cong Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00%	100.00%	100.00%
Trung Son Energy Development LLC	Khanh Hoa Province	PwC	100.00%	100.00%	100.00%	100.00%
Uper Renewable Energy Vietnam Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00%	100.00%	100.00%
Xuan Thien Ninh Thuan Co., Ltd.	Ninh Thuan Province	PwC	100.00%	100.00%	100.00%	100.00%
Xuan Thien Thuan Bac Co., Ltd.	Ninh Thuan Province	PwC	100.00%	100.00%	100.00%	100.00%
Singapore						
EDPR Sunseap Korea Holdings Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Group Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Data4Eco Holdings Pte. Ltd.	Singapore	PwC	60.00%	60.00%	60.00%	60.00%
LYS Energy Investment Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Solarland Alpha Assets Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
SolarNova 4 Beta Assets Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
SolarNova Phase 1 Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Australia Holdings Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Batam Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap China Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap CMX RE Solar Holdings Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Commercial Assets Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Delta Holdings Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Energy Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Energy Ventures Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Engineering Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Sunseap Gamma Holdings Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Indonesia Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap International Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Japan Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Leasing Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Links Daklong Pte. Ltd.	Singapore	PwC	95.00%	95.00%	95.00%	95.00%
Sunseap Links Pte. Ltd.	Singapore	PwC	80.00%	80.00%	80.00%	80.00%
Sunseap Taiwan Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
Trung Son SG Pte. Ltd.	Singapore	PwC	100.00%	100.00%	100.00%	100.00%
SolarNova 4 Beta Holdings Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Solar PV Exchange Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Solarland Alpha Holdings Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Commercial & Industrial Assets (S.E.A.) Holdings Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Commercial Holdings Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Leasing Alpha Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Leasing Beta Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Philippines Solar Holdings Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap SolarNova Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Solutions Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Vietnam Beta Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Vietnam Gamma Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Vietnam Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Sunseap Vpower Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Uper Renewable Energy (Singapore) Pte. Ltd.	Singapore	PwC	0.00%	0.00%	100.00%	100.00%
Australia						
Sunseap (Australia) Investments Pty. Ltd.	Melbourne	n.a.	100.00%	100.00%	100.00%	100.00%
Sunseap (Australia) Pty. Ltd.	Melbourne	n.a.	100.00%	100.00%	100.00%	100.00%
Sunseap Assets (Australia) Pty. Ltd.	Melbourne	n.a.	100.00%	100.00%	100.00%	100.00%
Energy Democracy Management Pty. Ltd.	Canberra	n.a.	100.00%	100.00%	0.00%	0.00%
ITP Development Pty. Ltd.	Canberra	n.a.	100.00%	100.00%	0.00%	0.00%
ITP-NHT Devco Pty. Ltd.	Canberra	n.a.	100.00%	100.00%	0.00%	0.00%
Merino Solar Farm Pty. Ltd.	Canberra	n.a.	100.00%	100.00%	0.00%	0.00%
Merino Solar Farm Trust	Canberra	n.a.	100.00%	100.00%	0.00%	0.00%
Orange Community Renewable Energy Park Pty. Ltd.	Canberra	n.a.	100.00%	100.00%	0.00%	0.00%
Orange Community Renewable Energy Park Trust	Canberra	n.a.	100.00%	100.00%	0.00%	0.00%
Yoogali Solar Farm Pty. Ltd.	Canberra	n.a.	100.00%	100.00%	0.00%	0.00%
Cambodia						
Sunseap Solar Cambodia Co., Ltd.	Phnom Penh City	n.a.	100.00%	100.00%	100.00%	100.00%
China						
Anhui Jinyang New Energy Co., Ltd.	Anhui City	n.a.	100.00%	100.00%	100.00%	100.00%
Changchun Xingsheng Jinhu Photovoltaic New Energy Co., Ltd.	Changchun City	n.a.	100.00%	100.00%	100.00%	100.00%
Changzhou Jingyi New Energy Technology Co., Ltd.	Changzhou City	n.a.	100.00%	100.00%	100.00%	100.00%
Chongqing Xingzhi New Energy Technology Co., Ltd.	Chongqing City	n.a.	100.00%	100.00%	100.00%	100.00%
Chuzhou Huitai Photovoltaic Power Generation Co., Ltd.	Chuzhou City	n.a.	100.00%	100.00%	100.00%	100.00%
Dongguan Jiehuang New Energy	Dongguan					

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Dongying Daoli New Energy Co., Ltd.	Dongying City	n.a.	100.00%	100.00%	100.00%	100.00%
Fangxian Tianhang New Energy Co., Ltd.	Fangxian City	n.a.	100.00%	100.00%	100.00%	100.00%
Fengcheng Xingtai New Energy Technology Co., Ltd.	Fengcheng City	n.a.	100.00%	100.00%	100.00%	100.00%
Foshan YingYuan New Energy Technology Co., Ltd.	Foshan City	n.a.	100.00%	100.00%	100.00%	100.00%
Harbin Panshuo Energy Technology Co., Ltd.	Harbin City	n.a.	100.00%	100.00%	100.00%	100.00%
Hefei Yiman New Energy Technology Co., Ltd.	Hefei City	n.a.	100.00%	100.00%	100.00%	100.00%
Heze Dechen New Energy Co., Ltd.	Heze City	n.a.	100.00%	100.00%	100.00%	100.00%
Hubei Jianghui New Energy Co., Ltd.	Jingzhou City	n.a.	100.00%	100.00%	100.00%	100.00%
Jiangsu Xingsheng New Energy Technology Co., Ltd.	Jiangsu City	n.a.	100.00%	100.00%	100.00%	100.00%
Jiaxing Luken Energy Technology Co., Ltd.	Jiaxing City	n.a.	100.00%	100.00%	100.00%	100.00%
Jingmen Xingsheng New Energy Co., Ltd.	Jingmen City	n.a.	100.00%	100.00%	100.00%	100.00%
Jingmen Zhongbei New Energy Co., Ltd.	Jingmen City	n.a.	100.00%	100.00%	100.00%	100.00%
Jining Yihang New Energy Technology Co., Ltd.	Jining City	n.a.	100.00%	100.00%	100.00%	100.00%
Liyang Yushun Power New Energy Co., Ltd.	Liyang City	n.a.	100.00%	100.00%	100.00%	100.00%
Nantong Eaton Guoyun Photovoltaic New Energy Co., Ltd.	Nantong City	n.a.	95.00%	95.00%	95.00%	95.00%
Ningbo Jiangbei Baoyi Enterprise Management CP LP	Ningbo city	PwC	100.00%	100.00%	60.00%	60.00%
Putian Xingsheng New Energy Co., Ltd.	Putian City	n.a.	100.00%	100.00%	100.00%	100.00%
Qingdao Xingqi Energy Co., Ltd.	Qingdao	n.a.	100.00%	100.00%	100.00%	100.00%
Qinghe County Xinou Funeng New Energy Technology Co., Ltd.	Xingtai City	n.a.	100.00%	100.00%	100.00%	100.00%
Rongcheng Xingyi New Energy Technology Co., Ltd.	Weihai City	PwC	100.00%	100.00%	100.00%	100.00%
Shanghai Jingwen Equity Investment Center LP	Shanghai	PwC	90.22%	90.22%	90.22%	90.22%
Shanghai Yihuang New Energy Technology Co., Ltd.	Shanghai	n.a.	100.00%	100.00%	100.00%	100.00%
Shanghai Yikuang New Technology Co., Ltd.	Shanghai	n.a.	100.00%	100.00%	100.00%	100.00%
Siping Lvsheng Energy Technology Co., Ltd.	Sipiang City	n.a.	100.00%	100.00%	100.00%	100.00%
State Cloud Sunseap Equity Investment Partnership LP	Jinan City	PwC	80.33%	80.33%	80.33%	80.33%
Sunseap China Energy (Qingdao) Co., Ltd.	Qingdao	n.a.	100.00%	100.00%	100.00%	100.00%
Sunseap China Energy (Shanghai) Ltd.	Shanghai	PwC	100.00%	100.00%	100.00%	100.00%
Suzhou Haoruitian Power New Energy Co., Ltd.	Kunshan City	n.a.	100.00%	100.00%	100.00%	100.00%
Suzhou Liansong New Energy Technology Co., Ltd.	Suzhou City	n.a.	100.00%	100.00%	100.00%	100.00%
Suzhou Xingdao New Energy Technology Co., Ltd.	Suzhou City	n.a.	100.00%	100.00%	100.00%	100.00%
Suzhou Xingyi Energy Engineering Co., Ltd.	Suzhou City	n.a.	100.00%	100.00%	100.00%	100.00%
Tianjin Baoyi New Energy Technology Co., Ltd.	Tianjin City	n.a.	100.00%	100.00%	100.00%	100.00%
Tianjin Pengling Funeng New Energy Technology Co., Ltd.	Tianjin City	n.a.	100.00%	100.00%	100.00%	100.00%
Tianjin Xingrun Energy Development Co., Ltd.	Tianjin City	n.a.	100.00%	100.00%	100.00%	100.00%
Tianjin Xingsheng Energy Development Co., Ltd.	Tianjin City	n.a.	100.00%	100.00%	100.00%	100.00%
Tianjin Yuntong New Energy Technology Co., Ltd.	Tianjin City	n.a.	100.00%	100.00%	100.00%	100.00%
Weihai Deao New Energy Technology Co., Ltd.	Weihai City	n.a.	100.00%	100.00%	100.00%	100.00%
Wenzhou Xingyi New Energy	Wenzhou	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Wuhan Panshuo Energy Technology Co., Ltd.	Wuhan City	n.a.	100.00%	100.00%	100.00%	100.00%
Wuhu Xingsheng New Energy Co., Ltd.	Wuhu City	n.a.	100.00%	100.00%	100.00%	100.00%
Wuxi Lingzhong New Energy Technology Co., Ltd.	Wuxi City	n.a.	100.00%	100.00%	100.00%	100.00%
Yancheng Baoyi New Energy Technology Co., Ltd.	Yancheng City	n.a.	100.00%	100.00%	100.00%	100.00%
Yancheng Qingneng Power Technology Co., Ltd.	Yancheng City	n.a.	100.00%	100.00%	100.00%	100.00%
Zhenjiang Ruichengda New Energy Co., Ltd.	Zhenjiang City	n.a.	100.00%	100.00%	100.00%	100.00%
Jinan Xingsheng Energy Co., Ltd.	Jinan City	n.a.	0.00%	0.00%	100.00%	100.00%
Yuzhou Yixing Energy Technology Co., Ltd.	Yuzhou City	n.a.	0.00%	0.00%	100.00%	100.00%
Indonesia						
PT Green Corridor Indonesia	Kota Batam	BDO	99.00%	99.00%	99.00%	99.00%
PT Right People Renewable Energy	Jakarta	BDO	100.00%	100.00%	100.00%	100.00%
PT Sunseap Commercial Industrial Indonesia Asset	Jakarta	BDO	99.00%	99.00%	99.00%	99.00%
Japan						
RE Capital Co., Ltd.	Tokyo	n.a.	100.00%	100.00%	100.00%	100.00%
Godo Kaisha NW-3	Tokyo	n.a.	100.00%	100.00%	0.00%	0.00%
Miyagi Motoyoshi Solar GK	Tokyo	n.a.	100.00%	100.00%	0.00%	0.00%
Malaysia						
Sunseap Energy (Malaysia) Sdn. Bhd.	Kuala Lumpur	NHT	100.00%	100.00%	100.00%	100.00%
Taiwan						
Hoya Energy Ltd.	Taipei City	PwC	100.00%	100.00%	100.00%	100.00%
Pacific Sunseap Energy Ltd.	Taipei City	PwC	65.00%	65.00%	65.00%	65.00%
Shuangjian Photoelectric Ltd.	Taipei City	PwC	70.00%	70.00%	70.00%	70.00%
Sunseap Advance Green Technology Ltd.	Taipei City	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Advance International Ltd.	Taipei City	PwC	100.00%	100.00%	100.00%	100.00%
Sunseap Taiwan Solar Holdings Ltd.	Taipei City	PwC	100.00%	100.00%	100.00%	100.00%
Top Green Energy Ltd.	Taipei City	PwC	100.00%	65.00%	100.00%	65.00%
Thailand						
Sunseap Energy (Thailand) Co., Ltd.	Bangkok	Thai Info Ltd	95.50%	95.50%	95.50%	95.50%
Thai-Sunseap Asset Co. Ltd.	Bangkok	Pechrungroj Office Co., Ltd	100.00%	67.00%	100.00%	67.00%
Thai-Sunseap Co., Ltd.	Bangkok	Pechrungroj Office Co., Ltd	67.00%	67.00%	67.00%	67.00%
Thai-Sunseap Energy Solutions Co. Ltd.	Bangkok	Pechrungroj Office Co., Ltd	100.00%	67.00%	100.00%	67.00 %

The main financial indicators of the jointly controlled companies included in the consolidation under the equity method as at 31 December 2023, are as follows:

COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Desarrollos Energéticos Canarios, S.A.	€ 15.025	Las Palmas	n.a.	49,90%	49,90%
Desarrollos Energéticos del Val, S.L.	€ 137,070	Soria	n.a.	25.00%	25.00%
Evolución 2000, S.L.	€ 117,994	Albacete	PwC	49.15%	49.15%
OW Offshore, S.L.	€ 72,205,252	Madrid	PwC	50.00%	50.00%

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COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Sistemas Eólicos Tres Cruces, S.L.	€ 50,000	Soria	n.a.	25.00%	25.00%
Evoikos Voreas A.E.	€ 196,000	Athens	PwC	51.00%	51.00%
Sofrano A.E.	€ 900,000	Athens	PwC	51.00%	51.00%
Centrale Eolienne D'Occey, S.A.S.	€ 484,844	Paris	n.a.	51.00%	51.00%
Lomartico Investments, Sp. z o.o.	€ 1,150	Warsaw	n.a.	50.00%	50.00%
Medsteville Investments, Sp. z o.o.	€ 1,150	Warsaw	n.a.	50.00%	50.00%
Ondentille Investments, Sp. z o.o.	€ 1,150	Warsaw	n.a.	50.00%	50.00%
Kronos IBV UK GmbH	€ 25,000	Berlin	n.a.	50.00%	50.00%
KSD 20 UG	€ 1,000	Munich	n.a.	50.00%	50.00%
2017 Vento XVII LLC	€ 422,602,223	Delaware	PwC	20.00%	20.00%
2018 Vento XIX LLC	€ 405,808,645	Delaware	PwC	20.00%	20.00%
2019 Vento XX LLC	€ 516,800,347	Delaware	PwC	20.00%	20.00%
Flat Rock Windpower LLC	€ 507,125,989	Delaware	PwC	50.00%	50.00%
Flat Rock Windpower II LLC	€ 199,604,602	Delaware	PwC	50.00%	50.00%
Goldfinger Ventures II LLC	€ 151,779,538	Delaware	PwC	50.00%	50.00%
Goldfinger Ventures LLC	€ 115,559,303	Delaware	PwC	50.00%	50.00%
Riverstart Development LLC	€ -	Delaware	n.a.	20.00%	20.00%
Riverstart Ventures LLC	€ 162,128,696	Delaware	PwC	20.00%	20.00%
Solar Ventures Acquisition LLC	-€ 41,600,200	Delaware	n.a.	50.00%	50.00%
Sunseap Asset (Cambodia) Co., Ltd.	€ 1,273,846	Phnom Penh City	BDO	51.00%	51.00%
Sunseap Energy (Cambodia) Co., Ltd.	€ 161,855	Phnom Penh City	n.a.	49.00%	49.00%
Cenergi Sunseap Energy Solutions Sdn. Bhd.	€ 787,789	Kuala Lumpur	EY	40.00%	40.00%
Sunseap LCS Energy Sdn. Bhd.	€ 9,650	Kuala Lumpur	HLCO	49.00%	49.00%
RL Sunseap Energy Sdn. Bhd.	€ 241,260	Sarawak	Crowe Malaysia PLT	49.00%	49.00%
Powersource Sunseap Corp.	€ -	Makati City	n.a.	40.00%	40.00%
Powersource Sunseap Solar Solution Corp.	€ -	Makati City	n.a.	40.00%	40.00%

The main financial indicators of the jointly controlled companies included in the consolidation under the equity method as at 31 December 2022, were as follows:

COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Desarrollos Energéticos Canarios, S.A.	€ 15,025	Las Palmas	n.a.	49.90%	49.90%
Desarrollos Energéticos del Val, S.L.	€ 137,070	Soria	n.a.	25.00%	25.00%
Evolución 2000, S.L.	€ 117,994	Albacete	PwC	49.15%	49.15%
OW Offshore, S.L.	€ 57,519,614	Madrid	PwC	50.00%	50.00%
Sistemas Eólicos Tres Cruces, S.L.	€ 50,000	Soria	n.a.	25.00%	25.00%
Evoikos Voreas A.E.	€ 126,000	Athens	n.a.	51.00%	51.00%
Sofrano A.E.	€ 830,000	Athens	n.a.	51.00%	51.00%
Centrale Eolienne D'Occey, S.A.S.	€ 284,844	Paris	n.a.	51.00%	51.00%
Lomartico Investments, Sp. z o.o.	€ 1,066	Warsaw	n.a.	50.00%	50.00%
Medsteville Investments, Sp. z o.o.	€ 1,066	Warsaw	n.a.	50.00%	50.00%
Ondentille Investments, Sp. z o.o.	€ 1,066	Warsaw	n.a.	50.00%	50.00%
Kronos IBV UK GmbH (1)	€ 25,000	Berlin	n.a.	50.00%	50.00%
KSD 20 UG (1)	€ 1,000	Munich	n.a.	50.00%	50.00%
2017 Vento XVII LLC	€ 457,105,962	Delaware	PwC	20.00%	20.00%
2018 Vento XIX LLC	€ 436,471,238	Delaware	PwC	20.00%	20.00%

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COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	VOTING RIGHTS
2019 Vento XX LLC	€ 540,192,107	Delaware	PwC	20.00%	20.00%
Flat Rock Windpower LLC	€ 514,100,517	Delaware	KPMG	50.00%	50.00%
Flat Rock Windpower II LLC	€ 202,349,774	Delaware	KPMG	50.00%	50.00%
Goldfinger Ventures II LLC	€ 158,862,680	Delaware	PwC	50.00%	50.00%
Goldfinger Ventures LLC	€ 123,728,648	Delaware	PwC	50.00%	50.00%
Nine Kings Wind Farm LLC	€ -	Delaware	n.a.	50.00%	50.00%
Riverstart Development LLC	€ -	Delaware	n.a.	20.00%	20.00%
Riverstart Ventures LLC	€ 175,144,763	Delaware	PwC	20.00%	20.00%
Solar Ventures Acquisition LLC	€ -	Delaware	n.a.	50.00%	50.00%
Sunseap Asset (Cambodia) Co., Ltd.	€ 2,760,000	Phnom Penh City	n.a.	51.00%	51.00%
Sunseap Energy (Cambodia) Co., Ltd.	€ 365,000	Phnom Penh City	n.a.	49.00%	49.00%
Cenergi Sunseap Energy Solutions Sdn. Bhd.	€ 2,131,119	Kuala Lumpur	n.a.	40.00%	40.00%
Powersource Sunseap Corp.	€ -	Makati City	n.a.	40.00%	40.00%
Powersource Sunseap Solar Solution Corp.	€ -	Makati City	n.a.	40.00%	40.00%
RL Sunseap Energy Sdn. Bhd.	€ 532,780	Sarawak	n.a.	49.00%	49.00%
Sunseap LCS Energy Sdn. Bhd.	€ 21,311	Kuala Lumpur	n.a.	49.00%	49.00%
Sunseap Solutions Taiwan Ltd.	€ 924,126	Taipei City	n.a.	49.00%	49.00%

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December 2023, are as follows:

COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Biomasas del Pirineo, S.A.	€ 454,896	Huesca	n.a.	30.00%	30.00%
Desarrollos Eólicos de Canarias, S.A.	€ 1,817,130	Las Palmas	PwC	44.75%	44.75%
Eos Pax Ila, S.L.	€ 6,010	La Coruña	Deloitte	48.50%	48.50%
Parque Eólico Belmonte, S.A.	€ 120,400	Madrid	KPMG	29.90%	29.90%
Parque Eólico Sierra del Madero, S.A.	€ 7,193,970	Madrid	KPMG	42.00%	42.00%
Promotores Villarrubia Elevación, S.L.	€ 3,000	Madrid	n.a.	32.87%	32.87%
Promotores Villarrubia Morata 200KV, S.L.	€ 3,000	Madrid	n.a.	43.62%	43.62%
Solar Siglo XXI, S.A.	€ 80,000	Ciudad Real	n.a.	25.00%	25.00%
Unión de Generadores de Energía, S.L.	€ 23,044	Zaragoza	PwC	50.00%	50.00%
Hytlantic, S.A.	€ 50,000	Sines	E&Y	28.50%	28.50%
Eólica de São Julião, Lda.	€ 500,000	Lourinhã	n.a.	45.00%	45.00%
Blue Canyon Windpower LLC	€ 57,783,738	Texas	PWC	25.00%	25.00%

The Associated Companies included in the consolidation under the equity method as at 31 December 2022, were as follows:

COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Biomasas del Pirineo, S.A.	€ 454,896	Huesca	n.a.	30.00%	30.00%
Blue Canyon Windpower LLC	€ 63,851,000	Texas	PwC	25.00%	25.00%
Desarrollos Eólicos de Canarias, S.A.	€ 1,817,130	Gran Canaria	PwC	44.75%	44.75%
Eólica de São Julião, Lda.	€ 500,000	Lourinhã	n.a.	45.00%	45.00%
Eos Pax Ila, S.L.	€ 6,010	Coruña	Deloitte	48.50%	48.50%
Geólica Magallón, S.L.	€ 2,040,000	Zaragoza	PwC	36.24%	36.24%
Parque Eólico Belmonte, S.A.	€ 120,400	Madrid	KPMG	29.90%	29.90%
Parque Eólico Sierra del Madero, S.A.	€ 7,193,970	Madrid	KPMG	42.00%	42.00%
San Juan de Bargas Eólica, S.L.	€ 5,000,000	Zaragoza	PwC	47.01%	47.01%
Solar Siglo XXI, S.A.	€ 80,000	Ciudad Real	n.a.	25.00%	25.00%
Solar Works! B.V.	€ 5,976,514	Rotterdam	RSM Global	20.19%	20.19%
Unión de Generadores de Energía, S.L.	€ 23,044	Zaragoza	PwC	50.00%	50.00%

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ANNEX II

Group Activity by Operating Segment

Operating Segment Information for the years ended 31 December 2023

THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM	APAC	SEGMENTS TOTAL
Revenues	1,069,374	729,370	78,208	114,489	1,991,441
Income from institutional partnerships in North America	-	231,055	-	-	231,055
	1,069,374	960,425	78,208	114,489	2,222,496
Other operating income	458,913	42,715	69,837	1,276	572,741
Supplies and services	-229,501	-214,545	-45,766	-30,124	-519,936
Personnel costs and Employee benefits expenses	-65,266	-117,109	-9,290	-16,438	-208,103
Other operating expenses	-142,406	-118,229	-14,940	-4,214	-279,789
	21,740	-407,168	-159	-49,500	-435,087
Joint ventures and associates	-4,503	30,446	-	3,131	29,074
Gross operating profit	1,086,611	583,703	78,049	68,120	1,816,482
Provisions	-12,800	314	-3,946	-	-16,432
Amortisation and impairment	-218,957	-442,256	-208,672	-56,810	-926,695
Operating profit	854,854	141,761	-134,569	11,310	873,355
Assets	7,090,076	13,244,616	1,790,354	1,633,786	23,758,832
Liabilities	579,628	2,385,956	277,841	111,680	3,355,105
Operating Investment	876,467	2,746,543	708,253	160,077	4,491,340

Note: The Segment "Europe" includes: i) revenues in the amount of 384,944 thousands of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,090,071 thousands of Euros.

Reconciliation between the Segment Information and the Financial Statements:

THOUSAND EUROS	
Revenues of the Reported Segments	2,222,488
Revenues of Other Segments	51,115
Elimination of intra-segment transactions	-34,759
Revenues of the EDPR Group	2,238,844
Gross operating profit of the Reported Segments	1,816,482
Gross operating profit of Other Segments	-92,345
Elimination of intra-segment transactions	110,542
Gross operating profit of the EDPR Group	1,834,672
Operating profit of the Reported Segments	873,355
Operating profit of Other Segments	-118,992
Elimination of intra-segment transactions	120,189
Operating profit of the EDPR Group	874,543
Assets of the Reported Segments	23,758,832
Not Allocated Assets	5,168,125
Financial Assets	2,947,335
Tax assets	710,041
Debtors and other assets	1,510,749
Assets of Other Segments	13,100,316
Elimination of intra-segment transactions	-11,980,621
Assets of the EDPR Group	30,070,311,
Investments in joint ventures and associates	1,079,576
Liabilities of the Reported Segments	3,355,106
Not Allocated Liabilities	10,157,247
Financial Liabilities	1,548,246
Institutional investors in wind farms in USA	2,188,245

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Payables and other liablities	5,690,464
Liabilities of Other Segments	4,014,027
Elimination of intra-segment transactions	-132,154
Liabilities of the EDPR Group	17,452,133,
Operating Investment of the Reported Segments	4,491,340
Operating Investment of Other Segments	72,313
Operating Investment of the EDPR Group	4,563,653

THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	231,055	-	-	231,055
Other operating income	572,741	4,751	5,711	583,203
Supplies and services	-519,937	-62,868	108,280	-474,525
Personnel costs and Employee benefits expenses	-208,103	-44,649	8,686	-244,066
Other operating expenses	-279,789	-25,356	22,623	-282,522
Provisions	-16,432	-15,868	15,833	-16,467
Amortisation and impairment	-926,695	-10,779	-6,187	-943,661
Joint ventures and associates	29,074	-15,337	1	13,738

Operating Segment Information for the consolidated income statement and consolidated statement of financial position ended 31 December 2022:

THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM	APAC	SEGMENTS TOTAL
Revenues	1,279,292	718,298	52,821	84,516	2,134,928
Income from institutional partnerships in North America	-	233,505	-	-	233,505
	1,279,292	951,803	52,821	84,516	2,368,432
Other operating income	308,311	89,091	122,054	2,653	522,108
Supplies and services	-204,833	-202,395	-30,005	-29,900	-467,134
Personnel costs and Employee benefits expenses	-54,087	-124,436	-6,710	-21,127	-206,359
Other operating expenses	-129,693	-94,291	-10,061	-1,024	-235,070
	-80,303	-332,031	75,278	-49,399	-386,455
Joint ventures and associates	49,280	35,308	-	-354	84,234
Gross operating profit	1,248,270	655,080	128,099	34,763	2,066,212
Provisions	5,527	81	-	-	5,608
Amortisation and impairment	-245,835	-399,356	-63,129	-21,723	-730,043
Operating profit	1.007,961	255,805	64,970	13,040	1,341,777
Assets	6,901,430	11,836,674	1,397,053	1,514,603	21,649,760
Liabilities	833,365	1,771,275	451,670	85,101	3,141,411
Operating Investment	736,466	1,850,471	708,436	126,204	3,421,577

Note: The Segment "Europe" includes: i) revenues in the amount of 263,264 thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,228,498 thousands of Euros.

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THOUSAND EUROS	
Revenues of the Reported Segments	2,134,928
Revenues of Other Segments	-7,261
Elimination of intra-segment transactions	10,315
Revenues of the EDPR Group	2,137,981
Gross operating profit of the Reported Segments	2,066,212
Gross operating profit of Other Segments	319,378
Elimination of intra-segment transactions	-228,383
Gross operating profit of the EDPR Group	2,157,207
Operating profit of the Reported Segments	1,341,777
Operating profit of Other Segments	310,861
Elimination of intra-segment transactions	-241,133
Operating profit of the EDPR Group	1,411,505
Assets of the Reported Segments	21,649,760
Not Allocated Assets	5,447,142
Financial Assets	2,742,557
Tax assets	876,689
Debtors and other assets	1,827,896
Assets of Other Segments	11,512,060
Elimination of intra-segment transactions	-11,115,893
Assets of the EDPR Group	27,493,069
Investments in joint ventures and associates	1,157,249
Liabilities of the Reported Segments	3,141,411
Not Allocated Liabilities	11,592,798
Financial Liabilities	2,048,861
Institutional investors in wind farms in USA	2,212,162
Tax liabilities	766,403
Payables and other liabilities	6,565,372
Liabilities of Other Segments	3,234,241
Elimination of intra-segment transactions	-1,046,047
Liabilities of the EDPR Group	16,922,404
Operating Investment of the Reported Segments	3,421,577
Operating Investment of Other Segments	31,967
Operating Investment of the EDPR Group	3,453,544

THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	233,505	-	-	233,505
Other operating income	522,108	6,554	-2,637	526,026
Supplies and services	-467,134	-48,880	77,039	-438,974
Personnel costs and Employee benefits expenses	-206,359	-43,446	9,195	-240,611
Other operating expenses	-235,070	317,374	-322,292	-239,987
Provisions	5,608	-	-	5,608
Amortisation and impairment	-730,043	-8,517	-12,751	-751,311
Joint ventures and associates	84,121	95,148	-2	179,267

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Members of the Board of Directors of the Company EDP Renováveis, S.A.

DECLARE

To the extent of our knowledge, the information referred to in paragraph 1 of Article 29-G of Decree-Law no. 486/99 of November 13, in sub-paragraph a) of paragraph 1 of Article 8 of the Royal Decree 1362/2007 of October 19th, and other documents relating to the submission of accounts required by current regulations (including, among others, article 253 of the *Spanish Companies' Act* and article 44 of the *Spanish Commercial Code*), have been prepared in accordance with applicable accounting standards and principles, reflecting a true, faithful and appropriate view of the equity, assets, liabilities, financial position and results of EDP Renováveis, S.A. and the companies included in its scope of consolidation and the management report fairly presents the business evolution, the performance, the business results and the position of EDP Renováveis, S.A. and the companies included in its scope of consolidation, containing a description of the principal risks and uncertainties that they face.

That the **Consolidated Annual Financial Statements and the Consolidated Management Report** submitted, including the Non-Financial Statements, were drawn up by the Board of Directors following the single electronic format and mark up requirements set under the Commission Delegated Regulation (EU) 2019/815 of December 17th, 2018, at its meeting held on February 27th 2024.

Madrid, February 27th, 2024.

Antonio Sarmento Gomes Mota
Chairman

Miguel Stilwell de Andrade
Vice Chairman

Rui Manuel Rodrigues Lopes Teixeira
Director

Vera de Morais Pinto Pereira Carneiro
Director

Ana Paula Garrido de Pina Marques
Director

Manuel Menéndez Menéndez
Director

Acácio Jaime Liberado Mota Piloto
Director

Rosa María García García
Director

José Manuel Félix Morgado
Director

Allan J. Katz
Director

Cynthia Kay Mc Call
Director

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Ms. María González Rodríguez, Secretary non director of the Board of Directors of EDP Renováveis, S.A.

HEREBY CERTIFIES

That on February 27th, 2024 a meeting of the Board of Directors of EDP Renováveis, S.A. was held in Madrid, being present or attending by videoconference, as permitted under the Company's Bylaws, all the Directors: Mr. Antonio Sarmento Gomes Mota, Mr. Miguel Stilwell de Andrade, Mr. Rui Manuel Rodrigues Lopes Teixeira, Ms. Vera de Morais Pinto Pereira Carneiro, Ms. Ana Paula Garrido de Pina Marques, Mr. Manuel Menéndez Menéndez, Mr. Acacio Liberado Mota Piloto, Mr. Allan Katz, Ms. Rosa María García García, Mr. José Manuel Félix Morgado and Ms. Cynthia Kay Mc Call.

That it was unanimously agreed to drawn up the Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Report (including the Non-Financial Information Report which is incorporated in the same) of EDP Renováveis, S.A. and its subsidiaries for the fiscal year 2023, expressly stating the approval and without any disconformity being raised.

That the Individual Annual Financial Statements and the Individual Management Report submitted, were drawn up following the single electronic reporting format requirements set under the Commission Delegated Regulation (EU) 2019/815 at the referred Board of Directors meeting.

That the Consolidated Annual Financial Statements and the Consolidated Management Report (including the Non-Financial Information Report which is incorporated in the same) submitted, were drawn up following the single electronic reporting format and mark up requirements set under the Commission Delegated Regulation (EU) 2019/815 also at the referred Board of Directors meeting.

That Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Report for the financial year 2023 submitted are consistent with those audited, and that the Auditor's Reports attached to the xHTML files (including the Independent Verification Report ("EINF") and the report about the Internal Control System over Financial Reporting ("SCIIF")) are copy of the original signed by the Auditor.

That the documentation described above was signed by all the members of the Board except in the case of Ms. Rosa María García García, that attended the meeting by videoconference as permitted under the Bylaws. They all, stated their agreement with drawing up the Individual and Consolidated Accounts. In that sense, the relevant minutes contains the favorable vote of such drawing up, issued by each of the Directors (either by those present or attending via videoconference) during the meeting.

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That EDP Renováveis S.A. is hereby submitting its Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Reports for the fiscal year 2023 in ESEF format which were drawn up both in Spanish and English languages and duly drawn up by the Board of Directors of the company at its meeting held on February 27th, 2024.

This certification, the authenticity of which I hereby guarantee, is issued at Madrid on February 27th, 2024.

Secretary Non-director	Chairman's approval
María González Rodríguez	Antonio Sarmento Gomes Mota

Concepts and definitions

Nation Rise Wind Farm, Canada

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The concepts and definitions

A

Asset Rotation

Strategy aimed at crystallizing the value of a project by selling a minority stake in an asset and reinvesting the proceeds in another asset, targeting greater growth.

Availability

The percentage of time a wind turbine is technically available to capture the wind resource and convert it to electricity.

B

Blades

The large “arms” of wind turbines that extend from the hub of a generator. Most turbines have either two or three blades. Wind blowing over the blades causes the blades to “lift” and rotate.

BOP

Balance of plant. All the supporting components and auxiliary equipment of the wind farm other than the generating unit.

BP

Business Plan.

BU

Budget.

C

CAGR

Compound annual growth rate.

Carbon leakage

Occurs when due to the higher costs related with climate change policies (for example taxes or other penalties on carbon emissions), the companies decide to move their production to countries with more relaxed policies, therefore leading to higher carbon emissions ex-post.

Capex

Capital Expenditure. Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings, or equipment (ex: construction of wind farms).

Cash-flow

Amount of cash generated and used by a company in a given period. Cash flow can be used as an indication of a company’s financial strength.

CfD

Contract for difference. Remuneration scheme based on the difference between the market price and an agreed “strike price” where if the “strike price” is higher than the market price, the CfD. Counterparty pays the generator the price difference.

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CO_2

Carbon dioxide. A heavy colorless gas that does not support combustion, dissolves in water to form carbonic acid, is formed especially in animal respiration and in the decay or combustion of animal and vegetable matter, is absorbed from the air by plants in photosynthesis, and is used in the carbonation of beverages.

COD

Commercial Operating Date. Date at which the project starts officially operating, after the testing and commissioning period.

Core opex

Includes costs of supplies and services and with personnel, costs that are controllable by the company.

Critical suppliers

Includes suppliers of turbines, balance of plant and O&M.

Curtailment

The forced shut-down of some or all the wind turbine generators within a wind farm to mitigate issues associated with turbine loading export to the grid, or certain planning conditions. Curtailment is controlled by the regional transmission operator.

CO_2e avoided (by renewables)

Emissions that would have occurred if the electricity generated by renewable energy sources in each geography was produced from the mix of thermoelectric power plants in that geography.

D

Dividend pay-out ratio

Measures the percentage of a company's net income that is given to shareholders in the form dividends. (Total Annual Dividends per Share / Earnings per Share).

Dividend policy

Set of guidelines a company uses to decide how much of its earnings it will pay out to shareholders.

E

EBITDA

An accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

EMS

Environmental Management System. System that assures the protection of the environment through a proactive environmental management of the facilities in operation.

EPS

Earnings per share. The portion of a company's profit allocated to each outstanding share of common stock.

Equity consolidation

Accounting process of treating equity investments, in associate companies. Equity account is usually applied where the entity holds 20-50% of voting stock.

PUBLIC

F

Feed in tariffs

Remuneration framework that guarantees that a company will receive a set price from their utility, applied to all of the electricity they generate and provide to the grid.

Financial investment

An asset in which to put money into with the expectation of obtaining gains or an appreciation into a larger sum of money.

Forex/FX

The market in which currencies are traded.

Full scope

Scheme of maintenance in which a third-party supplier is directly responsible for the full maintenance of the project. The project pays a fixed fee and assumes low risk.

G

GC

Green certificate. Tradable commodity proving that certain electricity is generated using renewable energy sources.

GCF

Gross Capacity Factor – The ratio of a site's gross output over a period of time, to its potential output if it were possible for it to operate at full capacity continuously over the same period of time.

GHG

Greenhouse gases. Gases that trap the heat of the sun in the Earth's atmosphere, producing the greenhouse effect; the two major greenhouse gases are water vapor and carbon dioxide; lesser greenhouse gases include methane, ozone, chlorofluorocarbons, and nitrogen oxides.

GO/GoO

Guarantee of Origin. Tracking instrument that guarantees that electricity has been produced from renewable energy sources. Those GO are traded and used by suppliers to sell green energy.

Gross profit

An accounting measure calculated using a company's revenue minus its cost of goods sold. Gross profit is a company's residual profit for selling a product or service and deducting the cost associated with its production and sale.

GW

Unit of electric power equal to 1,000 MW.

GWh

Equal to 1,000 MW used continuously for one hour.

H

Hedging

Risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, or securities.

PUBLIC

I

IFRS16

Regulatory standard of operating leases that requires the recognition of lease commitments for the entire duration of contracts into the balance sheet liabilities as well as the recognition of a new asset “Right of Use Asset” as counterparty.

Installed capacity

Capacity installed and ready to produce energy.

ISO 14001

ISO 14001:2015 – Environmental Management Certification is an international standard for designing and implementing an effective environmental management system (EMS) to enhance the company’s environmental performance.

ISO 45001

ISO 45001:2018 - Specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

ITC

Investment tax credit. Tax incentive in the US which differ from the Production Tax Credit in the sense that the Tax Equity Investor receives a one shot tax credit that covers a percentage of the investment.

L

LCOE

Levelized cost of electricity. Provides a common way to compare the cost of energy across technologies. LCOE takes into account the installed system price and associated costs such as financing, land, insurance, transmission, operation and maintenance, and depreciation. The LCOE is a true apples-to-apples comparison of electricity costs and is the most common measure used by electric utilities or purchasers of power to evaluate the financial viability and attractiveness of a wind energy project.

M

M3

Modular maintenance model. Maintenance scheme which is halfway between the self-perform and a full scope maintenance, with some activities being performed in- house.

MW

Unit of electric power equal to 106 watts.

MWh

Equal to 106 watts of electricity used continuously for one hour.

N

Net capacity factor (NCF)

The ratio of a plant’s actual output over a period of time, to its potential output if it were possible for it to operate at full nameplate capacity continuously over the same period of time. Also known as Load Factor.

PUBLIC

Net debt

A metric that shows a company's overall debt situation calculated using company's total debt less cash on hand.

Net investment

Equals (Capex + Financial investments – Financial divestments).

O

O&M

Operations and maintenance. All the activities necessary to run the wind farm in a reliable, safe and economical way including for instance maintenance, repair, monitoring and operation.

PPA

Power purchase agreement. A legal contract between an electricity generator (provider) and a power purchaser (host). The power purchaser buys energy, and sometimes also capacity and/or ancillary services, from the electricity generator.

PTC

Production tax credit. The result of the Energy Policy Act of 1992, a commercial tax credit in the US that applies to wholesale electrical generators of wind energy facilities based upon the amount of energy generated in a year.

R

Renewable energy

Energy that is derived from resources that are regenerative or that cannot be depleted including wind energy, solar, biomass, geothermal, and moving water. Also known as alternative energy.

REC

Renewable energy credit. Represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC can be sold separately from the electricity associated with a renewable energy generation source.

RES

Renewable energy sources.

RCF

Retained cash-flow. The amount to pay dividends to shareholders and/or to fund new investments and includes EBITDA after paying interests and tax equity investor's costs and after paying distributions to equity partners and taxes.

ROIC Cash

Return on Invested Capital (based on Cash Flows). Represents a measure of the profitability and value creation of a project or company.

RPS

Renewable Portfolio Standard. Regulation in the US that places an obligation in certain states on electricity supply companies to source a specific percentage of their energy from renewable sources.

PUBLIC

S

Self-perform

Maintenance scheme in which all the maintenance works are done in-house which means that the project assumes the whole risk.

Sell-down

Divestment strategy by which the company sells majority stakes of projects in operation or under development to recycle capital, with up-front cash flow crystallization, and creates value by reinvesting the proceeds in accretive growth, while continuing to provide operating and maintenance services.

SF_6

Sulfur hexafluoride. Colorless, odorless, non-flammable and potent greenhouse gas which is used in the electrical industry especially in gas insulated switchgear power installations.

Solar DG

Solar Distributed Generation. Facilities that generate electricity by means of solar power through Distributed Generation (DG), a system that generates power near the point of consumption.

Solar PV

Solar photovoltaic. Plant that generates electricity by means of solar power through photovoltaics, consisting of an arrangement of several components, including solar panels to absorb and convert sunlight into electricity, a solar inverter, cables and other electrical accessories.

T

TSR

Total Shareholder Return. Measures the return that the stock provides to the shareholder, including dividends paid and the stock price appreciation.

Tax equity

Financing structure (US) where the tax equity investor contributes capital in exchange of tax benefits and cash distributions during the 1st ten years the park operates, or until investment is recovered.

TEI

Tax Equity Investor – Financing structure (US) where the tax equity investor contributes capital in exchange of tax benefits and cash distributions during the 1st ten years the park operates, or until investment is recovered.

Transition risks

Climate risks related to the transition to a lower-carbon economy, that may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations.

UN SDG

United Nation's Sustainable Development Goal.

PUBLIC

W

WATT (W)

The rate of energy transfer equivalent to one ampere under an electrical pressure of one volt. One watt equals 1/746 horsepower, or one joule per second. It is the product of voltage and current (amperage). Watts are the yardstick for measuring power.

Wind energy

Power generated by converting the mechanical energy of the wind into electrical energy using a wind generator.

Wind farm

Used in reference to the land, wind turbine generators, electrical equipment, and transmission lines for the purpose of generating wind energy and alternative energy.

Y

YoY

Year-on-Year.

YTD

Year-to-date.

PUBLIC

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EDP Renováveis, S.A.
and subsidiaries

Independent auditor´s report
Consolidated Annual Accounts at 31 December 2022
Consolidated Management Report

PUBLIC

Independent auditor's report on the consolidated annual accounts

To the shareholders of EDP Renováveis, S.A.

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of EDP Renováveis, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2022, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matters	How our audit addressed the key audit matters
Assessment of the recovery of the carrying amount of certain non-current assets of the Group	
The accompanying consolidated annual accounts present goodwill, intangible assets, right of use assets, property, plant and equipment and investments in joint venture and associates amounting to €2,329,964, €380,846, €988,302, €17,890,854 and €1,157,249 thousand, respectively at 31 December 2022. These assets are allocated to the cash generating units (CGUs) as indicated in note 19. These assets mainly relate to electricity generating facilities through renewable sources mainly in Europe, North America and Latin America, that are directly affected by the regulatory framework (note 1) applicable in each of the countries in which the Group operates. At each year end, management carries out impairment tests of the carrying amount of these assets at CGU level, as described in note 2.M, by estimating the present value future cash flows generated by these assets, considering the business plans approved by management. The key assumptions used in the preparation of these cash flows are detailed in note 19. In addition, management has carried out a sensitivity analysis on the key assumptions which, based on earlier experience, may reasonably show variations, as detailed in note 19. As a result of the previous analyses, Group management has concluded that is necessary to recognise an impairment during the fiscal year 2022 for an amount of €54,432 thousand (notes 13, 16 and 19). This area is key because it entails the application of critical judgements and significant estimates by management (note 4) concerning the key assumptions used in the calculations performed, which are subject to uncertainty, and the fact that significant future changes in them could have a significant impact on the Group's consolidated annual accounts.	We started our analysis obtaining an understanding of the process and the relevant controls that the Group has in place to analyse the recovery of these non-current assets. In addition, we considered the adequacy of the allocation of assets to CGUs and the process for identifying those requiring an assessment of impairment, in accordance with accounting legislation. We assessed the adequacy of the measurement models employed, the assumptions and estimates used in the calculations, including, among others, estimated performance of electricity prices, consistency with the applicable regulatory framework and the evolution of discount rates. Respect to discount rates, in collaboration with our valuation experts, we verified the methodology used in their estimation is adequate and that their value is within a reasonable range. Also, we have checked the mathematical accuracy of the calculations and models prepared by management and assessed the sensitivity calculations carried out and we have compared the recoverable value calculated by the Group with the assets' carrying amount. Finally, we assessed the sufficiency of the information disclosed in the consolidated annual accounts with respect to the assessment of the recoverable amount of these assets. Based on the procedures carried out, we consider that management's approach and conclusions and the information disclosed in the accompanying consolidated annual accounts, are consistent with the evidence obtained.

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Key audit matters	How our audit addressed the key audit matters
Sales transactions of controlling interests in subsidiaries	
As indicated in note 6 to the accompanying consolidated annual accounts, during 2022 the Group sold its interest in different subsidiaries, with the consequent loss of control. These transactions have generated a profit amounting to €411,372 thousand (note 9) recognised in the consolidated income statement at 31 December 2022. Recognition of these transactions according to the accounting policies indicated in note 2.B requires analysing whether the Group maintains control or not, once the transaction is closed, and it entails the application of critical judgments, as indicated in note 4, and assumes the existence of relevant estimates in relation to the results of the sale, and requires special attention in our audit because of the magnitude of the amounts indicated, for which we have therefore considered this a key audit matter.	In auditing the sales transactions carried out by the Group, we applied, among other, the following procedures: • Obtention, reading and analysis of sales-purchase agreements and the accounting analysis performed by management. • Analysis of compliance with the contractual conditions for the loss of control over these subsidiaries by the Group as a result of the operations performed. • Understanding and verifying the calculations performed by management to determine the profit on each operation. • Assessing the disclosures included in the consolidated annual accounts regarding these sales. Based on the procedures performed, we consider that the accounting treatment followed by management for the operations mentioned and the disclosures made in the accompanying consolidated annual accounts, are consistent with the evidence obtained.
Acquisition of businesses	
As indicated in notes 6 and 42 of the accompanying consolidated annual accounts, during 2022 the Group has acquired the following businesses: • 100% of the shares in an electrical generation business with a presence in Asia for the amount of €202,298 thousand. • 100% of the shares in a distributed electricity generation business with a presence in Asia for the amount of €659,658 thousand.	In auditing the business combinations carried out by the Group, we applied, among other, the following procedures: • Obtention, reading and analysis of business purchase agreements and the accounting analyses performed by management. • Analysis of compliance with the contractual conditions for gain of control over the businesses by the Group.

PUBLIC

Key audit matters	How our audit addressed the key audit matters
• 100% of the shares in a development, construction and operation of renewable energy projects business with a presence in Europe for the amount of €663,030 thousand. • 100% of the shares in different distributed generation businesses with a presence in North America for the amount of €132,992 thousand. The Group's management has qualified these operations as business combinations and, consequently, has estimated the fair value of the assets acquired and the liabilities assumed, and has assigned the acquisition price of the business to these assets and liabilities as described in note 42. The key assumptions used in determining the fair value of the assets and liabilities acquired in these business combinations are detailed in notes 4 and 42 of the accompanying consolidated annual accounts. This area is key because it entails the application of critical judgments and significant estimates by management (note 4) concerning the key assumptions used, which are subject to uncertainty, and the fact that significant future changes in them could have a significant impact in the Group's consolidated annual accounts.	• Assessment of the information included in the reports of the independent experts engaged, where appropriate, by management to conduct the fair value estimation of the assets and liabilities identified in the business combinations described, along with the experts' competence and objectivity, in order to ensure that they were properly qualified to carry out the engagement. On the other hand, with the collaboration of our valuation experts, we have evaluated the adequacy of the valuation models used to determine the fair value of the assets acquired and liabilities assumed, the assumptions and estimates used in the calculations that include, among others, estimates of the market power prices and coherence with the applicable regulatory framework. Respect to discount rates, in collaboration with our valuation experts, we verified the methodology used in their estimation is adequate and that their value is within a reasonable range. Likewise, we have verified the mathematical accuracy of the calculations and models prepared by management and we have verified the allocation of the acquisition price to the fair value of the assets and liabilities acquired, as well as the accounting record of the associated impacts. Based on the procedures performed, we consider that the accounting treatment applied by management, and the disclosures considered in the accompanying consolidated annual accounts, are consistent with the evidence obtained.
Recognition and measurement of derivative financial instruments	
As indicated in note 5 to the accompanying consolidated annual accounts, the Group is exposed to certain financial risks, namely, exchange rate risk, interest rate risk and electricity price risk, due to the activities performed and the countries where it operates.	We started our analysis by understanding the procedure established by management to identify and measure the derivatives, as well as the relevant controls on this area. For a sample of derivatives financial instruments selected, we checked their main characteristics with their respective contracts.

PUBLIC

Key audit matters	How our audit addressed the key audit matters
In order to manage these risks, management has contracted several derivatives whose values at December 31,2022 amounted to €300,859 thousand and €1,983,019 thousand of asset and liability, respectively (note 37). The fair value of the derivatives is estimated through valuation techniques of varying complexity that require the application of judgement and, in a certain case, the use of significant assumptions by management (nota 4). On the other hand, the derivatives designated as hedge accounting have to meet some criteria in relation to the documentation of the hedge as it indicated in note 2.D. Due to the uncertainty associated with the estimations of the fair value of these instruments and the complexity of complying with accounting legislation on the application of hedge accounting, we consider this a key audit matter.	Similarly, and with the involvement of our experts in the valuation of derivatives, we assessed the valuation methodology used and for a sample of instruments, we performed a contrast assessment over the management's valuation. Moreover, for a sample of the instruments designated as accounting hedges, we assessed the documentation is according to requirements established in prevailing accounting regulations. Finally, we analysed the sufficiency of the disclosures included in the accompanying annual accounts regarding derivatives financial instruments. As a result of our tests, we consider that the measurement of derivatives financial instruments and the information disclosed in the accompanying consolidated annual accounts, are consistent with the information available.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2022 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

PUBLIC

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2022 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit, control and related party transactions committee for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit, control and related party transactions committee is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

PUBLIC

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit, control and related party transactions committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit, control and related party transactions committee with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent company's audit, control and related party transactions committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of EDP Renováveis, S.A. and its subsidiaries for the 2022 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of EDP Renováveis, S.A. are responsible for presenting the annual financial report for 2022 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been affected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

PUBLIC

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit, control and related party transactions committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit, control and related party transactions committee of the Parent company dated 28 February 2023.

Appointment period

The General Ordinary Shareholders' Meeting held on 12 April 2021 appointed us as auditors of the Group for a period of 3 years, as from the year ended 31 December 2021.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of 3 years and we have audited the accounts continuously since the year ended 31 December 2018.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 45 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Iñaki Goirlena Basualdu (16198)

28 February 2023

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edp Renewables

Annual Report 2022

We choose Earth

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Please note that in compliance with the applicable law, EDPR's 2022 Consolidated Annual Accounts and Consolidated Management Report, which includes the Non-Financial Information Statement, were drawn up by its Board of Directors in the single electronic reporting format set under the Commission Delegated Regulation (EU) 2019/815. Therefore, the PDF version hereby provided is a copy of the electronic XHTML version drawn up on February 27th, 2023.

PUBLIC

Our Purpose

Our energy

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

and heart

Highlights our people and their key role in delivering our commitment to our clients, partners and communities

drive a better

Reflects our ambition and leadership in making change happen

tomorrow

The reason why we work every day

PUBLIC

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Consolidated income statement for the year ended 31 December 2022 and 2021

THOUSAND EUROS	NOTES	2022	2021
Revenues	7	2,137,981	1,580,458
Income from institutional partnerships in North America	8	233,505	177,205
		2,371,486	1,757,663
Other income	9	526,026	635,731
Supplies and services	10	-438,974	-335,674
Personnel costs and employee benefits	11	-240,611	-174,259
Other expenses	12	-237,769	-165,021
Impairment losses on trade receivables and debtors	23	-2,218	417
		-393,546	-38,806
Joint ventures and associates	20	179,267	41,184
		2,157,207	1,760,041
Provisions	32	5,608	-1,564
Amortisation and impairment	13	-751,311	-607,289
Operating profit		1,411,504	1,151,188
Financial income	14	680,632	107,985
Financial expenses	14	-1,129,734	-356,582
Financial result – net		-449,102	-248,597
Profit before tax and CESE		962,402	902,591
Income tax expense	15	-142,225	-89,825
Extraordinary contribution to the energy sector (CESE)	15	-3,075	-3,188
Net profit for the year		817,102	809,578
Attributable to			
Equity holders of EDP Renováveis	29	616,231	655,443
Non-controlling interests	30	200,871	154,135
Net profit for the year		817,102	809,578
Earnings per share basic and diluted - Euros	28	0.64	0.70

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Consolidated statement of comprehensive income for the years ended at 31 December 2022 and 2021

THOUSAND EUROS	2022 EQUITY HOLDERS OF THE PARENT	2022 NON-CONTROLLING INTERESTS	2021 EQUITY HOLDERS OF THE PARENT	2021 NON-CONTROLLING INTERESTS
Net profit for the year	616,231	200,871	655,443	154,135
Items that will never be reclassified to profit or loss				
Actuarial gains/(losses)	113	8	7	6
Tax effect of actuarial gains/(losses)	-19	-	5	-2
	94	8	12	4
Items that are or may be reclassified to profit or loss				
Fair value reserve (Equity instruments at fair value)	5,239	368	828	67
Tax effect of fair value reserve (Equity instruments at fair value)	-	-	-	-
Fair value reserve (cash flow hedge)	-467,915	1,567	-984,817	1,385
Tax effect from the fair value reserve (cash flow hedge)	108,228	-132	247,192	-769
Share of other comprehensive income of joint ventures and associates, net of taxes	89,946	-	-14,086	-
Reclassification to profit and loss due to changes in control	-29,325	-	5,747	-
Exchange differences arising on consolidation	32,740	55,916	79,487	67,203
	-261,087	57,719	-665,649	67,886
Other comprehensive income for the year, net of income tax	-260,993	57,727	-665,637	67,890
Total comprehensive income for the year	355,238	258,598	-10,194	222,025

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Consolidated statement of financial position as at 31 December 2022 and 2021

THOUSAND EUROS	NOTES	2022	2021(*)
ASSETS			
Property, plant and equipment	16	17,890,854	14,562,300
Right-of-use assets	17	988,302	668,788
Intangible assets	18	380,846	158,875
Goodwill	19	2,329,964	1,268,035
Investments in joint ventures and associates	20	1,157,249	988,522
Equity instruments at fair value	40	43,321	14,878
Deferred tax assets	21	625,357	331,803
Debtors and other assets from commercial activities	23	36,006	32,923
Other debtors and other assets	24	462,174	771,415
Collateral deposits associated to financial debt	31	23,311	23,397
Total Non-Current Assets		23,937,384	18,820,936
Inventories	22	252,844	219,807
Debtors and other assets from commercial activities	23	569,687	465,311
Other debtors and other assets	24	1,222,906	775,310
Current tax assets	25	302,384	224,796
Collateral deposits associated to financial debt	31	26,734	25,708
Cash and cash equivalents	26	1,171,932	1,003,784
Assets held for sale	27	9,198	495,924
Total Current Assets		3,555,685	3,210,640
Total Assets		27,493,069	22,031,576
Equity			
Share capital	28	4,802,791	4,802,791
Share premium	28	1,599,013	1,599,013
Reserves	29	-1,171,745	-910,658
Other reserves and Retained earnings	29	3,179,241	2,620,292
Consolidated net profit attributable to equity holders of the parent		616,231	655,443
Total Equity attributable to equity holders of the parent		9,025,531	8,766,881
Non-controlling interests	30	1,545,134	1,408,026
Total Equity		10,570,665	10,174,907
Liabilities			
Medium / Long term financial debt	31	4,869,851	3,353,104
Provisions	32	269,490	318,317
Deferred tax liabilities	21	638,290	454,564
Institutional partnerships in North America	33	2,212,162	2,259,741
Trade and other payables from commercial activities	34	633,049	634,687
Other liabilities and other payables	35	2,844,344	1,231,218
Total Non-Current Liabilities		11,467,186	8,251,631
Short term financial debt	31	1,290,103	687,845
Provisions	32	723	6,316
Trade and other payables from commercial activities	34	2,918,744	1,688,791
Other liabilities and other payables	35	1,010,244	967,643
Current tax liabilities	36	235,404	191,956
Liabilities held for sale	27	-	62,487
Total Current Liabilities		5,455,218	3,605,038
Total Liabilities		16,922,404	11,856,669
Total Equity and Liabilities		27,493,069	22,031,576

* See note 2.A) for details regarding the modification as a result of the change in the Green Certificates and RECs accounting policy

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Consolidated statement of changes in equity for the years ended at 31 December 2022 and 2021

THOUSAND EUROS	TOTAL EQUITY	SHARE CAPITAL	SHARE PREMIUM	RESERVES AND RETAINED EARNINGS	EXCHANGE DIFFERENCES	HEDGING RESERVE	FAIR VALUE RESERVE	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF EDP RENOVÁVEIS	NON-CONTROLLING INTERESTS
Balance as at 31 December 2020	8,623,831	4,361,541	552,035	2,678,982	-225,076	-23,251	3,318	7,347,549	1,276,282
Comprehensive income									
- Fair value reserve (equity instruments at fair value) net of taxes	895	-	-	-	-	-	828	828	67
- Fair value reserve (cash flow hedge) net of taxes	-737,009	-	-	-	-	-737,625	-	-737,625	616
- Share of other comprehensive income in joint ventures and associates, net of taxes	-14,086	-	-	-	-8,711	-5,375	-	-14,086	-
- Reclassification to profit and loss due to changes in control	5,747	-	-	-	-5,622	11,369	-	5,747	-
- Actuarial gains/(Losses)	16	-	-	12	-	-	-	12	4
Exchange differences arising on consolidation	146,69	-	-		79,487	-	-	79,487	67,203
- Net profit for the year	809,578	-	-	655,443	-	-	-	655,443	154,135
Total comprehensive income for the year	211,831	-	-	655,455	65,154	-731,631	828	-10,194	222,025
Dividends paid	-76,845	-	-	-76,845	-	-	-	-76,845	-
Dividends attributable to non-controlling interests	-38,387	-	-	-	-	-	-	-	-38,387
Share capital increase	1,488,228	441,25	1,046,978	-	-	-	-	1,488,228	-
Other	-33,751	-	-	18,143	-	-	-	18,143	-51,894
Balance as at 31 December 2021	10,174,907	4,802,791	1,599,013	3,275,735	-159,922	-754,882	4,146	8,766,881	1,408,026
Comprehensive income									
- Fair value reserve (equity instruments at fair value) net of taxes	5,607	-	-	-	-	-	5,239	5,239	368
- Fair value reserve (cash flow hedge) net of taxes	-358,252	-	-	-	-	-359,687	-	-359,687	1,435
- Share of other comprehensive Income in joint ventures and associates, net of taxes	89,946	-	-	-	-3,043	82,637	10,352	89,946	-
- Reclassification to profit and loss due to changes in control	-29,325	-	-	-	-9,116	-20,209	-	-29,325	-
- Actuarial gains/(Losses)	102	-	-	94	-	-	-	94	8
Exchange differences arising on consolidation	88,656	-	-	-	32,740	-	-	32,740	55,916
- Net profit for the year	817,102	-	-	616,231	-	-	-	616,231	200,871
Total comprehensive income for the year	613,836			616,324	20,581	-297,259	15,591	355,238	258,598
Dividends paid	-86,450	-	-	-86,450	-	-	-	-86,450	-
Dividends attributable to non-controlling interests	-62,867	-	-	-	-	-	-	-	-62,867
Acquisition of Sunseap	40,620	-	-	-	-	-	-	-	40,620
Other	-109,381	-	-	-10,138	-	-	-	-10,138	-99,243
Balance as at 31 December 2022	10,570,665	4,802,791	1,599,013	3,795,472	-139,341	-1,052,141	19,737	9,025,531	1,545,134

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Consolidated statement of cash flows for the years ended 31 December 2022 and 2021

THOUSAND EUROS	2022	2021
OPERATING ACTIVITIES		
Cash receipts from customers	2,402,923	1,656,183
Payments to suppliers	-793,374	-508,927
Payments to personnel	-300,607	-176,479
Other receipts / (payments) relating to operating activities	-203,364	-113,928
Net cash from operations	1,105,578	856,849
Income tax received / (paid)	-56,818	-45,361
Net cash flows from operating activities	1,048,760	811,488
INVESTING ACTIVITIES		
Cash receipts relating to:		
Changes in cash resulting from perimeter variations (*)	155,314	4,942
Property, plant and equipment and intangible assets	36,714	87,609
Interest and similar income	41,031	9,033
Dividends	54,616	31,926
Loans to related parties	679,783	628,382
Sale of subsidiaries with loss of control	1,476,044	615,298
Other receipts from investing activities	10,938	20,506
	2,454,440	1,397,696
Cash payments relating to:		
Changes in cash resulting from perimeter variations (**)	-99,485	-26,963
Acquisition of subsidiaries	-1,169,852	-87,721
Property, plant and equipment and intangible assets	-2,349,595	-2,372,090
Loans to related parties	-718,064	-487,917
Other payments in investing activities	-36,067	-384,686
	-4,373,063	-3,359,377
Net cash flows from investing activities	-1,918,623	-1,961,681
FINANCING ACTIVITIES		
Payments/receipts related with transactions with non-controlling interest without change of control	-	-
Receipts / (payments) relating to loans from third parties	323,438	295,709
Receipts / (payments) relating to loans from non-controlling interests	-65,542	-39,777
Receipts / (payments) relating to loans from Group companies	1,481,949	-391,623
Interest and similar costs including hedge derivatives from third parties	-90,868	-39,599
Interest and similar costs from non-controlling interests	-5,002	-6,227
Interest and similar costs including hedge derivatives from Group companies	-149,789	-107,468
Payments of lease liabilities	-54,612	-43,746
Dividends paid	-155,052	-114,085
Receipts / (payments) from derivative financial instruments	-147,472	13,889
Receipts / (payments) from institutional partnerships in North America	-77,385	692,164
Increases /(decreases) in capital and share premium by non-controlling interests	-94,562	1,413,909
Other cash flows from financing activities	689	-
Net cash flows from financing activities	965,792	1,673,146
Changes in cash and cash equivalents	95,929	522,953
Effect of exchange rate fluctuations on cash held	72,219	6,447
Cash and cash equivalents at the beginning of the period	1,003,784	474,384
Cash and cash equivalents at the end of the period	1,171,932	1,003,784

(*) Refers to the acquisition portfolio (see note 6 and 42).
(**) Refers mainly to sale transactions (see note 6, 9 and 27).

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Variations in the following captions, including cash flow variations, during the period ending December 31, 2022 are as follows:

THOUSAND EUROS	BANK LOANS (*)	GROUP LOANS	NON-CONTROLLING INTERESTS LOANS	U.S. INSTITUTIONAL PARTNERSHIPS	DERIVATIVES (**)	TOTAL
Balance as of December 31, 2021	876,088	3,098,418	162,726	2,259,741	65,891	6,462,869
Cash flows						
- Receipts / (payments) relating to loans from third parties	323,439	-	-	-	-	323,439
- Receipts / (payments) relating to loans from non-controlling interests	-	-	-65,542	-	-	-65,542
- Receipts / (payments) relating to loans from Group companies	-	1,481,949	-	-	-	1,481,949
- Interest and similar costs including hedge derivatives from third parties	-75,784	-	-	-	-15,084	-90,868
- Interest and similar costs from non controlling interests	-	-	-5,002	-	-	-5,002
- Interest and similar costs including hedge derivatives from Group companies	-	-131,029	-	-	-18,760	-149,789
- Receipts/ (payments) from derivative financial instruments	-	-	-	-	-147,472	-147,472
- Receipts / (Payments) from institutional partnership in North America	-	-	-	-77,385	-	-77,385
Changes of perimeter	53,557	-	-	26,506	30	80,093
Exchange differences	66,576	168,635	-	142,242	-3,202	374,251
Fair value changes	-	-	-	-	192,836	192,836
Accrued income/expenses	78,581	140,213	8,120	-	-8,573	218,341
Unwinding	-	-	-	96,955	-	96,955
Changes in U.S. Institutional Partnerships related to ITC/PTC	-	-	-	-235,897	-	-235,897
Balance as of December 31, 2022	1,322,457	4,758,186	100,302	2,212,162	65,666	8,458,773

(*) Net of collateral deposits;

(**) The Group considers as financing activities all derivative financial instruments excluding derivatives related with commodities;

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Conflict situation and geopolitical instability in Eastern Europe – Macroeconomic, Regulatory, Operational, Accounting Impact and relationship with Stakeholders

On 24 February 2022, a military conflict was initiated in Ukraine with the invasion of its territory by the Russian troops which has resulted in a humanitarian crisis. Direct and indirect victims, and a significant number of refugees and displaced citizens (UN estimate of over 14 million people by end of December 2022) have been caused by the attacks to Ukrainian localities, with several repercussions on the energy, commodities, intermediate goods, customer and service markets. This note identifies actual and potential business, financial, operational, accounting and strategic impacts.

Given its geopolitical positioning, the conflict has particular relevance to the continuity of EDPR Group's business in Europe, and for possibly more attenuated spill-overs for the operations in North America, Latin America and Asia.

The magnitude of geopolitical tensions remains high, with relevant impacts arising from this crisis continuing to be felt, the worsening and/or prolonging of this conflict may increase an even greater increase in risk and negative impacts for EDPR Group's business.

Impact on energy markets – energy crisis

The prices of energy markets, particularly in Europe, rose to historically high levels in the second half of 2021. The military conflict has further weakened energy markets and led to a larger sustained increase in energy prices in Europe, since Russia is one of the main exporters of natural gas. Taking into account the introduction of regulatory measures to contain the price of gas and electricity all over Europe and, in particular, in Iberia, the pool price has stabilized.

The main impacts/risks in terms of energy markets are:

- Prices of commodities: the sanctions and economic boycott of Russia, in an attempt to stop the aggression against Ukraine, have led to a limitation in the supply of natural gas, and an increase in demand from other markets (e.g., US's LNG market), putting high pressure on prices of raw materials and, consequently, in the final price of energy; and
- Energy dependence/ availability of resources/ increase in economic protectionism: European energy reliance on Russia has also forced a reflection on viable alternatives to ensure energy independence, reinforcing the problem already felt at various levels (economic, political and now energetic) of regionalization/ clustering – in opposition to globalization. This phenomenon consists in the approximation and dialogue with countries/ neighbouring regions with common principles and goals, and an increase in protectionism in relation to other countries, operating autonomously in relation to the rest of the world.

EDPR continues to take a cautious approach, and closely monitoring the evolution of the markets.

The energy transition is also seen as a measure to increase the resilience and energetic independence of the markets, increasing the renewable share in the energy portfolio, reducing dependence on gas supply, with EDP being a player with a leadership role in this area.

Regulatory impact

In a context of economic uncertainty and energy crisis, the way in which international and governmental institutions in each country accommodate the impacts and try to limit economic consequences for economic agents were object of analysis and discussion. Several measures with significant impact measures have already been adopted, while others remain under analysis. In particular, to contain energy prices increase, regulatory mechanisms were created in Portugal and Spain by introducing a cap on the value considered for gas, as an electricity production factor (approved on 8 June, with effective date from 15 June 2022 to 31 May 2023). This mechanism implies the payment of compensation amounts to the electricity generators by consumers who will have benefited from the effects of the mechanism.

Additionally, several packages of measures leading to energy savings were approved in several European countries, namely Portugal and Spain. Other regulatory mechanisms with an impact on EDPR's business were also applied, namely clawback to inframarginal generation in specific countries (eg Spain, Romania). In Portugal, in addition to the partial reduction of the VAT rate applicable to electricity, the constitution of a strategic water reserve was also approved, which aims to ensure that the storage levels of 15 hydro power plants reach more comfortable values.

Other mechanisms are being discussed at European level, namely the definition of a maximum cap on revenues from inframarginal power plants, a solidarity contribution tax on the oil & gas and coal sector, intervention in retail prices and liquidity

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guarantee mechanisms (collateral). Noteworthy is the recent approval of an European Regulation, which contains several of the measures mentioned above and which gives States members some discretion in their adoption or in the adoption of measures with a similar effect

In regulatory terms, the main risks identified are:

- Possible increase in sectorial charges or taxes on energy companies, creation/increase of additional fees and taxes to bridge the gap between energy production and sale prices (only for those companies benefitting); and
- Change in market structure: possible changes in market structure (e.g., introduction of a cap on the price of electricity, or decoupling of gas).

EDPR has been closely monitoring the developments on this topic, positioning itself in the best possible way in the face of the challenges brought about by the aforementioned changes.

Financial impact

In addition to energy markets, financial market continues to experience times of huge instability and volatility, with a significant negative impact.

The main financial risks identified are:

- Inflation: current constraints are not only limited to gas sourcing, with impact in the energy sector, but also to essential raw materials in sectors such as agriculture, transport, among others, leading to a general increase in prices. EDPR businesses has some exposure to inflation in its revenues (directly or indirectly), mitigating this risk;
- Growing interest rates: pressure on interest rates leads to increases in financing costs related with floating rate debt and new fixed rate debt. EDPR has focused on increasing the duration of its fixed debt during the year 2022 and on pre-hedging future financing needs.
- Counterparty default: the huge increase of prices in the energy market raised the exposure to some counterparties. Additionally, the prolongation of the conflict and the increase of sanctions against Russia and the penalizations of several institutions may lead to an increase in the default risk of some counterparties;
- Liquidity: extremely high initial margins in organized markets due to very high prices and volatility, giving rise to significant cash variations and an increase in collateral requests.

EDPR has been closely monitoring the evolution of the financial markets and the financial situation of its counterparties, seeking to mitigate exposure to potential financial risks, with a cautious approach in terms of the interest rate combination with a high percentage of fixed rate, a careful choice of its main counterparties favouring high ratings and high levels of liquidity (cash and available credit lines).

Operational impact

The Russia-Ukraine conflict has been resulted in several operational impacts, direct and indirect, either due to the presence of EDPR operations in border regions with Ukraine, or due to the dependence on products and raw materials coming from the region.

Several risks with operational impacts were identified, namely:

- Physical assets and operations: the proximity of physical generation assets to the border with Ukraine, namely in Poland, Romania and Hungary, countries with greater risk of suffering damage in the event of a geographic expansion of the military conflict, is noteworthy. There may also be additional constraints, including increases in the maintenance costs of assets due to a rise in the price of resources and raw materials, and/or due to the unavailability of labour coming from the affected countries;
- People's safety: the existence of generation infrastructures close to the conflict region also implies the presence of EDPR teams and subcontracted teams, which, even though these are not permanently in these facilities, may expose them to a higher level of risk with the evolution of the conflict;
- Cybersecurity: there continues to be a high number of cyberattacks worldwide, with an increase level of sophistication and a potential impact for EDPR, directly or indirectly (for example, through providers of critical IT and OT services), which continues to motivate reinforcement of safety monitoring and the adoption of complementary measures by EDPR;
- Supply chain: there continues to be no relevant direct exposure of EDPR to countries in conflict or sanctioned, however, there may be indirect dependence through EDPR suppliers of products and raw materials (such as copper, aluminium, nickel, among others), from Russia or Ukraine, or whose transport route crosses/passes in the area of the conflict zone,

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raising the possibility that the supply chain may be subject to disruptions by different causes and with variable duration. There is also an increase in the costs associated with these goods, both in terms of production, given the shortage of some raw materials, and in terms of transport; and
- Compliance: the application of sanctions to Russia by different countries and organizations, including the EU, continues to require internal monitoring in order to reduce the risk of EDPR's non-compliance with such sanctions and manage any previously established partnerships.

EDPR continues to reinforce the security and contingency mechanisms associated with its employees, as well as its operation and critical assets, including but not limited to the active monitoring of the evolution of the different risk factors identified. Additionally, EDPR established local plans and strategies to answer to the possible geographic spread of the conflict, in order to protect people and assets.

EDPR's operational and investment activities are reliant on local and global supply chains, with an active management of critical supplies being carried out to minimize potential impacts of disruptions in these chains.

Accounting impact

EDPR has not applied any different classifications from those normally used in its consolidated income statement, as a result of the conflict above mentioned. To assess possible accounting impacts, the Group reassessed the estimates it considers relevant and which may have been impacted by this fact. Thus, on 31 December 2022, the Group carried out a series of analyses of the relevant estimates and has not determined any materially relevant impacts compared to 31 December 2021.

Strategic impact (macroeconomics and relationship with key stakeholders)

A) Macroeconomic impact

The current geopolitical crisis in Eastern Europe includes significant risks for the economy and society, with an associated level of uncertainty about the duration of the conflict and the economic impacts that will outcome. In global macroeconomic, impacts have been felt in terms of increased costs of raw materials, particularly regarding energetic and agricultural, as well as a greater probability of disruption in international supply chains.

Additionally, beside causing the escalation of existing geopolitical tensions, contributing to global instability with still uncertain medium-long-term consequences, the proximity of the conflict to the borders of the EU also represents a challenge to the cohesion between the member states.

B) Relationship with stakeholders

Since the first moment, EDPR has assumed the commitment to safeguard the interests of its stakeholders and has been permanently following up the main developments of the military conflict and possible implications for all the stakeholders involved.

This monitoring and intervention has been manifested at different levels, of which the following stand out:

- Employees: EDPR has been reinforcing its internal communication, raising awareness of possible impacts arising from the conflict, as well as its positioning and measures adopted to manage such outcomes;
- Communities: EDPR has launched a humanitarian aid campaign with its employees, and has combined efforts with institutions presented locally, in order to support the most disadvantaged and vulnerable; and
- Shareholders: the Management Team has been working closely with the Audit Committee, in order to act in the most suitable manner, protecting the interests of itsshareholders.

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01. The business operations of the EDP Renováveis Group

EDP Renováveis, Sociedad Anónima (hereinafter referred to as "EDP Renováveis" or "EDPR") was incorporated in Spain on 4 December 2007. Its main corporate objective is to engage in activities related to the electricity sector, namely the planning, construction, operation and maintenance of electricity generating power stations, using renewable energy sources, mainly wind and solar. The registered offices of the company are located in Oviedo, Plaza de la Gesta 2, Spain. On 18 March 2008 EDP Renováveis was converted into a company incorporated by shares (Sociedad Anónima).

The Company belongs to the EDP Group, of which the ultimate parent company is EDP Energias de Portugal, S.A., with registered offices at Avenida 24 de Julho, 12, Lisbon. As at 31 December 2022 and 2021, EDP Energias de Portugal, S.A through its Spanish branch EDP S.A. – Sucursal en España ("EDP Branch") held a qualified shareholding of 74.98 % of the share capital and voting rights of EDPR and 25.02% of the share capital was free floated in the Euronext Lisbon.

In December 2011, China Three Gorges Corporation (CTG) signed an agreement to acquire 780,633,782 ordinary shares in EDP from Parpública – Participações Públicas SGPS, S.A., representing 21.35% of the share capital and voting rights of EDP Energias de Portugal S.A., a majority shareholder of the Company. This operation was concluded in May 2012. Subsequent operations have modified such stake to 19.19% as at 31 December 2022.

The terms of the above-mentioned agreement through which CTG became a shareholder of the EDP Group stipulate that CTG would make minority investments totalling 2,000 million of Euros up to 2015 in operating and ready-to-build renewable energy generation projects (including co-funding capex).

Within the agreement mentioned above, the following transactions have taken place:

- In June 2013, EDPR completed the sale of 49% equity shareholding in EDPR Portugal to CTG through CITIC CWEI Renewables S.C.A;
- In May 2015, EDPR closed the sale of 49% of the following EDPR Brasil subsidiaries to CTG through CWEI Brasil participaçoes LTDA: Elebrás Projetos S.A, Central Nacional de Energia Eólica S.A, Central Eólica Baixa do Feijão I S.A, Central Eólica Baixa do Feijão II S.A, Central Eólica Baixa do Feijão III S.A, Central Eólica Baixa do Feijão IV S.A, Central Eólica Jau S.A. and Central Eólica Aventura S.A;
- In October 2016, EDPR completed the sale of 49% equity shareholding in EDP Renewables Polska SP.Zo.o. to CTG through ACE Poland S.Á.R.L. and the sale of 49% equity shareholding in EDP Renewables Italia S.r.l. to CTG through ACE Italy S.Á.R.L.;
- In June 2017, EDPR Group closed the sale of 49% equity shareholding in EDPR PT – Parques Eólicos, S.A. to CTG through ACE Portugal S.Á.R.L.;
- In December 2018, EDPR completed the sale of 10% equity shareholding in the equity consolidated offshore company Moray East Holdings Limited to CTG through China Three Gorges (UK) Limited.

On 10 December 2021, following the acquisition of Sunseap by EDP Renováveis S.A. and consequent entry into the Asian Market, EDP and CTG updated the Strategic Partnership Agreement (concluded in December 2011). This update aims to make the growth strategies of both companies more flexible, ensuring the application of the most demanding corporate governance standards in their future relationships.

As of 31 December 2022, EDP Renováveis S.A. directly holds a 100% stake in the share capital of the following companies: EDP Renewables Europe, S.L. (EDPR EU), EDP Renewables North America, LLC (EDPR NA), EDP Renewables Canada, Ltd. (EDPR Canada), EDP Renováveis Brasil, S.A. (EDPR BR), Colombian companies Eolos Energía S.A.S. E.S.P., Vientos del Norte S.A.S. E.S.P., Solar Power Solutions S.A.S. E.S.P, Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P, Vietnamese company EDP Renewables Vietnam Ltd., Singaporean companies Trung Son SG Pte. Ltd., Sunseap Group Pte. Ltd., Chilean company EDP Renewables Chile SpA. and the Mexican company Parque Solar Los Cuervos, S. de R.L. de C.V. Refer to Anex II for the changes in the perimeter of consolidation.

The Group essentially operates in the European (Spain, Portugal, Poland, Romania, France, Italy, Greece, UK and Belgium), American (U.S., Brazil, Canada and Mexico) and Asian (Vietnam, Singapore, Taiwan and China) energy sectors.

EDPR Group is currently developing wind and solar onshore projects in other countries such as, UK, Germany, Netherlands, Chile, Colombia, Hungary and South Korea. Further, EDPR Group signed an agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L. (Ocean Winds), in fixed and floating offshore wind business. This entity is the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide.

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EDP Renováveis, S.A. acquired the control over the Sunseap Group Pte. Ltd., the largest distributed solar player and top 4 solar player in Southeast Asia. The operation has been structured through an agreement with the major shareholders of Sunseap. Sunseap is a Solar focused renewables company headquartered in Singapore and has more than 400 employees spread across 9 markets, namely Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan and by the time of the agreement had more than 0.5 GW of capacity in operation and under construction and almost 5 GW of pipeline in different stages of development. This transaction has been completed in February 2022 once the conditions precedent have been fulfilled (See note 6).

EDP Renováveis, S.A. through its subsidiary, EDP Renewables Europe, S.L.U., has acquired a 66.80% stake in a solar generation portfolio, Kronos Solar Projects GmbH. Group, for a total of 9,4GW under development located in Germany, Netherlands, France and UK.

EDP Renováveis Group, through its subsidiaries has an installed capacity, as follows:

INSTALLED CAPACITY MW	31 DEC 2022	31 DEC 2021
United States of America	6,025	5,908
Spain	2,166	2,194
Portugal	1,168	1,142
Brazil	1,114	795
Poland	733	747
Romania	521	521
Mexico	496	400
Vietnam	405	28
Italy	295	384
France	214	181
Singapore	230	-
Canada	130	130
Greece	45	45
China	44	-
Taiwan	32	-
Belgium	11	11
United Kingdom	5	5
Thailand	1	-
	13,635	12,491

Additionally, the EDP Renováveis Group through its equity-consolidated companies has an installed capacity, attributed to EDPR, as follows:

INSTALLED CAPACITY MW	31 DEC 2022	31 DEC 2021
United States of America	592	592
Spain	156	156
Portugal	31	31
APAC	15	-
Rest of Europe	311	311
	1,105	1,090

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Regulatory framework for the activities in North America

EDP Renewables operates in most of the electricity markets in the U.S., Canada, and Mexico. The nature of regulations and market rules vary from market to market with different degrees of influence from Federal and State/Provincial regulators in each market. The opportunities and constraints for EDPR assets and prospects are significantly defined by these regulations and market rules.

Regional Transmission Organizations ("RTO"), Independent System Operators ("ISO") exist throughout much of North America to operate a region's electricity grid, administer the region's wholesale electricity markets, and provide reliability planning for the region's bulk electricity system. RTOs carry additional responsibility for the region's transmission network. U.S. markets with RTOs and ISOs fall under greater Federal influence through the Federal Energy Regulatory Commission ("FERC") which results in more transparent tariff and market rules.

Regulation and market rules for regions not in RTO/ISO footprints tend to be influenced by various combinations of entities including State regulators, vertically integrated utilities, municipal governments, and Federal Agencies. In Canada, the regulatory framework varies depending on the particular Province or Territory. Provincial regulators have jurisdiction over their province's energy generation, intra-provincial transmission, distribution, retail pricing and wholesale markets (if such markets exist).

In general, EDPR seeks to build assets in North American markets where long-term contracts are available for the bulk of the output of its generation facilities. In addition to electrical power, our facilities can produce capacity and ancillary services in regions with demand for these products. Many states have enacted Renewable Portfolio Standards ("RPS") require obligated entities to provide a certain percentage of their energy supply from qualifying renewable sources, similar to the Renewable Energy Directive in the EU. In Canada, Provincial Governments have required utilities to procure supply from renewable facilities with programs such as Ontario's Large Renewable Procurement Programs. Over the last few years, U.S. states have expanded these targets such that renewable portfolio standards in over fifteen states require 50% or more of their energy supply to be delivered via renewable resources in the next ten to twenty years. Further, more than ten states have set requirements to achieve 100% clean energy supply by 2050. Certain facilities within the EDPR wind and solar portfolio, given their location, produce renewable energy credits ("REC"), certificates of clean energy ("CEL") and other environmental attributes which are typically sold, along with the energy, capacity, and ancillary services, from the plants under long-term contracts. These RECs generated via renewable production may also be sold separately from the wind and solar generation, if not already included in the long-term contracts. The party owning the RECs is solely entitled to the benefits of the environmental attributes.

U.S. federal, state and local governments have established various incentives to support the development of renewable energy projects. Included in these incentives are the Investment Tax Credit ("ITC"), Production Tax Credit ("PTC"), cash grants, and tax equity financing. Pursuant to the U.S. federal Modified Accelerated Cost Recovery System, wind and solar projects are fully depreciated for tax purposes over a five-year period even though the useful life of such projects is generally much longer than five years.

Owners of utility-scale wind facilities are eligible to claim the ITC upon initially achieving commercial operation or PTCs for generation from qualifying facilities. The PTC is awarded based on the volume of electricity produced by the wind facility during the first ten years of commercial operation. This incentive was established by the U.S. Congress as part of the 1992 Energy Policy Act and has been extended several times, most recently as part of the $1.4 trillion omnibus and COVID-19 relief package. The ITC and PTC levels for a given facility depend on that facility's start of construction date and commissioning date and remain fixed at this level for the first ten years of operation.

The COVID-19 crisis continued to create challenges for clean energy companies seeking to advance the development of wind and solar projects. Delays in equipment manufacturing, shipment deliveries, work stoppages, and labour force restrictions, among other things, caused project development and construction timelines to slip and created some risk of projects not meeting their safe harbor deadlines for placement into service.

The U.S. Department of the Treasury (Treasury) determines eligibility under the federal law governing qualification for the wind energy production tax credit (PTC) and the solar energy investment tax credit (ITC). Treasury has allowed projects a "safe harbor" with respect to qualifying for the tax credit available in the year construction commenced, so long as the project subsequently was placed in service within a certain period of years.

Guidance from Treasury (issued 20 June 2020) continues to apply;

1. Extends the placed-in-service safe harbor to six years for facilities that began construction in 2016, 2017, 2018 or 2019;

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2. Extends the placed-in-service safe harbor to five years for facilities that began construction in 2020; and,

3. Provides that taxpayers not relying on the continuity safe harbor may demonstrate continuity by using the "continuous efforts" standard rather than the more restrictive "continuous construction" standard, regardless of whether the project started construction under the physical work pathway.

4. Qualifying equipment procured in 2016 can now be deployed in 2022 and be eligible for the full PTC (previously it would have had to be deployed in 2021); and

5. Qualifying equipment procured in 2017 can now be deployed in 2023 and be eligible for the 80% PTC (previously it would have had to be used in 2022).

In January 2022, the Biden Administration's first year came to a close. The key component of the Administration's domestic agenda, "Build Back Better," which would have extended existing renewables tax credits and expanded credit eligibility among other policies, was rejected by Senator Manchin (D-WV) in a statement published in December 2021. Without this 50th Senate vote, the omnibus did not pass. The tax credits are still being considered as part of the budget reconciliation process, though the scope of policies included is unclear – it may range from a simple production tax credit (PTC) and investment tax credit (ITC) extension to the introduction of a direct-pay provision – and economic concerns over rising inflation and gas prices have emerged as top political priorities. Despite these headwinds, several appointees are advancing energy transition goals. Secretary Haaland of the Department of the Interior announced the "Offshore Wind Path Forward" plan to organize as many as seven offshore wind lease auctions by 2025, including the February 2022 New York Bight lease sale.

In May 2022, President Biden also announced his intent to nominate FERC Chairman Richard Glick to a second five-year term. Glick's current agenda includes overhauling transmission planning and generation interconnection rules and better incorporating distributed energy resources in wholesale markets.

In June 2022 President Biden signed an Executive Order protecting southeast Asian solar PV panel imports for the next 2 years from any additional tariff resulting from the Department of Commerce's Anti-Dumping and Countervailing Duty (AD/CVD) tariff investigation, as well as authorizing use of the Defence Production Act (DPA) to increase domestic manufacturing of five clean energy technologies including solar PV panels.

In August 2022, President Biden signed into law the Inflation Reduction Act of 2022 (IRA2022). For renewable energy development, the IRA2022 supports expansion of the domestic supply change for clean energy technologies, especially solar panel production, as well as providing major extensions and improvements to the ITC and PTC while making these incentives available for a wider set of technologies. The Act also allows improved transferability of the tax credits.

Prior to the IRA2022, the maximum ITC was set at 30% of qualified solar project capex, with the declining according to a defined schedule depending on year when construction began and the ultimate date of commercial operation. The IRA2022 changes the rate structure making projects eligible for a base rate along with bonuses on top of that base rate that depend on certain criteria being satisfied related to the nature of labour and materials used in construction of the project along with location specific criteria. The base rate set the ITC at 6% of qualified costs. Labour requirements include the payment of prevailing wages during construction and during any repairs and the employment of a specified percentage of qualified apprentices. Meeting the labour requirements adds 24% additional ITC on top of the 6% base rate. Building with qualifying materials adds 10% to the project ITC rate if domestic content requirements are met. The location of the project can also add bonuses to the ITC rate with low income and energy communities being favoured with additional 10% ITC bonuses, respectively.

In addition, IRA2022 changes the structure of the PTC similarly. Prior to the Act, the maximum PTC was set at $26 per MWh for wind project generation for the first ten years of project operation. The value of the PTC declined according to a defined schedule also dependent on the year construction started and the date of commercial operation. The IRA2022 changes this rate structure to set the PTC value to a base rate set at $5 per MWh plus bonuses for contracted labour adding $21 per MWh. Use of domestic materials adds $3 per MWh while building in qualified energy communities adds an additional $3 per MWh. Additionally, the PTC becomes technology neutral in 2025 such that solar could receive the PTC in lieu of the ITC.

Regulatory framework for the activities in Spain

The main piece regulating the Spanish electricity sector is Law 24/2013 that replaced Law 54/1997. This law is part of a comprehensive reform of the Spanish energy sector.

The main purposes of this law are to adapt the regulation to the evolution of the electricity sector and to guarantee the sustainability of the system in the long term, removing existing deficiencies in the system operation. Specifically, the Law aims at correcting the structural tariff deficit. The law sets principles and provisions governing the electricity sector, with the objective to

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effectively guarantee the supply of electricity and to adapt it to the needs of consumers ensuring safety, quality, efficiency, objectivity, transparency and electricity at the minimum cost.

As a part or this Energy Reform, Royal Decree-Law 9/2013 was passed in July 2013. The purpose of this Royal Decree-Law was to adopt a series of measures to ensure the sustainability of the electricity system.

In particular, RDL 9/2013 introduced a new legal and economic regime for existing renewable, cogeneration and waste energy facilities. The RDL set the principles governing these facilities, and these principles were then developed by law 24/2013 and Royal Decree 413/2014. In accordance with this new framework, renewable facilities would receive during their operating lifetime, in addition to the remuneration for the sale of the energy valued at the market price, a specific remuneration composed by (i) an "investment premium" and (ii) "an operating remuneration premium" designed to cover the share of a facility's operating costs that could not be recovered by means of energy sales.

The calculation of the aforementioned remuneration shall be carried out on the basis of the standard costs and revenues (initial investment, operation and revenue from the sale of energy) corresponding to a "standard power plant, over the useful regulatory life and based on the business activity that would be carried out by and efficient and well-managed company".

Under this scheme, projects would receive a remuneration guaranteeing a "reasonable profitability" calculated, for the first six-year regulatory period, at "300 basis points above the yield on 10-year government bonds over the last ten years".

The Spanish Government published in June 2014, Order IET/1045/2014, which included the parameters to remunerate the renewable energy assets, under the new remuneration framework. DL 413/2014 confirmed that wind farms that started operations in 2003 (or before) would not receive any further incentive, while the rest of wind farms would receive an incentive calculated in order to reach a 7.398% return. This order describes more than 1,300 possible types of renewables installation, 23 of them corresponding to wind farms of more than 5 MW classified by the year of first operation (from 1994 to 2016).

In October 2015 the Government approved Royal Decree 947/2015 and a Ministerial Order aimed at allowing the installation of new renewable capacity through competitive tenders.

In January 2016, the first auction renewable auction was held. The auction was designed to provide a similar remuneration that the one applying to operating installations (RD 413/2014). Following this framework, tender participants were requested to bid discounts on the "initial investment" (CAPEX) parameter which would then, by being plugged in the formula set by RD 413/2014 determine the "Rinv" (investment premium) that would eventually be awarded.

Following the outcome of the first 2017 tender, the Spanish government decided to launch an additional tender for a maximum of 3 GW. This new tender was held in July, and was opened to wind and solar PV exclusively. Additionally, the royal decree ruling the tender (RD 650/2017) included the possibility to increase the allocated capacity to all capacity bidding the same discount, provided it would not create an overcost to the system. Following this clause, all projects offering the maximum allowed discount were successful (no tiebreaker rule was triggered).

In October 2018, the Spanish Ministry for Energy transition and environment introduced several measures aiming at limiting electricity cost for final consumers and serving as a first step towards the long-term energy transition. The implemented measures include the suspension of the 7% generation tax during a period of 6 months, the facilitation of self-consumption and the administrative extension until March 2020 of the connection rights for the renewable plants awarded in previous year´s auctions.

On 22 November 2019 Royal Decree Law 17/2019 was passed, introducing a series of measures aimed at guaranteeing a stable regulatory and economic framework to encourage the development of renewable energy generation in Spain. The RDL updates the "reasonable return" for renewable generation for the next regulatory period starting on 1 January 2020 at a level of 7.39% for assets before RDL 9/2013 and 7.09% for the new ones.

Another objective of the RDL was to adopt a new regulation governing access to the network in nodes affected by the closure of coal and nuclear power plants and concessions for the private use of water, where new renewable projects could offer an alternative. The grid access to renewable projects in areas affected by the closure of thermal facilities, is based on the technical and economic benefits, as well as the environmental and social ones, in particular job creation.

In January 2020, the CNMC's Circular 3/2020 was approved. The Circular sets the methodology to calculate access fee and removes the former 0.5€/MWh that generators had to pay. A new fee of 0.13741 €/MWh was introduced to remunerate the system operator.

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On 28 February 2020 the final version of the Rinv (investment premium) adjustment was published (as in 2019 ended the second semi-regulatory period of the RD 413/2014 framework). Three main adjustments were introduced: (i) the estimation of pool prices using forward prices, (ii) the adjustment of the OPEX to reflect the removal of the 0.5 €/MWh access fee and (iii) the inclusion of the system operator remuneration.

On 14 March 2020 Royal Decree 463/2020 entered into force, declaring the state of alarm for the management of the health crisis caused by the coronavirus (COVID 19). During extreme situations (among them, health crises) article 116 of the Spanish Constitution allows the executive to declare the state of alarm, a measure that enables it to prohibit the free movement of people throughout the country and to take all steps required to guarantee the supply of food to the nation's markets. It also allows the government to take over the means of production and requisition goods.

Initially the state of alarm was set to last until March 29 but the Congress extended it to June 21. Also, the government toughened the lockdown measures requiring the halt of all "non-essential" activities from March 30 to April 9, including wind farms' construction. Several subsequent Royal Decrees were published during the State of Alarm. These RD included economic and social measures to fight the pandemic effects. Despite the lockdown, several consultations were launched by the Energy Ministry (Hydrogen Strategy, Electric Energy Storage (EES), offshore strategy and FEDER auctions.

Due to the disruption caused by COVID-19, a 2-month extension (from the last day of the state of alarm) of the connection rights expiring on 31 March 2020, was decided. The final version of the Spanish NECP (National Energy and Climate Plan) for the period 2021-2030 was sent to the European Commission.

The Government approved Royal Decree Law 23/2020 of 23 June approving measures in the area of energy and other areas aimed at economic recovery. The objective of this Royal Decree Law is to guide energy policy for economic recovery, financial resource mobilisation and sustainable job creation. In particular, RD/2020 consists of a battery of measures intended to help the energy transition, remove barriers to the large-scale deployment of renewable energy sources and promote energy efficiency.

On 17 July 2020 the Ministerial Order TED/668/2020 was approved, setting the adjusted "Rinv" (investment premium) values for 2018 and 2019, accounting for the temporal suspension of the 7% levy on generation during Q4 2018 and Q1 2019.

The Ministry for the Ecological Transition and Demographic Challenge (MITECO) decided to allocate 316 million euros to support innovative projects that favour the integration of renewable energies in the systems. Different lines of action, drawn up in collaboration with the Autonomous Communities, are expected to contribute to the achievement of the objectives that Spain, in its NECP, has set in this area: doubling the consumption of renewable energy by 2030, and reaching climate neutrality in 2050. Specifically, the Official State Gazette (BOE) published on August 3 set the regulatory criteria to allocate 246 million euros in aid to renewable projects in a competitive competition regime. On 10 September 2020 several tenders were announced in Madrid, Andalucía, Extremadura, Asturias, Castilla La Mancha, Cataluña and Murcia regions. The announced competitive procedures will allocate 80 million euros to renewable projects.

On 4 November 2020, Royal Decree 960/2020 regulating the economic regime for renewable energies for electricity production facilities, was approved. The RD sets the framework for a new scheme for RES investment (including hybrid, energy storage projects and repowering) to be awarded in auctions. It defines some general characteristics of the scheme, although most aspects remain flexible and will need to be defined in lower level legislation. Additionally, it sets the obligation of publishing a 5-years auction calendar.

Regarding the auction mechanism, the RD establishes that the auction product may be power, energy or a combination of both and that auctions would be structured as pay-as-bid ones. A maximum price will be set although it may be confidential and a minimum price may also be introduced. The awarded price will be defined in €/MWh and will not be indexed.

The RD includes the possibility of defining so-called "symmetrical incentives" for market participation. In this case, the price received for the energy sold in each market (day-ahead/intra-day) will be adjusted by a factor applied to the difference between (i) the price of the day-ahead market and (ii) the awarded price.

The tenure of the scheme is set as the sooner of achieving a maximum energy, or 10 to 15 years (exceptionally up to 20 years for technologies with high CAPEX or high technology risk which will need to be defined for each auction).

Following the approval of RD 960/2020, The Ministry for the Ecological Transition and Demographic Challenge (MITECO) approved Order TED/1161/2020 of December 4, 2020 in which it sets the auction mechanism for the first auction. The Order also includes the auction calendar for the next 5 years. Over the next 5 years, the Spanish Government plans to launch tenders for

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20GW of renewable power (mainly wind: 8.5GW and solar PV: 10GW) in order to achieve the 60GW target set out in the Spanish National Energy and Climate Plan for 2021-2030.

On 29 December 2020, the Royal Decree on access and connection to the energy transmission and distribution networks (RD 1183/2020) was approved. This Royal Decree establishes the principles and criteria in relation to the application, processing and granting of permits for access and connection to the electricity transmission and distribution networks. With the approval of this RD, the government aims at preparing the regulatory framework for the planned deployment of renewables, while helping to eliminate inefficiencies and speculative behaviours to ensure the achievement of energy policy objectives.

The first auction under the new auction framework (set by RD 960/2020) was held on 26 January 2021. In total 3,034 MW were awarded: 2,036 MW of solar PV projects (at an average price of 24.47 €/MWh) and 998 MW of onshore wind's (at an average price of 25.31€/MWh). Winning bids were awarded 12-year power purchase agreements (PPAs).

In May 2021, the Spanish Parliament approved a law on climate change and energy transition (Law 7/2021), which will bring the country into line with the EU's goal to become carbon neutral by 2050. As an intermediate target, the law targets to cut emissions 23% by 2030, compared with 1990 levels. Regarding the renewables' sector, the law foresees a reform of the electricity sector aimed at fostering: (i) the participation of consumers in the markets including aggregation and demand response and (ii) investment in variable and flexible renewables, distributed generation and energy storage among others. A fiscal reform Is also foreseen focused on green taxation.

In June 2021, the European Commission adopted a positive assessment of Spain's Recovery and Resilience Plan. The financing will amount to 69.5 b€ in grants and will support the implementation of the crucial investment and reform measures outlined in the Plan. The presented Plan devotes 40% of its total allocation to measures that support climate objectives (sustainable mobility, energy efficiency and deployment of renewable energies, among others).

In June 2021, the government released Royal Decree-Law 12/2021 which adopted urgent measures in the field of energy taxation and generation. The RDL approved the suspension of the 7% generating tax and a reduction of value added tax for electricity bills (from 21% to 10%) until the end of the year. The VAT reduction would be applied to consumers with contracted power <10 kV (if wholesale prices were more than 45€/MWh) and to vulnerable consumers (regardless market prices). These measures come after Spain changed its hourly bands for calculating power bills and amid soaring power prices.

On 16 September 2021, Royal Decree-Law 17/2021 (RDL 17/2021) on urgent measures to mitigate the impact of rising natural gas prices in the retail gas and electricity markets, came into force. In line with the previous Royal Decree-law, the new regulation introduced different measures to cushion the escalation of electricity prices and limit the amount of consumers' electricity bills.

- One of the measures consists in introducing a mechanism to reduce the over-remuneration that certain facilities receive, due to the marginal cost price setting of the energy market
- The RDL also introduced a new type of long-term power purchase auction to be held alongside the wholesale market. In these auctions, certain operators must offer their CO_2-free, manageable inframarginal generation products (not included in the renewables auctions), with a settlement period equal to or greater than one year
- The regulation also includes tax measures. On the one hand, the rate of the Special Tax on Electricity, was reduced to 5.1% to 0.5% until 31 December 2021. On the other hand, it extended the temporary suspension of the tax on the Value of Electricity Production (the 7% levy) to the fourth quarter of 2021.
- In addition, the RDL sets a Minimum Vital Supply for vulnerable consumers by which the cut off of the electricity supply is prohibited to the beneficiaries of the Electric Social Bonus for six months in addition to the four already existing (thus, during 10 months in total).

On 26 October 2021 Royal Decree Law 23/2021 was approved, adopting urgent measures to protect energy consumers and bring transparency into the wholesale and retail electricity and natural gas markets. On the one hand, this RDL increases the discounts of the electricity social bond from 40% to 70% for severe vulnerable consumers and from 25% to 60% for vulnerable consumers until the end of March 2022. The minimum amount of the thermal social bonus for the year 2021 was also increased from 25 to 35 euros. On the other hand, the RDL limits the scope of application of the mechanism to reduce over-remuneration obtained by some generating facilities, regulated in RDL 17/2021. Finally, it contains some measures to strengthen transparency in the electricity and gas markets. The Spanish companies of the Group are therefore excluded from the scope of application of the mechanisms to reduce over-remuneration, since, according to the RDL 23/2021, the Group has derivatives and PPAs to hedge energy sales prices.

The second renewables auction of 2021 was held on October 19, awarding 2,258 MW capacity for onshore wind projects (at an average price of 36.68€/MW) and 866 MW solar PV (at an average of 31.65€/MWh) to the winners.

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In January 2022, the High Court resolved on the 2016-2022 social bonus mechanism declaring that imposing the financing obligation exclusively on the retailing companies was against the European legislation. According to the resolution, the government has to give back the financed amounts (except the amounts that have been passed thought the costumers).

In March 2022, a new Royal Decree Law (RDL 06/2022) was published with a comprehensive set of measures to mitigate the effects of the Ukranian war, in particular the impact of rising fuel prices on electricity prices. The RDL mandates an extraordinary RECORE (specific remuneration regime for renewables cogeneration and waste) settlement dated 1st January 2022. The adjustment needs to take into account actual prices in 2020 and 2021, and a new price forecast for 2022, resulting in lower payments. Within the RDL 06/2022, bilateral contracting of RECORE energy is fostered by removing the regulatory collar from 2023 onwards. However, the collar was later rectified in RDL 10/2022: bands remain but from 2023 instead of using only the average day-ahead and intraday prices, forward prices will also be taken into account. Therefore, in 2023, the price will take into account a weighted average of day-ahead market prices (75%), annual forwards (15%) and quarterly forwards (2.5% each). In the following years, the share of forwards will be risen. The RDL also extended the scope of the social bonus (the financing will be borne by generators) and reduced by 80% the access tolls for electrointensive consumers. Regarding new generation projects, the permitting process for certain projects was streamlined while some provisions to facilitate the deployment of new technologies were introduced (storage, floating PV, hydrogen, and self-consumption projects). Finally, the RDL extended the gas clawback (approved by RDL 17/2021) until 30 June (and included the energy covered by instruments signed after 29th March with a tenure of one year or more and a price above 67€/MWh).

In June 2022, the Spanish government had decided to temporarily reduce the VAT applied in electricity to 10%. After that, Royal Decree-Law 06/2022, stipulated that the reduced VAT would be maintained as long as the price in the wholesale market was higher than 45€/MWh. The Royal Decree also stated that severe vulnerable consumers or at risk of exclusion (therefore, consumers eligible for the social bonus), would still be charged a reduced VAT, even if the price in the wholesale market was less than €45/MWh. In June 2022, the Spanish cabinet (RDL 11/2022) agreed to further reduce the VAT on electricity from 10% to 5%, to counteract the staggering rise in energy prices until 2022 year end. The remaining temporary measures on energy taxes would be also extended until 2022 year end: the rate of the Special Tax on Electricity (that had been reduced 5.1% to 0.5%) and the temporary suspension of the tax on the Value of Electricity Production (the 7% levy). Additionally, the gas price clawback mechanism (approved by RDL 17/2021) was extended until December 2022. This RDL established a rate for non-emitting carbon technologies based on the price of natural gas

In June, the European Commission approved a year-long cap on the price of gas used for power generation. The measure, which applies to both the Spanish and Portuguese markets, will run until May 31, 2023. During the first six months of the application of the measure, the actual price cap will be set at €40/MWh. As of the seventh month, the price cap will increase by €5/MWh per month, resulting in a price cap of €70/MWh in the 12th month. The measure will be financed by the "congestion income" obtained by the grid operator as result of cross-border electricity trade between France and Spain and a charge imposed by Spanish and Portugal on buyers benefiting from the measure.

In October 2022, a security of supply strategy (the so-called "Plan + Seguridad Energética") was released. Regarding renewables, the plan includes provisions regarding guarantees of origin for renewable gases, a new 2024-2029 transmission grid plan, a new regulatory framework to promote offshore wind and fiscal incentives for fuel switching to renewables.

On 18th October 2022, the Royal Decree Law 18/2022 was approved, releasing a new set of measures applying to the energy sector, including the extension of the gas clawback scheme until 31 December 2023.

In December 2022, a new tax for energy operators was approved. This tax will apply in 2023 and 2024 (based on 2022 and 2023 turnover) to energy operators with a turnover over 1 billion Euros in 2019. Tax would be charged at a 1.2% rate on the net amount of last Fiscal Year's turnover (this will include the tax groups income derived from its activities carried out in Spain, excluding the income derived from regulated activities). The windfall tax would apply as from 1st January 2023 and 2024, and the payment would be due within the first 20 days of September, with an interim assessment of 50% of the levy within the first 20 days of February.

On 27th December 2022, was approved the Royal Decree-Law 20/2022 related to measures to respond to the economic and social consequences of the war in Ukraine and also certain fiscal measures were approved. On the one hand, the application of the 0.5% tax rate of the Special Tax on Electricity was extended until 2023 year end. On the other hand, the temporary suspension of the Tax on the Value of Electricity Production was also extended until 2023 year end. Regarding permitting, sets for the next 18 months the suspension of administrative procedures for projects that had requested grid access in nodes that have been later listed for network capacity tenders, except for requests related to hybridization of existing renewable plants.

The above RDL provides a new simplified procedure for the environmental assessment of renewable projects ("Determinación de Afección Ambiental") where deadlines are reduced with respect to the existing procedure ("Declaración de Impacto Ambiental") applicable to projects that request administrative authorization from 28 December 2021 up to 31 December 2024. In

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addition, a simplified procedure for the administrative authorization is developed for projects with approved environmental assessment.

Regulatory framework for the activities in Portugal

The principal pieces of legislation regulating the Portuguese electricity sector are Decree-Law 29/2006 of 15 February 2006 (amended by Decree-Law 215-A/2012) and Decree-Law 172/2006 of 23 August 2006 (amended by Decree-Law 215-B/2012).

The legislative framework for renewable energy is primarily contained in Ministerial Order 243/2013 of 2 August 2013, which sets out the terms, conditions and criteria for the licensing of electricity generation under special regime with guaranteed remuneration.

The Portuguese legal provisions applicable to electricity generation from renewable resources are currently established by Decree-Law 189/88 dated 27 May, as amended by Decree-Law 168/99 dated 18 May, Decree-Law 312/2001 dated 10 December, and Decree-Law 339-C/2001 dated 29 December. Also relevant is Decree-Law 33-A/2005, dated 16 February 2005 ("DL 33-A/2005"), which establishes the remuneration formula applicable to energy produced by renewable sources (this is, the formula to calculate the feed-in tariff).

In September 2012 and after months of negotiations, the Portuguese wind industry reached an agreement with the Portuguese government to extend the existing feed-in tariff regime in exchange of an upfront payment.

Following the agreement, the Portuguese Government published a decree articulating its terms, the Decree Law 35/2013. The Government proposed four alternative tariff schemes to be chosen by wind developers. EDPR and ENEOP chose a 7-year extension of the tariff defined as the average market price of previous twelve months, with a floor of 74€/MWh and a cap of 98€/MWh to be updated annually with inflation from 2021 onwards, in exchange of a payment of 5.800€/MW from 2013 to 2020.

The Environment and Energy Ministry published in July 2014, Decree Law 94/2014 that allowed wind operators to increase the capacity of their operating wind farms up to 20%. The additional production generated by the increased capacity is remunerated at 60 €/MWh, whilst the remaining production is remunerated following the feed-in tariff scheme.

The Portuguese government, in its 2019 Budget, included an extension of the special energy tax (so-called CESE) to renewables. However, renewable facilities with licenses granted through public tenders are exempted. In line with the 2019 Budget, the 2020 State Budget envisaged that small producers (up to 20 MW) would be exempted from paying the CESE. Also, passive subjects with more than 60 MW under tariff schemes would also be exempted from paying the tax.

On 31 January 2019 Portaria 43/2019 on over-equipment "sobrequipamientos" ("SE") was published. The new Portaria set a new remuneration scheme for SE of 45€/MWh (non-indexed values) for 15 years, period after which the SE would be under the ordinary regime not being entitled to be under the tariff extension scheme set by D-L 35/2013. The new scheme exempts developers from requesting ERSE authorization to the SE.

On 3 June 2019 the DL 76/2019 was published. This DL is a comprehensive review of the legal basis of the Portuguese electricity sector. Regarding new renewable capacity, the Decree changes the order in which grid capacity reservation and production license are obtained. New projects will need to obtain the title of grid capacity reservation prior to applying for the production license. The Decree also introduces three ways to obtain grid capacity reservation, being one of them through competitive tenders.

Portugal launched its first utility-scale renewable energy auction in July 2019, for 1.4 GW of solar PV capacity. Developers could present two kinds of offers: one with a fixed price below €45/MWh and another with a variable tariff which included a requirement to pay compensation to the electricity system, depending on spot market power prices. Both systems would have a 15-year length.

In December 2019, the DGEG (Direção-Geral de Energia e Geologia) released regulation of the Licensing Monitoring Committee (Comissão de Acompanhamento dos Processos de Licenciamento) of the solar PV plants resulting from the 2019's Auction. This Committee was set up with the aim of contributing to the fulfilment of the obligations arising from the tender procedure, in particular regarding the deadline for obtaining the licence

In Portugal, a GO (Guarantees of Origin) system was launched starting in March 2020. Registration shall be compulsory for renewable producers above 5 MW and high efficiency cogeneration. Until 2021YE, renewable plants <1 MW and self-consumption ones will be exempted.

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In order to prevent further spread of the Covid-19, the state of emergency was declared by Presidential Decree no. 14-A/2020, of 18 March, as authorized by the Parliament's Resolution no. 15 A/2020, of 18 March 2020. DGEG suspended all deadlines linked to licensing procedures for all electrical projects after 16 March 2020. In particular, this suspension comprehends the deadlines for any administrative proceeding to be performed by solar promoters with projects awarded in the first solar auction (June 2019). The Emergency State was lifted on 2 May 2020 and replaced by the Calamity State.

On 27 March 2020 a new solar auction was announced by the Energy Secretary of State. Developers had to choose one of the following three remuneration schemes:

- A fixed guaranteed tariff structure, where the bids expressed a discount to a reference price, in €/MWh. Awarded projects would enter into an hourly two-side CfD with OMIP for 15 years. The CfD would be settled based on the actual price captured by the specific plant.
- A market scheme where the promoters bid for a contribution made to the National Electric System ("SEN") and where the promoters that bid the largest contributions would be awarded with the capacity title. Participants would then commit to pay this quantity for 15 years and their projects would get their revenues from participating in the electricity market on a merchant basis.
- A new system consisting of a market scheme for power plants incorporating a storage system, in which participants bid the value of the capacity payment that would like to receive in €/MW (MW of connection capacity). In exchange, they shall sign a "one-side" CfD contract ("available contract") with REN to protect the system against price spikes events.

On 31 March 2020 Law 3/2020 accompanying the State Budget was published setting the main policies and investments for the 2020-23 period. In terms of energy, the path to carbon neutrality in 2050 is set by confirming the 55% emission reduction target in 2030, promoting regional guidelines for carbon neutrality and envisaging the development of 5-year carbon budgets. Also, the main goals of the Portuguese National Energy and Climate Plan (NCEP) are also confirmed by the Law (preparation works for coal phase out, installations of 2 GW of solar PV in the next 2 years, reinforcement of existing onshore, promotion of hybrid and Energy storage, offshore wind, hydrogen, etc.).

Energy efficiency, e-mobility and economic incentives for decarbonization are also among the government priorities. On July 10 the Ministry Council officially approved the NCEP setting 2030 Renewable targets. The Plan commits to a 47% RES contribution that translates into 80% RES-E. According to the NCEP, Portugal expects to reach 9.3 GW of wind and 9 GW of solar PV by 2030.

Additionally, on 9 June 2020 the Council of Ministers approved the Supplementary Budget for 2020. The proposed law amends the State Budget law for 2020, allowing the materialization of the Economic and Social Stabilization Program.

On 10 July 2020 the Ministry Council officially approved the Portuguese National Energy and Climate Plan (NCEP) setting 2030 Renewable targets. The Plan commits to a 47% RES contribution that translates into 80% RES-E. According to the NECP, Portugal expects to reach 9.3 GW of wind and 9 GW of solar PV by 2030.

DL 35/2013 introduced the tariff extension regime for wind producers: in exchange of 5.8 k€/MW payment from 2013 to 2020, producers were entitled to enter a cap and floor regime of 74 and 90 €/MWh during seven years once the initial tariff is exhausted. Both payments and cap and floor values were subject to indexation:

- From 2013 to June 2020 based on the Kn factor, which envisages an annual adjustment for the difference between CPI and 2%
- After June 2021 with CPI, applied over the reference value

So far, ERSE has applied literally the indexation formulas, that is, individually on each year, without cumulation. Despacho n.º 6304/2021, published in June 2021, set that kn shall be applied on a cumulative basis, meaning that in 2020 the initial floor value of 74 €/MWh would change to 66 €/MWh. The Despacho mandated ERSE to regularize payments and to apply the new methodology in the next update to be applied already in July 2021.

The European Commission adopted in June 2021 a positive assessment of Portugal's Recovery and Resilience Plan. The Plan total 13.9 b€ of grants and 2.7b€ in loans and devotes 38% of its total allocation to measures that support climate objectives. This includes investments to finance a large-scale renovation programme to increase the energy efficiency of buildings or the promotion of energy efficiency and the use of alternative energy sources in industrial processes.

In January 2022, a new Decree Law governing the functioning of the SEN (National Energy System) was approved. The legislation had been under public consultation. The new DL has been structured into five fundamental axes, namely the administrative activity of control of the activities of the SEN, networks planning, the introduction of competitive mechanisms for the exercise of

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the SEN's activities, the active participation of consumers in generation activities and in markets, and, the legislative framework for the development of new realities (such as repowering, hybridization and storage). The DL also transposes into national law EU directive 2019/244 regarding internal electricity market rules and the Renewable Energy Directive.

Regarding renewables, the DL keeps the three options to obtain grid connection (general, agreement and auction) and includes a payment of 1,5k€/MW in the general case and an obligation to install self-consumption devices for the municipalities equivalent to 0.3% of the connection capacity (or a compensation of 1.5k€/MW). Also, the DL includes deadlines to obtain production licenses and set the obligation to generators to present a "decommissioning plan" for the facility. Repowering of power plants is allowed up to 20% or more, until the NECP targets are achieved (and the original remuneration scheme can be kept by the repowered assets).

In April, the first floating PV auction was held in Portugal. The auction intended to grant 263 MVA of connection capacity in 7 different lots with sizes ranging from 8 to 100 MVA. Under the auction, two modalities were possible: a contract-for-difference or a contribution to the SEN. EDP was awarded the Alqueva lot (70 MVA).

In April the Decree-Law 30-A/2022 was published, providing for exceptional measures to ensure the installation of renewable and storage capacity, hydrogen facilities and electricity transmission and distribution infrastructures. In line with the measures recommended by the European Commission (namely the REPowerEU Plan), the DL states that the Environmental Impact Assessment (IEA) of electricity generation projects, up until then, always mandatory, will only occur at the request of the licensing authority when there are indications that the project may cause significant impacts on the environment. The DL also aims to streamline administrative procedures for the issuing of opinions and authorisations within the IEA producer or in the analysis of environmental impacts. Regarding wind projects, the DL allows existing projects to inject all their production (without the limit of the administratively allocated injection capacity) as to guarantee the maximum possible production according to the installed power of each generation unit.

In June, the European Commission approved a year-long cap on the price of gas used for power generation. The measure, which applies to both the Spanish and Portuguese markets, will run until May 31, 2023. During the first six months of the application of the measure, the actual price cap will be set at €40/MWh. As of the seventh month, the price cap will increase by €5/MWh per month, resulting in a price cap of €70/MWh in the 12th month. The measure will be financed by the "congestion income" obtained by the grid operator as result of cross-border electricity trade between France and Spain and a charge imposed by Spanish and Portugal on buyers benefiting from the measure.

On 19th October 2022, a new Decree Law (DL 72/2022) was published, containing exceptional measures for the development of renewables and energy storage. The Decree Law (DL) amends DL 30-A/2022 (approved in April 2022), including additional measures. In terms of permitting, the DL focuses on the licensing of urban development operations (building process). Projects below 1 MW (or equal to 1 MW) will not need approvals (only a responsibility declaration will be required). Projects above 1 MW will need to be communicated and all the documentation will need to be shared with municipalities. Municipalities will have 8 days to reject the project (only a pre-defined list of reasons may apply) or ask for more information. In any case, the rule of tacit approval applies. In addition, this DL introduces a new compensation for municipalities (a compensation of 13.5k€/MVA of connection capacity will be granted and funds will be provided by the Environmental Fund). According to the DL, agreements between the TSO and developers for infrastructure reinforcement will prioritize projects that already have a positive or conditioned positive EIA. Also, the test period for projects of the 2019, 2020 and 2021 solar PV auctions will be increased by 12 months (from 12 to 24 months) in order to allow producers to benefit from a longer merchant exposure period (provided that producers respect their COD deadline). Finally, the regulation allows FITs and CfD strike prices awarded in auctions to be exceptionally indexed to CPI from the year of award to the actual COD.

On 7th December 2022, the Council of Ministers approved the decree-law that initiates the reform and simplification of licensing in environmental matters, through the elimination of redundant licenses, permits and procedures. Through the reduction of administrative burdens, the DL intends to simplify the permitting procedure, and boost investments, without prejudice to compliance with environmental protection rules. For instance, Portugal is to cease requiring environmental impact assessments (EIA) for some wind, solar and green hydrogen facilities, from March 2023. Hydrogen and PV installations that occupy surfaces of less than 100 hectares, as well as wind turbines that are separated by more than 2 kilometres, will not need environmental approval. This regulation is part of the first package of the so-called "Simplex" licenses, which is a package of measures to amend the environmental rules for the development of hydrogen and renewable energy projects.

Regulatory framework for the activities in France

The electricity sector in France is primarily governed by Act 2000-108 passed on 10 February 2000, which constitutes the general legislative framework for the operation of generation facilities.

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Act 2000 allowed wind operators to enter into long-term agreements for the purchase and sale of their energy with electricité de France (EDF), the national incumbent. The tariffs were initially set in 2006, then updated in the "Arrêté du 17 novembre 2008" at the following level: i) during the first ten years of the EDF Agreement, EDF would paid a fixed annual tariff, set at €82/MWh for wind farms that had made the application in 2008 (after 2008, this tariff was updated using an inflation-related index); ii) During years 11 to 15 of the EDF Agreement, the initial tariff would be revised considering the load factors achieved by the facility iii) After year 16, no specific support scheme would be granted (wind farms would need to sell the energy in the market and would receive market prices).

In July 2015, the "Energy Transition Bill", whose aim was to build a long-term and comprehensive energy strategy, was passed. In 66 articles, the bill included ambitious emission reduction targets while it also targeted to reduce fossil fuels use (including nuclear). Regarding renewables, the Energy Transition Bill increased the renewable target up to 32% by 2030.

A new Contract-for-difference (CfD) was released in December 2016 in line with the European "Guidelines on State aid for environmental protection and energy 2014-2020". According to this new scheme, wind farms having requested a PPA in 2016 would receive a 15-years CfD, being the strike price (and the terms of the tariff) very similar to the previous feed-in tariff.

From 2017 onwards, wind farms of more than 6 wind turbines (and more than 3 MW per turbine) would need to participate in competitive tenders to obtain a 20-year CfD. The first tender was held in November 2017. However, smaller wind farms (with 6 turbines or less, and 3 MW per turbine or less) would be exempted from participating in tenders.

On 27 November 2017, the "Pluriannual Energy Planning" (PPE) was released. According to the PPE, 40% of the energy would be produced from renewable sources by 2030.The PPE included different targets for renewables: 35.6-44.5 GW of solar capacity, 34-35.6 GW of onshore wind and 4.7-5 GW of offshore wind, by 2028.

On 29 November 2017, the government approved the Décret 2018-1054 aimed at accelerating legal procedures following claims against the administrative authorization of wind farms. In particular, the Decree removes the two-level court system in the event of litigation.

The third offshore round took place in March 2019 with all major players participating (grouped in 10 consortiums).

The French Parliament approved on 26 September 2019 the so-called "Energy and Climate Law", committing the country to carbon-neutrality by 2050. The adoption of the Energy-Climate law constitutes a major step toward achieving the government's ambition to address climate change by becoming carbon neutral by 2050. This objective represents a reduction of France's greenhouse gas emissions by a factor of more than six compared to 1990's emission level. In order to achieve carbon neutrality by 2050, the Energy-Climate law provides for the reduction of fossil fuels consumption by 40% by 2030 (instead of the previous 30% target) and for the end of coal-based electricity generation by 2022. The law provides that the share of nuclear in the electricity mix should be reduced to 50% by 2035.

Regarding wind energy, the law redefines the authority responsible for permitting onshore wind projects. Concerning offshore wind, the law also includes a higher target of auctioning 1 GW of capacity until 2024 (doubling the volumes defined by France's initial energy plan published in January 2019).

A new version of the PPE (Programmation Plurianuelle de l´Énergie) was approved in 2020, in line with the final version of France's NECP (National Energy and Climate Plan). It increased offshore wind targets vs. the previous version whilst decreased solar PV's. In total, the PPE sets that France will need to achieve between 33.2 and 34.7 GW of onshore wind in 2028, 5.2-6.2 GW of offshore wind and 35,1-44 GW of solar PV. The PPE also includes a schedule of tenders to be held between 2020 and 2034.

The French Assemblée Nationale approved on 21 March 2020, a law introducing the "State of health emergency" during the coronavirus pandemic. The law includes measures limiting private liberties (such as lock-downs and requisitions) and contains provisions regarding postponing the second round of the French municipal elections, economic measures to support the economy and other measures impacting the French justice and labour law. Measures easing restrictions across the country were applied from May 11. Economic rescue packages could amount to up to 110 billion euros, and will include guarantees, loans, moratorium on debt repayments, among others. In the renewables sector, extensions of several deadlines have been envisaged to cope with delays and the sector has itself been declared "strategic". Test periods for CR16 and CR17 projects have been extended 3 months. Additionally, a 7-month extension of COD deadlines has been announced but will be restricted to wind and solar projects with (i) COD initially scheduled after March 12th, (ii) remuneration scheme granted before or during the period March 12 to June 23 and (iii) nominal capacity less than 200 MW.

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On 8 September 2020 France published a hydrogen commitment, exceeding previous European national strategies, by pledging 6.5GW of electrolyser capacity by 2030. The plan came after the French government announced an economic recovery plan due to the coronavirus outbreak of €100bn, including €30bn entirely devoted to ecological transition. The newly hydrogen strategy included a commitment of €7bn budget for low-carbon hydrogen between 2020-2030.

The European Commission endorsed in June 2021 the French Recovery and Resilience Plan. According to it, the EU will disburse 39.4 b€ in grants. The Plan devotes 46% of the total allocation to measures that support climate objectives. It features significant investments in R&D and innovation, in particular in the field of green technologies that should promote they deployment of renewable hydrogen.

In April 2021, the Energy Regulator (CRE) released the new set of rules ("Cahier des Charges") that will govern auctions (both technology-specific and neutral) from the second half of 2021 until 2026. According to the document, there will seven types of tenders for a total of 34 GW of new renewable capacity (including: (i) ground-mounted solar PV, ii) building-mounted solar PV, (iii) onshore wind, (iv) hydro, (v) innovative solar, (vi) self-consumption and (vii) technology neutral tenders). Winning projects will be supported by 20-year CfD. The European Commission gave green light to the Cahier des Charges in August 2021, under the EU State aid rules.

Law No. 2021-1104 on combating climate change and strengthening resilience ("The Climate and Resilience Law") was adopted on 24 August 2021. The law is regarded as a text aiming at supporting the ecological transition by helping France reach its 40% emission reduction targets by 2030. In particular, the law seeks to improve the air quality of large cities, support building renovation, promote electric mobility, among other objectives. Regarding solar PV, a cost reduction for the grid connection of small PV systems is included, and the solarization of new buildings. With regards to onshore wind, the law finally did not include a right for mayors to veto wind projects (they will be mandatorily consulted prior to any work but won´t have a right to veto). Finally, the law includes several provisions seeking to accelerate/streamline renewables development. For example, in order to ensure better implementation of renewable targets, specific targets will be set at a regional level, with local authorities having to implement specific territorial objectives.

In February 2022, the so-called "Law 3DS" was adopted. It allows municipalities to define specific zones for onshore wind deployment by modifying urbanism plans. However, such modifications shall be based on a public consultation and details will be detailed in an upcoming decree.

Two auctions under the 2021-2026 framework were held in the first half of 2022. On April 15th, the second onshore wind auction was held, in which 925 MW were offered in the auction, with a ceiling price of 70€/MWh. On May 20th, the second on-the-ground solar PV was held, offering 700 MW, with a ceiling price of 90€/MWh.

In April 2022, a decree revising eligibility conditions to benefit from the so-called "complement de remuneration" (CR17 scheme) was issued. According to the decree, a 137 meters tip height limit will be introduced, starting the 1st of July 2022 (except for projects from cooperatives or majority-owned by municipalities). Wind farms wishing to be included in the scheme, will need to prove they comply with the civil/military aeronautical restrictions as well. The new eligibility criteria are also extended to repowered assets and storage-collocated ones.

In May 2022, a decree defining the terms of the tender procedure for the development of electricity storage capacities was published. The decree stipulates that once the TSO has received guidelines from the Energy Ministry, it will draw up draft specifications for the call for tenders in compliance the specified conditions and organize then a consultation on the project.

Emergency measures aimed at improving the profitability of renewables were issued during the summer of 2022. These measures have been designed for both tender and CR17 frameworks:

- Regarding tender's: on 30th August, an amendment to previous tenders' specifications was published to allow secured projects (from previous rounds) to sell the energy on the market and extending by 18 additional months the window to start the CfD contract. Therefore, projects with COD up to 31st January 2024 and before the end of their window are allowed to access the market.

- Regarding CR17: on 31st December the revision decree was published and implemented the same measures for projects requested before 1st July 2022 and projects with COD between 1st September 2022 and 31st December 2024.

On 16th November 2022, the Cahier des Charges was once again updated, including new rules for upcoming tenders. As a first measure, ceiling prices applicable to the upcoming rounds will not be disclosed in order to prevent manipulative strategies. Also, the new "K" indexation will be included and applied between the application date and the COD, while the "L" indexation formula

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(to be applied on an annual basis from the start of operations) is also revised. For wind, the price score formula is revised in order to be the same than the one for PV projects (to reduce the weight on collaborative features). For solar PV projects: (i) all capacities are homogenized as being MWp, (ii) volumes reserved for agricultural projects are increased to 250 MWp and requisites are detailed, (iii) the competition clause is better formulated to cover all cases and (iv) a dismantling guaranteed for projects over 10 MWc is introduced (10k€/MWc).

On December 31, the Finance Law for 2023 was officially published. In particular, article 54 transposes EU regulations addressing high energy prices through cap prices. These cap prices will apply from June 1st 2022 to June 30th 2023 with a 10% abatement, and from July 1st to December 31st 2023 with an abatement to be defined later by decree. Cap levels are defined by technology, with solar, wind and nuclear being subject to a 100€/MWh cap price. Exemptions are also settled by the legislative text, in particular FITs and CfDs are exempted, including extension periods going merchant granted under emergency measures. Regarding PPAs, they will be subject to the cap and regulations include an anti-abuse clause to prevent sector agents to avoid the cap by lowering prices during these periods. The previous measured has no impact in the EDPR portfolio in France.

Regulatory framework for the activities in Poland

The legislation applicable to renewable energy in Poland was initially contained in the "Energy Act" passed on 10 April 1997, which was subsequently amended in 2002 and 2004.

The Energy Act introduced a Green Certificate scheme with mandatory quotas. According to the scheme, energy suppliers are required to: a) purchase GC and submit them to the Energy Regulator, or b) pay a substitution fee calculated in accordance with the Energy Act. If suppliers fail to meet their obligation (either the submission of GC or the payment of substitution fee), they must pay a fine, equal to 130% of the substitution fee in that year.

The Green Certificate scheme was replaced in 2015 by a new system, consisting in Contracts-for-Difference (CfD) granted through competitive tenders. However, the law guaranteed that the GC scheme would be maintained (with some adjustments) for operating plants. The law also introduced the possibility for operating plants to voluntary shift to the CfD system, through specific tenders for operating assets.

In June 2016, after a long approval process, the so-called "Wind Turbine Investment Act" was approved, including (i) new minimum distance for new wind farms and (ii) higher real estate tax burden.

In July 2017 a new methodology to calculate the substitution fee was approved. According to the new formula, the substitution fee would be calculated every year as 125% of the average CG market price of the previous year capped at 300PLN.

In October 2018, the Energy Regulatory Office published a call for the first auction in Poland in which wind onshore and solar PV with capacity above 1MW could participate to get a 15- year CfD. The first auction was held in November 2018.

Poland's National Energy and Climate Plan (NECP) was sent to the European Commission in December 2019. The Plan targets a 23% share of renewable energy in 2030. In addition, the share of renewables in electricity generation will rise to 32% in 2030. Onshore wind installed capacity could increase up to 9,6 GW in 2030 while offshore wind to 3,8 GW in 2030 and 8 GW in 2040.

On 13 March 2020, the Minister of Health announced a state of epidemiological threat in Poland, which is a legal situation aimed at introducing measures to reduce the spread of COVID-19. Following the announcement, some restrictions were approved, including the prohibition on entering the territory of Poland for foreigners, the obligation of a 14-day home quarantine or the suspension of all international flight and railway connections, among others. The restrictive measures started to be lifted on April 20th. Several economic relief measures, the so-called government anti-crisis shields, were approved since the start of the state of epidemiological threat. In particular, the following ones apply to renewable producers:

- renewable projects awarded in the 2018 and 2019 auctions would benefit from COD extensions (up to 12 months), if some delays are proved (for example, (i) delays in the delivery of equipment that is part of the installation, (ii) in the construction or (iii) the grid connection, among others);
- also, power companies will be obliged to adjust in the grid connection agreements the date of the first delivery, considering the deadlines extensions.

In February 2021, the Polish Government announced the approval of the "Poland's energy policy until 2040", which is based on 3 pillars: a just transition, a zero-emission energy system and a good air quality. According to the document, in 2040, zero-emission sources will constitute more than half of the installed capacity, with special focus on offshore wind and nuclear power plants. Due

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to the adopted assumptions, the use of coal for electricity production is expected to drop to 37% in 2030 (being the current level 70%) and 28% in 2040.

After months of consultations, the offshore wind law was finally published in February 2021. The law set the regulatory framework for the development of offshore wind energy in the Baltic Sea. The regulation approved a new remuneration scheme for offshore wind, that will be introduced in two phases. In the first one, support will be granted by administrative decision (for a total of 5,9 GW). Then, in a second phase, support will be granted via competitive auctions, with the first auction taking place in 2025.

In May 2021 Poland submitted to the European Commission its National Recovery and Resilience Plan. Poland has requested a total of 23,9 b€ in grants and 12,1 b€ in loans. The Polish Plan is structured around five pillars of resilience of the economy, including green energy. In particular, it includes measures improving air quality and the development of renewable energy sources. The EU Commission will now assess the Polish plan within the next months and translate its contents into legally binding acts if all the criteria are met.

A new renewable auction was held in June 2021, awarding CfDs to 1,2 GW of solar PV and 0,3 GW of onshore wind.
In August 2021, new GC quotas for the year 2022 were announced: 18.5% for green certificates (below 19.5% in 2021) and 0.5% for the so-called "Blue certificates" (that confirm that the energy is produced from agricultural biogas).

The President of the Republic signed an Act amending the Renewable Energy Act on 17 September 2021. Key changes include extending the period of auctions for sale of energy from renewables until the end of 2027 (thus, extending CfD maximum delivery date to June 2047) and setting auction volumes for the period 2022-2027 in a single regulation of the Council of Ministers. The law also modifies the period of settling a negative and positive balance (the period is extended from 10 to 15 days) and provides for modified rules for settling positive balances. The Amendment also simplifies the way in which the Spatial Planning and Land Development Act applies to investors. In particular, the Amendment modifies the capacity limit for RES and allows free-standing photovoltaic devices with a capacity of up to 1 MW to be constructed on poor-quality agricultural lands or on rooftops (without capacity threshold), regardless of whether the municipality's study designates such areas as being potential locations of RES investments.

The European Commission approved, under EU State aid rules, these amendments of the Renewable Energy Law.

On 30th March 2022, following the Russian invasion of Ukraine, the polish government announced a plan to abandon the import of energy resources from Russia. According to this plan, renewables and nuclear are expected to become the pillar to achieve energy independence from Russia. As a first step, Poland stopped coal imports from Russia in April 2022. Later, in June 2022, the Polish Prime Minister confirmed that Poland would subsidize coal for domestic use, mainly heating, to control inflation derived from high energy prices. Oil imports would stop by the end of 2022 (although at the end of 2022 Poland kept importing oil from Russia, suggesting that oil ban could be delayed).

The final regulation to reduce green certificates quota from 18.5% to 12% in 2023 was released (OJ 2022 pos. 1566).

A new set of amendments to the RES act was published. It included: (i) the flexibilization of the use of substitution fee by suppliers: new wording allows to pay the substitution fee if the previous 3-month average is above previous year average (previously, if Green Certificates average prices of the previous 3 months and previous year, were below the substitution fee, Green Certificates had to be cancelled); (ii) extension of the deadlines to COD for solar PV plants awarded in auctions (33 months vs previous 24) and (iii) introduction of a new definition of hybrid power plant.

On 13th October 2022, the Council of Ministers adopted the Ordinance on the maximum quantities and values from Renewable Energy Sources that may be sold through auctions in subsequent years 2022-2027.

On 27th October 2022, an Act on Emergency measures was released. It sets a cap on electricity costs for certain consumers to be financed by a clawback mechanism on inframarginal technologies. This clawback is calculated as sum of the volume of electricity sold multiplied by the positive difference between the volume-weighted average market price of electricity sold and the volume-weighted average capped price of electricity sold - for a given day. The cap was originally set at 295 PLN/MWh for non-CfD wind assets and 355 PLN/MWh for PV, applying from December 2022. These caps were increased by 50 PLN/MWh in December 2022, setting new cap at 345 PLN/MWh and 405 PLN/MWh respectively. For assets with a CfD in place, the cap is set at the strike price. The scheme envisages that all revenues above the cap had to be reimbursed to a Fund. However, only PPAs with physical delivery or financial PPA with a final consumer and linked to physical delivery, were finally considered for the purpose.

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Regulatory framework for the activities in Romania

A Green Certificate mechanism was introduced in Romania in 2005 to promote renewable energies and to comply with the European renewable targets. According to this scheme, electricity suppliers and industrial consumers are obliged to source a certain amount of GC every year (a fine is applicable if this annual quota is not met). On the other side, renewable generators receive GC by each MWh produced.

Law 220/2008 of November, introduced some changes in the initial GC system, improving the framework for renewable generators. In particular, it increased the amount of GC to be received by wind generators (from 1 GC/MWh to 2 GC/MWh until 2015 and 1 GC/MWh from 2016 onwards). The law also guaranteed that the trading value of GC would have a floor of 27€ and a cap of 55€.

Law 123/2012 of 19 July 2012 on Electricity and Natural Gas eliminated the provision of bilateral contracts not publicly negotiated as a mean to sale electricity. Thus, the trading of electricity could only be carried out on a centralized market.

The Romanian Parliament approved Law of 17 December 2013, introducing several changes to the GC scheme and in particular:For operating renewable plants: decision to postpone (or "freeze") part of the granted GC:

- wind generators would have 1 GC (out of 2 GC) postponed from trading from 1 July 2013 to 31 March 2017;
- solar generators would have 2 GCs (out of 6 GCs) postponed from trading from 1 July 2013 to 31 March 2017;
- postponed GC would be gradually recovered until 31 December 2020 (starting on 1 April 2017 for solar PV and 1 January 2018 for wind).

For new renewable plants: decision to reduce the amount of granted GC:

- wind facilities would receive 1.5 GC/MWh until 2017 and 0.75 GC/MWh from 2018 onwards;
- solar facilities would only receive 3 GC from 1 January 2014 onwards;
- these GC could be immediately traded.

On 24 March 2014, the President of Romania approved EGO 57/2013 with the following amendments: (i) Reduction of the GC validity from 16 months to 12 months; and (ii) the obligation for ANRE (Energy Regulator) to communicate in each year the GC quota for the following year. Other amendments were introduced in 2015 by Law 122/2015. Among other changes, the law included: (i) supplier's obligation to purchase GC on a quarterly basis (ii) the inclusion of imported electricity in the GC scheme, and (iii) the removal of the right to receive GC for the electricity sold at negative prices.

In March 2017, the government approved a new emergency ordinance (EGO 24/2017) to further amend the renewable law 220/2008. As expected, the GC scheme was extended until 2031 (GC will remain valid until March 2032). The Ordinance also confirmed the removal of the indexation of the GC parameters (GC floor would remain fixed at 29,4€ and GC cap would be fixed at 35€). Regarding wind energy, the ordinance approved the extension of the GC recovery period from 2018 to 2025, while solar PV's GC postponement was extended until the end of 2024 (the recovery will take place from 2025 to 2030).

The State of emergency was declared on 16 March 2020, through presidential Decree 195/2020. The Decree aimed at controlling the spread of COVID-19. Among others, the Decree included restrictions of certain rights (introducing for example compulsory quarantines). It also included the possibility of price controls for certain goods and/or services (for example, of electricity prices). The State of emergency was subsequently extended until May 16th. During the State of emergency period, the government released several economic relief measures such as extension of payment deadlines for local taxes, a tax debt restructuring program, a reduction of the monetary interest rate, among others.

ANRE published Order 61/2020 of 31 March 2020 stating that negative prices would be allowed from September 2020 in line with Order 236/2019.

Emergency Ordinance 74/2020, amending the Energy Law 123 was approved on 14 May 2020 allowing PPAs signed outside the centralized markets for new renewable projects operating from June 2020.

In June 2020, the Romanian Energy Ministry proposed a Memorandum with the basic characteristics of a potential CfD scheme, addressed at low carbon technologies (renewables, CCS and ESS).

On 9 December 2020 Order no. 213/2020, approving the single imbalance price was finally published on the Official Gazette (in force since February 2021). The methodology introduces a single imbalance price except for those cases when the system is

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almost balanced when a double price is calculated. The implementation of the new imbalance price was coincident with the 15-minute settlement introduction, in line with EU regulation.

Romania submitted its Recovery and Resilience Plan in May 2021. In September 2021, the European Commission endorsed the Plan, and will disburse €14.2 billion in grants and €14.9 billion in loans under the Recovery and Resilience Facility (RRF). The EC's assessment finds that the plan devotes 41% of the total allocation on measures that support the green transition. It includes measures to phase out coal and lignite power production by 2032.

On 29 October 2021, the Romanian Parliament Endorsed Law 259/2021, which approved and put into action Government Emergency Ordinance 118/2021. The Ordinance immediately came into force on 1 November. It contains measures to alleviate the burden of the current rise in energy price such as direct financial support and a reduction of taxes paid by end-consumers. For example, the Law added a price cap mechanism until 31 March 2022 which applies to household customers and other selected customers (hospitals, NGOs, etc) to cap the final price for electricity to RON 1/kWh and natural gas at RON 0,37/kWh. The differences between the average prices and the capped prices will be reimbursed from the state budget, through a separate budgetary expense.

Also, the Law includes a windfall tax for electricity producers: until 31 March 2022, the additional income obtained by electricity producers and resulting from the difference between the average monthly selling price of electricity and the price of RON 450/MWh will be taxed at 80%. However, this tax only applies to CO_2-free generation facilities and will not apply to producers of electricity based on fossil fuels, including cogeneration.In October 2021, the Romanian Parliament endorsed Law 259/2021, which approved and put into action the Emergency Ordinance 118/2021. The Ordinance immediately came into force on November 1st. It contained measures to alleviate the burden of the current rise in energy price providing direct financial support and a lowering the amount of taxes paid by end-consumers. For example, the regulation set a price cap mechanism until 31st of March 2022 applying to household customers and other selected customers (hospitals, NGOs, etc) to cap the final price for electricity to 1 RON/kWh and natural gas at 0.37 RON/kWh. The differences between the average prices and the capped prices would be reimbursed from the state budget, through a separate budgetary expense. The methodology of the calculation of this tax was clarified in March 2022, with the publication of the Emergency Ordinance 27 (EO 27), which added details and clarifications to the tax calculation methods, specifically including balancing costs and some financial costs. The Emergency Ordinance also extended the measures until March 2023.

In November 2021, Order 117-2021 established a new algorithm for the calculation of the estimated average impact on consumers of green certificates for the following year. The regulation sets that the maximum impact that the consumers would assume in order to support the Green Certificates scheme would be 14.5 €/MWh, but the algorithm uses the previous years' share of excess to slowly reduce the impact on consumers and make the reduction more progressive, with the final objective to allow the termination of the scheme in 2031.

On 31st March 2022, the Romanian Ministry of Energy launched a call for projects under a new scheme for supporting the development of new wind and solar PV plants. The support scheme was launched under Romania's recovery and resilience fund. Total budget amounts to 457M€, of which 382 M€ will be dedicated to wind and solar PV with over 1 MW of installed capacity and 75 M €for wind and solar projects with installed capacity between 0.2-1 MW. About 950 MW of renewable capacity could benefit from this support scheme. Applications to participate in the scheme were submitted between 31 March 2022 and 31 May 2022.

On 20th July 2022, the law 248 was approved. It established that electricity producers are obliged to trade, at least, 40% of the annual electricity production through contracts on the electricity markets, on markets others than PZU (DAM), PI (Intraday) and PE (Balancing Market). The law exempts generation facilities put into operation after 1st June 2020.

On 1st September, 2022, the EO 27/2022 was amended by the EO 119/2022, converting the tax into a Contribution to the Energy Transition fund and extending its application until August 2023. The tax was also increased to 100% and the new EO specified that financial costs and hedges would no longer be considered in the calculation of the tax.

On 23 rd November, a new Law was passed in the Parliament to introduce some amendments to the EO 119/2022. The Law extended the application of the EO until 31st March 2025. It also amended the calculation method, including financial hedges in the computation and capping balancing costs at 5% of the realised price. It also provides that offtakers of financial hedges (foreign counterparties of financial hedges) are subject to the Contribution to the Energy Transition Fund, to be withheld by electricity producers, calculated monthly as the difference between the PPA variable price and the 450 lei/MWh cap. It is unclear, however, whether the PPA variable price is the underlying market price or the PPA strike price.

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On 8th November, 2022, the Senate adopted the Law approving Emergency Ordinance 108/2022 on decarbonization of the power sector, setting out the coal phase out with closure of mines and generating plants by 2032. The Law sets out a calendar for the closure of coal and lignite mines and generation plants. It also foresees a technical reserve for the period of 2023-2030, with the possibility of postponing the closure of certain capacity under the request and the justification of the TSO. In the event of an energy crisis, the government is also allowed to postpone the closures or restart closed plants. Finally, the law also includes measures for the social and economic development of the local economy and affected regions.

On 11th November 2022, a new Emergency Ordinance was also published, establishing a centralized electricity purchasing mechanism from 1st January 2022 up to 31st March 2025. According to this mechanism, OPCOM would be the energy at 450 RON/MWh, to sell it at the same price to suppliers. This mechanism applies to non-Green Certified technologies (i.e., thermal, nuclear, hydro). ANRE published the list of companies affected by this obligation, but the volume of production and demand and purchased through this mechanism is still unclear. These amendments apply from 1st September 2022.

Regulatory framework for the activities in Italy

On 6 July 2012, the Government approved a new renewable framework by means of the Decree on Renewables (DM FER) introducing a feed-in-tariff support scheme. The key aspects of this regulation provided by the DM FER were the following: (i) wind farms over 5 MW would be remunerated under a feed-in tariff scheme defined by tenders; (ii) capacity to be tendered would be determined in line with the agreed technologies' capacity paths; (iii) the reference tariff for 2013 was 127 €/MWh for onshore wind and tender participants would bid offering discounts on this reference tariff (in %); (iv) The reference tariff would decrease 2% per year and (v) tariffs would be granted for 20 years.

The new system replaced the previous one based on GCs. Under the previous system, producers obtained their revenues from the sale of the electricity in the electricity market and from the sale of GCs. Wind farms built until December 2012 continued to operate under the previous system until 2015 (from 2015 onwards, the GC system was transformed into a feed-in-premium in which, for the remaining duration of the original incentive period, the value was set at 78% of the difference between €180 and the electricity price).

Spalma Incentivi Decree, published in November 2014, stipulated that wind farms under the GCs scheme could voluntarily adhere to an extension of the support period of 7 years in exchange of a permanent reduction of the premium/GCs received, being the coefficient of reduction calculated individually for each wind farm depending on their remaining regulatory life. As the option was voluntary, wind farms that refused to accept this change remained under previous GCs scheme.

On 10 November 2017, The Strategia Energetica Nazionale (National Energy Strategy), known by the acronym SEN, was presented after several months of public consultation. One of the main features of the SEN is that it included the complete phase-out of coal power generation by 2025, five years ahead of schedule. The SEN also highlighted the role of renewables and targeted that renewable energy would increase to 28% of energy consumption in 2030. According to the SEN, the RES-E (renewables in electricity production) would increase up to 55% in 2030.

The Italian Ministry of Economic Development signed in July 2019 a decree implementing a new set of auctions to be held between 2019 and 2021, seeking to allocate around 5,5 GW of wind and solar PV.

On 9 March 2020, a national quarantine, restricting the movement of the population was approved, in response to the growing pandemic COVID-19 . A gradual ease of restrictions started on May 4. Regarding the electricity sector, several measures were introduced, including a suspension of all bureaucratic terms for renewables since March 13, a relief of several reporting obligations, the implementation of transitory measures between 10 March and 30 June 2020 to limit the burden of imbalance costs and an extension of all permits expired during the emergency state of 90 days, among others.

On 27 April 2020, Italy presented its National Recovery and Resilience Plan (NRRP) which will support the implementation of the crucial investment and reform measures following the COVID-19 pandemic. The European Commission adopted a positive assessment of the Plan in June 2021. The Plan will provide € 68,9 b in grants and € 122,6 b in loans. The share of climate projects is 37% of the total and, to achieve a progressive decarbonization, interventions are planned to significantly increase the use of renewables.

The Italian government released the so-called "Decreto Semplificazione" in May 2021 and was officially converted into law in July. The Decree seeks to simplify administrative procedures (in particular, regarding public procurement and concessions). It defines the regulatory framework aimed at simplifying and facilitating implementation of the goals and objectives established in its "National Recovery and Resilience Plan" and in its "National Energy and Climate Plan". It also rationalizes the role of the Minister

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of Culture, whose opinion won´t be binding in locations outside protected areas, and it provides a series of measures aimed at streamlining the obtention of the VIA (environmental authorization).

In December 2021, the GSE announced the 8th auction under DM FER 19. The auction was held in February 2022. Out of the 2,346 MW available for "Bloc A" projects (onshore wind and solar PV, utility scale), only 306,5 MW (of which 40 MW of onshore wind) were selected in the auction, which was highly undersubscribed. The average price was 65.05 €/MWh, close to the ceiling price of 65.15 €/MWh. The remaining 2 GW (capacity not awarded in previous rounds) was auctioned in June 2022.

A new decree was published in the Italian Official Gazette no. 21 of 27 January 2022, setting "urgent measures to support businesses and economic operators as well as to limit the effects of price increases in the electricity sector". It was repealed and replaced the 25th February by DL nº 23, slightly modifying Article 16, in which the clawback measures are defined. Under new wording, clawback affects certain RES with a COD previous to 1st January 2010:

- Solar plants (>20kW) with fixed premium schemes and non-incentivized plant (>20kW)
- The measure excludes PPA's when the contract does not exceed by more than 10% the reference price
- The clawback measure, applying from 1st February to 31st December, introduces a 2 ways CfD scheme at what is
- considered as the reasonable price for the mechanism (ca. 60 €/MWh). Revenues over this value are reimbursed.

In March the government approved "DL Tagliaprezi" a potential clawback through a 10% one-off levy on producers and sellers of electricity, natural gas and petrol products. The measure needs to be approved in 60 days

The measure applies to profit margins which rose by more than 5 million euros during the Oct. 2021 - March 2022 period compared to a year earlier, excluding cases where the profit margin rose by less than 10%.

In March 2022, the Minister of Ecological Transition announced a plan to replace Russian gas imports in the next 3 years.

In May 2022, the so-called "DL Aiuti" (Decree-Law no. 50 of 17 May 2022) aimed to counteract the high energy prices effects on consumers, was approved. The Decree increased the one-off levy on producers and sellers on electricity, natural gas and petrol products from the initial 10% (previously approved in March 2022) to 25% and extended the period one extra month (up to April 2022). The Decree also introduced significant permitting simplifications, aimed at facilitating the development of new renewable plants.

On 21st September 2022, the so-called "DL Aiuti Bis" was approved. It extended the clawback tax introduced by Sostegni TER from 11 to 17 months (from 1st February 2022 to 30th June 2023). This levy introduces a 2-way CfD scheme at what is considered to be a "reasonable price" for the mechanism (around 60€/MWh). Revenues over this value are reimbursed. The scheme only applies to some renewable projects with a COD before 1st January 2010 (it doesn´t apply to any EDPR project).

On 21 November 2022, the Council of Ministers approved a new Budget Law, which was then ratified by the Parliament on 29th December. The new budget will be financed, among others, by a retroactive increase of the windfall tax to 50% (previously set at 25%) that applied in 2022 to producers and sellers of electricity, natural gas and petrol products. This model replaces former VAT declaration-based model, which was implemented until middle 2022. The taxable base is defined as the portion of total income determined for corporate income tax purposes that exceeds by, at least, 10% of the average total income determined for corporate income tax purposes earned in the 2018-2021 period. The amount of the extraordinary contribution shall not exceed 25% of the equity value of the assets at the end of 2021. The contribution is to be paid by June 2023.

Also, in line with EU regulation, from 1st December 2022, to 30th June 2023, a price cap (of 180€/MWh for wind and solar) shall be applied to market revenues of inframarginal technologies through a one-way compensation mechanism. The settlement is to be done on a monthly basis, with the average captured price. In case of plants under one-way incentives schemes, the reference price will be equal to the maximum value between 180€/MWh and the tariff.

Regulatory framework for the activities in Greece

Renewables projects in Greece are supported by 20-year feed-in premiums (Contracts-for-Difference) awarded through auctions. The first full-scale renewables auction was held on 2 July 2018, with 277 MW of capacity awarded.

On 15 April 2019, the first technology-neutral renewable auction (for onshore wind and solar PV) was held.

In December 2019, Law 4643/2019 on the liberalization of the Greek energy market, the modernization of the Public Power Corporation (PPC), the privatization of the Public Natural Gas Company (DEPA) and the support of the renewable energy sector,

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was passed. The law introduced significant changes to the electricity market. Regarding renewables, the law set out the possibility to renewable plants with a capacity exceeding 250 MW (or aggregated capacity at the same connection point exceeding 250 MW) to directly agree with the Ministry of Environment and Energy a selling price (provided the EU Commission gives the green light). The law also stated that renewable generators under the fixed-tariff scheme had to be balancing responsible (although it is only applicable to renewable projects in operation after July 2019).

Greece, as all EU Members, submitted its National Energy and Climate Plan (NECP) in December 2019. It includes ambitious renewable targets (35% RES target by 2030) and the complete phase-out of coal facilities by 2028.

The government announced a total lockdown in the country starting on 23 March 2020, in an attempt to reduce new coronavirus cases. However, measures progressively started to ease on May 4.

The Greek government approved extensions of power facilities deadlines due to the COVID-19 crisis (legislative Act OG A'75/30.3.2030). The Act stated that installation licenses and binding grid connection offers which were about to expire would be extended 4 or 6 months (depending on expiring date). Also, deadlines for connecting projects which had been selected through auctions, would also be extended 4 or 6 months (also depending on the deadline).

The European Commission favourably reviewed Greece's electricity market in a 7th post-bailout report on the country's economy. It issued however a warning on the RES special account deficit, although it attributed the deficit to the pandemic. In November 2020 Greece launched into operation the "EU electricity Target Model", which is the basis for the development of the Single market in Europe. It includes a day-ahead, and intra-day and balancing market (the future market was already operating). Thus, the EU harmonization of the Greek electricity market is now effective. In addition, the Greek day-ahead market was coupled with the Italian one in December 2020 and with the Bulgarian one in May 2021.

On 9 December 2020, Law 4759/2020 introduced several measures to reduce the RES Account Deficit, which is the Fund that supports renewable projects. These measures were (i) a "one-time extraordinary contribution" of 6% on the turnover of 2020 for old renewable projects (projects that started operations before 31 December 2015) (ii) A "one-time emergency charge" on suppliers equal to 2€/MWh during 2021, (iii) an increased percentage of emissions allowances sales at 78% (vs. 65% previously), (iv) a green tax on diesel consumption of 0.03€/liter and (v) Re-orientation of revenues from the Special Fee for issuance of Certificate of Electricity Producer from RES currently paid to regulator.

On 23 August 2021, the government announced that the RES special account would be split into two, to protect producers' revenues. As a result, a new RES special account for projects operating since January 2021 will be created. This new account will be supported by the "Dynamic Renewable Charge", that will be paid by electricity suppliers and then passed on to their customers.

The European Commission adopted a positive assessment of Greece's Recovery and Resilience Plan in June 2021. Greece had requested 17.8 b€ in grants and 12.7 b€ in loans under the Plan. The Plan devotes 38% of Greece's total allocation to measures that support climate objectives, including upgrading the electricity network and strengthening the support scheme for producers of renewable energy sources, among others.

The European Commission approved in November 2021, under EU State aid rules, a €2.27 billion Greek scheme for the production of electricity from renewable sources and high efficiency combined heat and power (CHP). This approval came after Greece notified the Commission of its intention to approve a new scheme to support electricity for renewable sources. For both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure (although separate auctions are also envisaged in case targets are not met). Winning projects will be awarded two-way contract-for-difference contracts. The scheme is expected to start in March 2022 and will be opened until 2025.

In December 2021, the minister of energy published in the Official Gazette B 6250 the decision 123726/5096, defining technologies and categories of electricity generation units from renewables and Combined Heat and Power plants (CHP) eligible to apply for operational support. The listed categories and estimated timings are the following:

- Technology-specific competitive bidding procedures for PV above 0.5 MW and below 1MW until December 2022, and for solar PV below 1MW, wind above 0. 06 MW and below 6 MW, from January 2023 to December 2025.
- Competitive tendering procedures by region, to cover power margin for the interconnection Nea Makri – Polypotamos with Evia, the Cyclades and the second phase of Attica with Crete.
- Joint competitive processes until December 2025 for wind above 0.06 MW and solar PV above 1 MW (units from the technology-specific process are also eligible from January 2023).

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- Additionally, specific joint competitive processes for renewables with storage are included until December 2025, for wind and solar power plants above 10 MW with integrated electricity storage of guaranteed (useful) storage capacity of at least equal to 20% of the maximum hourly energy produced

Under this plan, a total of 3 GW of renewables are expected to be auctioned during the period 2022-2025, although there is no visibility on the expected volumes and timings for each year.

in July 2022 Greece implemented its own technology specific cap at 85 €/MWh for RES, differing from the one proposed at European level. The cap is implemented at the level of the day-ahead market hourly prices for one year but could be extended. It is also applicable to PPAs, both physical and financial. However, an exception for physical PPAs could be announced.

In August 2022Law 4951/2022 on permitting and EES was published. The Law defines several key measures aimed at accelerating the RES licensing process (it aims to shorten the overall RES licensing process from 5 years to 14 months). It also targets to increase connections to the grid throughout operational restrictions although it opens the door to output curtailment (up to 5% of the annual generation). It also includes an integrated framework for the development of storage projects.

In September 2022, the ministers of Finance and Environment and Energy issued a joint Ministerial Decree by which a windfall tax of 90% would be imposed to vertically integrated energy companies. According to it, monthly positive gross profit margins from October 2021 to June 2022, would be taxed at the announced rate

Regulatory frameworks for the activities in UK

A Energy Bill, that received royal assent on 18 December 2013, became law making the Contract for Difference (CfD) regime official in the UK. The UK Government also released the Electricity Market Reform (EMR) Delivery Plan on 19 December 2013.

In the new system, CfDs have a 15-year length for renewables (except for biomass conversions) and are granted through tenders. The "established technologies", which include onshore wind and solar PV, compete for budgets in different allocation rounds. Less mature technologies, such as offshore wind, compete in a separate "pot".

CfDs are based on a strike price for each technology. When the pool price falls below the strike price, generators receive a top-up payment. However, if it increases above the strike price, generators have to pay this difference back.

In June 2019, a new legally binding net-zero emissions target by 2050 was passed into law, amending Great Britain's existing 2008 Climate Change Act. The target will require the UK to bring all greenhouse gas emissions to net zero by 2050, compared with the previous target of "at least" 80% reduction from 1990 levels. In order to achieve the target, several measures are proposed, including the support to new renewables facilities through CfD awarded through tenders.

The UK officially left the EU on 31 January 2020, following the signature of the "Withdrawal Agreement" with the EU. The UK officially completed its economic separation from the European Union on 31 December 2020, after the end of the transition period in which the UK kept the same rules as the remaining 27 countries while it tried to negotiate a post-Brexit trade deal with the EU. After months of intensive negotiations, the UK and the EU announced a free trade deal on December 24. The agreement provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin. Regarding the energy field, the agreement provides a new model for trading and interconnectivity although the final day-ahead power market coupling rules between the EU and the UK are not expected to be in place until early 2022. In the meantime, interim arrangements will apply. The EU commission has also announced that there will be "ambitious" cooperation over renewable energy and climate action.

The Government announced on 30 June 2021 that the coal phase-out would be brought forward by a year, so that from 1st October 2024, no coal facilities could be producing electricity in the country.

In December 2021, the energy regulator (Ofgem) rose the energy price cap (the energy price cap limits the rates a supplier can charge for their default tariffs) and announced that updates would become more frequent (up until now, the price cap was updated on a 6-month basis). Accordingly, a new price cap of 1,971£ (vs. previous 1,277£) was set starting on April 1st to September 20th, 2022.

The Fourth Allocation Round ("AR4") bid window was opened from May 24th to June 15th, and results are expected in July, with more than 12 GW of renewables expected to be granted a 15-year contract-for-difference. The participating technologies were divided in 3 "pots", meaning that projects only compete with other projects on their same pot. All pots are subject, however, to a budget limit. Pot 2 (which includes wind onshore and solar PV, among other technologies) was the only one that was also constrained to a maximum capacity of 5 GW, with both onshore wind and solar PV having each a capacity cap of 3.5 GW.

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In February 2022, the government announced that upcoming CfD allocation rounds will be held annually. In March 2023, AR5 will be opened to applications.

In April 2022, the Energy Security Strategy was published. The key aim of the strategy is for the UK to achieve long-term independence from foreign energy sources and decarbonise the nation's power supply. The document announced new targets across the different sectors, including:

- Oil and gas: a new licensing round for new North Sea oil and gas projects expected to be launched in 2022, with the final aim to reduce gas imports
- Wind: new ambition to deliver up to 50 GW of offshore wind, a tenth of which would come from floating facilities
- Solar PV: ambition to deliver 70 GW by 2035
- Nuclear: total capacity expected to triple up to 24 GW by 2050, supplying around 25% of total electricity demand
- Hydrogen: the government has doubled its ambition to increase hydrogen production, with a new target of 10 GW by 2030, with at least half of this being electrolytic hydrogen

In April 2022, Ofgem announced the removal of Balancing Services Use of System (BSUoS) charges from generation. BSUoS charges are the means by which the Electricity System Operator recovers costs associated with balancing the electricity transmission system. Starting in April 2023, these charges will only be collected from final demand (electricity consumers, excluding generators and electricity exports).

On 19th July 2022, National Grid published the Capacity Market Operational Plan for 2022/2023. The government has set a target of 5,8 GW for the 2023-2024 year ahead (T-1) and 42.4 GW for the 2026-27 four-year ahead (T-4) capacity auctions, to be held in February 2023.

On 27th September 2022, the UK government launched the "Growth Plan 2022" aimed at reducing inflation and supporting growth in the short term. To this end, it includes a wide range of measures, being some of them aimed at speeding up renewables' deployment (increasing renewables capacity by 15% in 2023). The Plan mainly focuses on onshore and offshore wind, hydrogen and carbon capture projects. It also contains measures to accelerate infrastructure delivery, in particular to accelerate onshore wind deployment. A "New Energy Supply Task Force" is also created, aimed at reshaping the electricity market to reduce gas dependency and eventually, reduce electricity prices. The Plan also announced the creation of the "Energy Market Financing Scheme", which will help energy companies facing high and volatile energy prices to address liquidity issues.

On 17th November, the British government announced a windfall tax on energy companies that were making extraordinary profits due to the spike in energy commodity prices. The so-called "Electricity Generator Levy" replaces the "Cost Plus Revenue Limit" announced during the Truss Interlude. The Levy will apply to nuclear and renewable generators, excluding those with CfD contracts. The windall tax will be calculated on an annual basis and is to be collected by HM Revenue & Customs (HMRC) in the same way that as a corporate tax and similar to the EU revenue cap. It will only apply to "excess" profits above 75 GBP/MWh. The Levy will apply from 1st January 2023 until 31st March 2028, but if market prices return to "normal" levels, the windfall tax would decrease accordingly. This measure has not impact to EDPR portfolio in UK.

Regulatory frameworks for the activities in Brazil

The Electricity Sector in Brazil is regulated by Federal Law nr 8,987 of 13 February 1995, which generally rules the concession and permission regime of public services; Law nr 9,074 of 7 July 1995, which rules the grant and extension of public services concession or permission contracts; Federal Law nr 10,438 of 26 April 2002, which governs the increase in Emergency Electric Power Supply and creates the 3,300 MW Program of Incentives for Alternative Electricity Sources (PROINFA); Federal Law nr 10,762 of 11 November 2003 and Law nr 10,848 of 15 March 2004, concerning commercial rules for the trade of Electric Power; and, subsequent amendments to the legislation.

The institutions that ensure a proper development and functioning of Electricity Sector in Brazil are: a) the Energy Research Company ("EPE"), responsible for long term planning in the electric sector; b) the Electric Sector Monitoring Committee ("CMSE"), responsible to continuously assess the security of electricity supply, c) the Chamber for the Commercialization of Electric Energy ("CCEE"), an institution dealing with commercialization of electricity in Interconnected System, d) National Electricity Regulatory Agency ("ANEEL"), responsible for regulating and inspecting the electricity sector, as well as establishing the tariff for the consuming public and promote energy auctions together with MME, EPE and CCEE; f) Ministry of Mines and Energy (MME) responsible for the creation and implementation of policies, acting as the Conceding Authority; g) the National Electric System Operator (ONS), which is responsible for the coordination of real time operation and supervision of the energy generation and transmission grid.

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Federal Law nº 9,427 of 26 December 1996 establishes the possibility of Renewable Energy producers to sell directly to the final consumer(s) (aggregated demand > 500kW), at any voltage level. As part of the regulatory incentive framework, Renewable Energy producers (small hydro, biomass, wind and solar) are granted a reduction of, at least, 50% in the Distribution and Transmission System Use Tariff (TUSD and TUST) provided that pre-defined rules are met. The Law nº 13,203 of 8 December 2015 extended the subsidy for larger solar, wind and biomass plants.

Renewable energy production from plants which receive the above-mentioned subsidy is defined as "incentivized energy", while the electricity production from no-incentivized sources is defined as "conventional energy". Special Consumers, the ones which consumption demand is above 500 kW and under 3 MW, are allowed to purchase electricity only from incentivized sources. Since July 2019, the minimum demand is gradually reducing, so that, as of January 2023 those Special Consumers will be allowed to purchase incentivized or conventional energy by their own free choice.

The Decree nr 5,025 of 30 March 2004, regulates the Federal Law nr 10,438 and states the "Alternative Energy Sources" economical and legal framework. PROINFA participants have granted a PPA with ELETROBRÁS, and are subject to the regulator (ANEEL) authority.

The Decree nº 5,163 of 30 July 2004 regulates the Federal Law nº 10,848, establishing two trading environments for sale and purchase energy: the Regulated Contracting Environment ("ACR"), with the participation of energy producers, traders and distribution agents, and the Free Contracting Environment ("ACL"), in which Producers, Traders, Importers & Exporters and Free Consumers participate.

In the ACR, distribution companies are allowed to buy "distributed energy" (local generation), by observing a limit of 10% of the total demand of each distribution agent. In terms of tariff moderation for Captive Consumers (consumption demand < 500 kW), Brazilian Energy Sector provides for the purchase of electricity by distributors through regulated auctions, subject to the lowest cost criteria, aiming to reduce the cost of acquisition of electric energy that is re-passed to captive customer tariffs. These auctions seek to provide the lowest possible price of electricity to be re-passed to the consuming public.

During the fourth quarter of 2019, Ministry of Mines and Energy set strategic lines of activities to be developed towards the modernization of the Brazilian electricity sector. One of the first measures taken relates to the PLD (short-term price), currently calculated on a weekly basis. Hourly PLD has been calculated on a test basis ("shadow operation") since 2018, aiming to become economically effective as of 1 January 2021. It aims to improve efficiency between electricity production and consumption based on an efficient management of price formation and real-time operation.

The government has taken measures in response to Covid-19 impacts in main areas as the energy sector, by means of Decrees, Provisional Measures and changes in existing regulation. By the end of March, to ensure uninterrupted supply of energy to consumers, Decree nº 10.282/2020 reinforced electricity generation, transmission and distribution as essential activities. This included the equipment supply needed for operation and maintenance. By the end of April 2020, the range was extended to include construction works.

Through Normative Resolution nº 878/2020, the Brazilian Electricity Regulatory Agency (ANEEL) suspended energy supply cuts regardless of the consumers' capacity of payment for 90 days as of 23 March 2020. In addition, the low-income population registered for lower tariffs (the Social Tariff program) will not undergo periodic checks over the next three months, and therefore will not be subject to the loss of the benefit.

Measures have also been taken to prevent distributors (DSO)´ s financial losses due to a potential high default rate, and consequently affect their stakeholders. In order to add liquidity, ANEEL authorized the transfer of resources from sector funds to distributors and consumers, totalizing R$2,43 billion so far.

Provisional Measure nº 950/2020 propose temporary use of resources from National Treasury, other sector funds and bank loans for DSO to be paid for all consumers, as well as new measures to subsidize low-income consumers, providing a 90-day exemption from paying the electricity bills.

ANEEL also released a first assessment of Covid-19 impacts to the energy sector, through which reinforced the need of maintenance of the economic and financial balance of contracts, preservation of contracts and the participation of all segments (generators, TSO, DSO, consumers) towards the best solutions.

On 23 June 2020, ANEEL enacted the Normative Resolution nº 885/2020 establishing the loan conditions to support the DSO in reducing the impacts of Covid, without resources from National treasury. A total of 19 banks led by BNDES will inject up to R$ 16,25 billion to "Conta Covid" and will be paid by consumers in 60 months. To benefit from the resources, the DSOs may declare they

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have the right to question any of the conditions in court, preserve the PPAs and limit the distribution of dividends in the case of a default.

In March 2020, the Chamber of Electric Energy Commercialization (CCEE) and the National Power System Operator (ONS) estimated a 0.9% decrease in total consumption for 2020 compared with last year, based on a "close to zero" variation of GDP due to the impacts of COVID-19 on economic activity. On May 1st, Ministry of Economy made a significant downward revision of GDP forecast, from 0 to 5% decline for the worst-case scenario of Brazilian economy. By the end of June 2020, Central Bank of Brazil updated the GDP projection for 2020 reducing it from -5% to -6.5%. Under this circumstance, demand for electricity is expected to further diminish.

Due to the uncertainties on future demand for electricity, the regulated auctions scheduled for 2020 are postponed. According to CCEE and ONS, it´s also an opportunity to revisit guidelines in order to introduce cheaper and more efficient power plants. One strategy proposed is to restrict the participation in regulated auctions to thermal plants which unit variable cost (CVU) are less than R$300/MWh, allowing for lower spot market prices (PLD).

The National Development Bank (BNDES), main financing institution announced several measures to support sectors of oil and gas, airports, ports, energy, transportation, urban mobility, health, industry and commerce and services.

Other measures regarding public health, tax and employment rules were announced in response to COVID-19.

On 1 September 2020, the Brazilian government issued the Provisional Measure ("MP") nº 988/2020 with the main purpose of reducing the electricity bills for consumers. The Brazilian Congress has a 120-day period to approve the MP and convert it into Law, otherwise it will become ineffective.

For renewable generators, the main impact is due to the cut in subsidies in the rates of the transmission and distribution system tariff within a 12-month deadline as of the MP enactment. Power plants authorized during this period and which requires an increase of power capacity will still be granted with the benefit and shall start commercial operation within a 48-month period after the published authorization. All those power plants already granted by the benefit before the MP are not affected. The end of subsidies must be compensated by the development of mechanisms based on the environmental benefits due to renewable energy sources related to low-carbon emission.

On 8 September 2020, the Law 14,052/2020 was finally enacted and establishes the conditions for hydro generators to renegotiate debts due to the hydrological risks, which caused a low Generation Scaling Factor ("GSF") during a prolonged drought, intensified by measures taken by the government to secure the national grid operation. The debt has been impacting the short-term market settlement, which currently involves more than R$ 9 billion. ANEEL has a 90-day period to propose a regulation, which must be, at first, submitted to a public hearing.

On 8 December 2020, MME announced a regulated auction schedule for the next three years (2021- 2023). Three kinds of auctions are expected aiming at contracting energy from new and existing power plants and the expansion of the transmission system. New energy auctions A-3/A-4 and A-5/A-6 for 2021 are scheduled to take place on June and September, respectively.

As of 1 January 2021, the short-term price (PLD) comes into effect in an hourly basis, after two years of shadow operation. Although, since the last year, the ONS has been operating based on the new dispatch model results, just now the hourly PLD became effective for the purpose of commercialization.

On 23 March 2021, ANEEL published the rules to compensate the lack of wind generation due to grid curtailments caused by systemic electrical limitations. The regulation for solar plants is expected for 2022.

On 6 December 2021, ANEEL published the normative resolution for the implementation of hybrid power plants, allowing potential synergies in terms of grid costs and energy production. In the same month, MME announced the regulated auctions scheduled for the next three years by means of Portaria MME nº 32/2021. A A-4 new energy auction will take place in 27 May 2022 starting supply as of 1 January 2026.

On 7 January 2022, Law 14.300/2022 was enacted establishing the regulatory framework for consumers to generate energy by means of micro (up to 75 kW) and micro (between 75kW and 5MW) distributed generation.

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Regulatory frameworks for the activities in Vietnam

The Vietnamese Ministry of Industry and Trade (MOIT) introduced a wind feed-in tariff (FIT) in 2011 to encourage investment in the sector. Projects were granted a 20-year power purchase agreement (PPA) with EVN, the state utility. However, this first remuneration framework failed to spur wind deployment as investors considered that revenues under this scheme didn´t provide appropriate returns. In September 2019, the government released a new FIT scheme of around 85€/MWh for onshore projects and 98€/MWh for offshore wind projects, provided that projects were commissioned before 1 November 2021. Government officials are now evaluating the introduction of competitive auctions, but no regulation has been adopted yet.

Regarding solar PV, a first solar FIT was released in April 2017 but the scheme expired on 30 June 2019. A second solar FiT (the so-called FIT2) scheme was then announced in April 2020. Under the FIT2, solar PV projects were eligible for a 20-year PPA with EVN, and different prices were set depending on the size/type of solar facility. Solar projects were required to receive investment approval by 23 November 2019 and start operations before 31 December 2020 to be eligible for the FIT2. The government is now planning to implement a pilot auction program for solar power and a draft decision of the prime minister guiding the future auction system was released in February 2021. However, the scheme has still not been officially approved.

Vietnam Electricity Law (Law No. 28/2004/QH11 on Electricity, as amended by Law No. 24/2012/QH13) requires "national power development master plans" to be established for a 10-year period. The master plan serves as a basis for future power development in the country, applicable to all investment in the sector. The Government set the plan for the period 2011-2020 in the "Power Development Plant VII" in 2011. However, in 2016, the Plan was adjusted in order to increase renewable targets and to provide a vision to 2030. A new master plan is now due and MOIT released a first draft of a new Plan for the period 2021-2030, with a vision to 2045.

In October 2022 Circular 15/2022 was released. It stated that projects that should have signed a PPA with EVN (Vietnam's state utility) but had failed to meet the conditions for applying the FIT prices, would receive prices set in this regulation. In particular, it set a price bracket formulation methodology for standard power plants, based on different paraments. These parameters are economic life of the facility, CAPEX, capital ratios (debt and equity) and financial discount rate. When negotiating the price for a specific project, calculations should be done with specific project data, and presented to EVN. Additionally, Decision 21/QD-BCT published on January 7th, 2023, set a ceiling price for each technology. If price resulting from the methodology set in Circular 15/2022 is higher than the ceiling price (Decision 21/QD-BCT), then the ceiling price should prevail.

Regulatory framework for the activities in Singapore

Singapore aims to halve its CO_2 emissions by 2050, according to its commitments raised in the latest National Energy and Climate Plan.

The country also aspires to achieve net-zero emissions as soon as viable in the second half of the century but has not committed to a firm net-zero target yet. To this end, the country launched the "Singapore Green Plan 2030", which is a roadmap to advance its sustainability agenda toward its long-term net-zero aspiration.

Singapore also aims at decarbonizing its power sector through four levers, being solar PV one of them. Due to the lack of natural resources and the high population density, solar PV is regarded as the most viable renewable energy option. Specifically, the country targets 2 GW of solar PV capacity by 2030 (and 1.5 GWp by 2025). Most of this capacity is expected to be constrained to rooftops (and floating solar) as land resources are scarce.

From the regulatory point of view, no support is given to large-scale renewable energy, as the government seeks to facilitate renewable energy's access to the power market. The only specific support system is the net metering scheme which allows electricity consumers to sell excess electricity from their rooftop PV systems to the grid. Payment varies according to the type of consumer and the capacity of the PV system. Both residential and commercial consumers can sell excess power from rooftop PV to the grid. On the one hand, non-contestable customers (usually residential consumers) are paid the regulated tariff minus the grid charges (being the regulated tariffs reviewed every quarter by Singapore Power, the State-owned utility). On the other hand, non-residential consumers (with a monthly consumption equal or above 2,000 kWh and systems with a size equal or above 1 MW (regardless their monthly consumption) are paid the nodal price.

In addition to this, solar PV development has also been accelerated thanks to the SolarNova programme, launched in 2014, which aggregates demand for solar PV across government agencies to achieve economies of scale. Since 2014, six SolarNova tenders have been launched, granting 366 MW. Awarded companies are given a 20-years floating or fixed PPA with Housing & Development Board (HDB), which is Singapore's public housing authority.

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Other government-led initiatives have been launched in order to use new spaces to deploy solar capacity, in particular, floating solar PV. For example, the Public Utilities Board launched a 60 MW floating solar PV tender at the Tengeh Reservoir. The tender had 2 components: first was the solar power to be sold into the wholesale market and a 25-year retail contract for the reservoir owner.

02. Accounting policies

A) Basis of preparation

The accompanying consolidated annual accounts (financial statements hereinafter) reflect the results of EDP Renováveis, S.A. and its subsidiaries (EDPR Group or Group) and the Group's interest in its joint ventures and associated companies. The consolidated financial statements for 2022 have been prepared to present fairly the consolidated equity and consolidated financial position of EDP Renováveis, S.A. and subsidiaries at 31 December 2022, the consolidated results of operations, consolidated statement of comprehensive income, consolidated cash flows and changes in consolidated equity for the year then ended.

In accordance with Regulation (EC) no. 1606/2002 of 19 July 2002, of the European Council and Parliament, the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies.

The Board of Directors approved these consolidated annual accounts on 27 February 2023. The annual accounts are presented in thousand Euros, rounded to the nearest thousand.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the application of fair value accounting to derivative financial instruments, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, except those for which a reliable measure of fair value is not available. Assets and liabilities that are hedged under hedge accounting are stated at fair value in respect of the hedged risk. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell. Liabilities for defined benefit plans are recognised at the present value of the obligation net of plan assets fair value.

In accordance with IFRS 3 - Business Combinations, if the initial purchase price allocation of assets, liabilities and contingent liabilities acquired is identified as provisional, in the subsequent 12 months after the business combination transaction, the legal acquirer should make the final allocation of the purchase price related to the fair value of the assets, liabilities and contingent liabilities acquired. These adjustments with impact on the amount of goodwill determined and booked in previous periods, originate a restatement of the comparative information, which is reflected on the Statement of financial position, with effect from the date of the business combination transaction.

The preparation of financial statements in accordance with IFRS-EU requires the Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and of the reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors considered reasonable in accordance with the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving the highest degree of judgment or complexity, or for which the assumptions and estimates are considered significant, are disclosed in note 4 - Critical accounting estimates and judgments in applying accounting policies.

Accounting policies have been applied consistently by all Group companies and in all periods presented in the consolidated financial statements. The new standards and interpretations recently issued but not yet effective and that the Group has not yet applied on its consolidated financial statements, are detailed in note 3.

Change on Green Certificates and RECs presentation - Inventories

During 2022, EDPR Group has proceeded to review the accounting policy for Green Certificates and RECs. To carry out the analysis, the enforcement decisions of the European Securities and Markets Authority (ESMA) regarding transactions of the similar nature have been considered. The result of the analysis concludes that these Certificates are considered government aid in accordance with IAS 20 to be recorded under the heading "Other income" or alternatively reducing the corresponding expense, recognizing the unsold certificates as inventories in accordance with IAS 2, which are derecognized at the time of sale, registering the corresponding income. Taking this into consideration, EDPR has reclassified from intangibles assets to inventories the stock

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of certificates booked in the balance sheet not-sold. This change in accounting affects only the presentation and disclosure of green certificates and RECs in the consolidated statement of financial position, and without any impact on initial recognition, subsequent measured and de-recognition, where the criteria described in note 2N will be maintained, as they are aligned with the conclusions of the analysis.

This change in accounting policy has been accounted for retrospectively, and the comparative statements for 2021 have been modified. The effect of the change on 2021 is the following:

THOUSAND EUROS			CHANGE ON GREEN CERTIFICATES AND RECS
	31 DEC 2021	RECLASSIFICATION	31 DEC 2021 (MODIFIED)
Intangible assets	316,408	-157,533	158,875
Inventories	62,274	157,533	219,807
	378,682	-	378,682

Change on Segments

A business segment is an identifiable component of the Group, aimed at providing a single product or service, or a group of related products or services, and it is subject to risks and returns that can be distinguished from those of other business segments.

EDPR's presence in new geographies has been increasingly growing over the last years leading to a rapid development of projects in new countries. This trend is expected to consolidate in the coming years, as defined in the Group's Business Plan 2021 – 2025, reaching a solid asset base around four regions: Europe, Latin America (Latam), North America (NA) and Asia-Pacific (APAC).

As a consequence of the above, EDPR implemented a new operating model and is now organized in those regions, thus the new business segments defined by the Group are the following:

- Europe: refers to companies that operate in Spain, Portugal, Belgium, France, Italy, Germany, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to companies that operate in United States of America, Canada and Mexico;
- LATAM: refers to companies that operate in Brasil, Chile and Colombia;
- APAC: refers to companies that operate in Korea, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, have similar economic characteristics and are similar in various prescribed respects.

For comparability purposes and regarding the changes occurred in the segments composition, a corresponding modification of the previous year information was made (See Annex II).

B) Basis of consolidation

The accompanying consolidated financial statements reflect the assets, liabilities and results of EDP Renováveis, S.A. and its subsidiaries and the equity and results attributable to the Group, through the investments in associates and jointly controlled entities.

EDPR Group applies prospectively as from 1 January 2010, IFRS 3 (revised) for the accounting of business combinations.

Controlled entities

Investments in subsidiaries where the Group has control are fully consolidated from the date the Group assumes control over their financial and operating activities until the moment that control ceases to exist.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, independently of the percentage of voting rights held.

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Accumulated losses are attributed to non-controlling interests in the corresponding proportions held, implying that the Group can recognise negative non-controlling interests.

On a step acquisition process resulting in the acquisition of control the revaluation of any interest previously held is booked against the income statement. On a partial disposal resulting in loss of control over a subsidiary, any participation retained is revalued at market value on the sale date and the gain or loss resulting from this revaluation is booked against the income statement, as well as any gain or loss resulting from the disposal.

Jointly controlled entities

The Group classifies an arrangement as a joint arrangement when the jointly control is contractually established. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. After determining the existence of joint control, the Group classifies joint arrangements into two types – joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement, so the assets and liabilities (and related revenues and expenses) in relation to its interest in the arrangement are recognised and measured in accordance with relevant IFRSs applicable.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, so this investment shall be included in the consolidated financial statements under the equity method.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of joint ventures, included in the consolidated financial statements under the equity method. When the Group's share of losses exceeds its interest in a jointly controlled entity, the Group's carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or contractual obligation to cover such losses on behalf of that entity.

Entities over which the Group has significant influence

Investments in associates are included in the consolidated financial statements under the equity method from the date the Group acquires significant influence to the date it ceases. Associates are entities over which the Group has significant influence, but not control, over its financial and operating policies.

The existence of significant influence by the Group is usually evidenced by one or more of the following:

- Representation on the Executive Board of Directors or equivalent governing body of the investee
- Participation in policy-making processes, including participation in decisions about dividends and other distributions
- Existence of material transactions between the Group and the investee
- Interchange of managerial personnel
- Provision of essential technical information.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of associates, included in the consolidated financial statements under the equity method. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or contractual obligation to cover such losses on behalf of the associate.

Accounting for investments in subsidiaries and associates in the company's financial statements

Investments in subsidiaries and associates not classified as held for sale or not included in a disposal group which is classified as held for sale are accounted for at cost in the company's financial statements, and are subject to periodic impairment tests, whenever indication exists that certain financial investment may be impaired.

Business combination

From 1 January 2010 the Group has applied IFRS 3 Business Combinations (2008) in accounting for business combinations.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain

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benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

After that period, adjustments to initial measurement are only made to correct an error.

Acquisitions between 1 January 2004 and 1 January 2010

For acquisitions between 1 January 2004 and 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquire. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Purchases of non-controlling interests and dilution

In acquisitions (dilutions not resulting in a loss of control of non-controlling interests), the difference between the fair value of the non-controlling interests acquired and the consideration paid, is accounted against reserves. The acquisitions of non-controlling interests through written put options related with investments in subsidiaries held by non-controlling interests, are recorded as a liability for the fair value of the amount payable, against non-controlling interests. The fair value of the liability is determined based on the contractual price which may be fixed or variable. In case of a variable price, the changes in the liability are recognised against the income statement as well as the effect of the financial discount of the liability (unwinding).

Business combinations achieved in stages

In a business combination achieved in stages, on the date of obtaining control, the excess of the aggregate of (i) the consideration transferred, (ii) the amount of any non-controlling interest recognised in the acquiree and (iii) the fair value of the previously held equity interest in the acquired business; over the net of amounts of the identifiable assets acquired and liabilities assumed, is recognised as goodwill.

If applicable, the negative difference, after evaluating the consideration transferred, of the amount of any non-controlling interest recognised in the acquiree and the fair value of the previously held equity interest in the acquired business; over the net value of the identifiable assets acquired and liabilities assumed, is recognised in the income statement. The Group recognises the difference between the fair value of the previously held equity interest in the acquired business and the carrying value in consolidated results in Other income. Additionally, the Group reclassifies the deferred amounts in other comprehensive income relating to the previously held equity interest to the income statement or consolidated reserves, according to their nature.

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Acquisition of assets out of the scope of IFRS 3

In order to assess whether an acquisition of an asset or a group of assets is a business, EDPR identifies the elements in the acquired entity (inputs, processes and outputs), assesses the capability to create outputs (it should have at a minimum, an input and a substantive process to be assessed as a business) and, finally, assesses the capability of market participants to continuing to create outputs (conducting the activities as a business).

In the case of an integrated set of activities that is in an early-stage of development and has not started to generate outputs, EDPR considers other factors to determine whether it constitutes a business, such as if: (i) planned principal activities have begun; (ii) employees, intellectual property, and other inputs and processes are present; (iii) a plan to produce outputs is being pursued; and/or (iv) access to customers who will purchase the outputs can be obtained. Generally, an early-stage entity that has employees capable of developing an output will be considered a business.

Therefore, in application of the above, EDPR concludes that IFRS 3 is not applicable when there are no outputs at the acquisition date due to an early-stage of development, and the acquired process(es) cannot be considered substantive. Thus, the acquisition of an asset or a group of assets that does not fulfil the conditions to be considered a business is classified as an acquisition of a company out of scope of IFRS 3.

Investments in foreign operations

The financial statements of the foreign subsidiaries and associates of the Group are prepared using their functional currency, defined as the currency of the primary economic environment in which they operate. In the consolidation process, the assets and liabilities of foreign subsidiaries are translated into Euros at the official exchange rate at the balance sheet date.

Regarding the investments in foreign operations that are consolidated using the full consolidation method and equity method, the exchange differences between the amount of equity expressed in Euros at the beginning of the period and the amount translated at the official exchange rates at the end of the period, on a consolidated basis, are booked against reserves.

Foreign currency goodwill arising on the acquisition of these investments is remeasured at the official exchange rate at the balance sheet date directly against reserves.The income and expenses of foreign subsidiaries are translated into Euros at the approximate exchange rates at the dates of the transactions. Exchange differences from the translation into Euros of the net profit for the period, arising from the differences between the rates used in the income statement and those prevailing at the balance sheet date are recognised in reserves.

On disposal of a foreign subsidiary, the related exchange differences previously recognised in reserves, are accounted for in the income statement.

Balances and transactions eliminated on consolidation

Inter-company balances and transactions, including any unrealised gains and losses on transactions between group companies, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Common control transactions

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance, within IFRSs, the EDP Renováveis Group has developed an accounting policy for such transactions, as considered appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated financial statements using the EDP consolidated book values of the acquired company (subgroup). The difference between the carrying amount of the net assets received and the consideration paid, is recognised in equity.

Put options related to non-controlling interests

As from January 2010, the Group applies IAS 32 to put options related to non-controlling interests.

EDPR records written put options at the date of acquisition of a business combination or at a subsequent date as an advance acquisition of these interests, recording a financial liability for the present value of the best estimate of the amount payable, irrespective of the estimated probability that the options will be exercised. The difference between this amount and the amount

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corresponding to the percentage of the interests held in the identifiable net assets acquired is recorded as goodwill. Subsequent changes in the carrying amount of the put liability are recognized in profit or loss.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount of the investment recognised in profit or loss. Fair value is the initial carrying amount for the purposes of the subsequent recording of the interest retained in the associate, joint venture or financial asset. In addition to that, any amount previously recorded in other comprehensive income in relation to that entity is recorded as if the Group had directly sold all the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership of a holding in an associate is reduced but significant influence is retained, only the proportional part of the amounts previously recognised in other comprehensive income will be reclassified to the income statement.

C) Foreign currency transactions

Foreign currency transactions are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into Euros at the exchange rates at the balance sheet date. These exchange differences arising on translation are recognised in the income statement as financial results.

Foreign currency non-monetary assets and liabilities accounted for at historical cost are translated using the exchange rates at the dates of the transactions. Foreign currency non-monetary assets and liabilities stated at fair value are translated into Euros at the exchange rates at the dates the fair value was determined.

D) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised on the trade date at fair value. Subsequently, the fair value of derivative financial instruments is re-measured on a regular basis, being the gains or losses on re-measurement recognised directly in the income statement, except for derivatives designated as hedging instruments. The recognition of the resulting gains or losses on re-measurement of the derivatives designated as hedging instruments depends on the nature of the risk being hedged and of the hedge model used.

The fair value of derivative financial instruments corresponds to their market value, if available, or to quotes indicated by external entities through the use of valuation techniques, which are compared in each date of report to fair values available in common financial information platforms.

Hedge accounting

The Group uses financial instruments to hedge interest rate risk, exchange rate risk and price risk resulting from its operational and financing activities. Derivatives not qualified for hedge accounting under IFRS 9 are accounted for as trading instruments.

Hedging derivatives are recorded at fair value, being the gains and losses recognised in accordance with the hedge accounting model applied by the Group. Hedge relationship exists when:

- The hedging relationship consists only in hedging instruments and hedged items that are eligible as per determined in IFRS 9;
- At the inception of the hedge there is formal documentation of the hedging relationship and the Group's risk management objective and strategy for the hedge;
- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets and liabilities or group of hedged assets and liabilities that are

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attributable to the hedged risk. When the hedging relationship ceases to comply with the requirements for hedge accounting, the accumulated gains or losses concerning the fair value of the risk being hedged are amortised over the residual period to maturity of the hedged item.

Cash flow hedge

Changes in the fair value of derivatives qualified as cash flow hedges are recognised in reserves.

The cumulative gains or losses recognised in reserves are reclassified to the income statement when the hedged item affects the income statement.

When a hedging relation of a future transaction is discontinued, the changes in the fair value of derivative recognised in reserves remain recognised in reserves until the future hedged transaction occurs. When the future transaction is no longer expected to occur, the cumulative gains or losses recognized in reserves are recorded immediately in the income statement.

Net investment hedge

The net investment hedge model is applied on a consolidated basis to investments in subsidiaries in foreign currencies. This model allows that the exchange differences recognised in the currency translation reserve to be offset by the foreign exchange differences in foreign currency loans or currency derivatives contracted, recognised in Currency translation reserve – Net investment hedge. For cross currency interest rate swaps, the cross-currency basis spread and forward points are not designated into the hedge relationship, but deferred as a hedging cost in other comprehensive income, in Currency translation reserve – Net investment hedge – Cost of hedging, and recognized in profit or loss over the period of the hedge. The ineffective portion of the hedging relationship is recognised in the income statement.

The accumulated foreign exchange gains and losses regarding the net investment and the related hedging instrument recognised in equity are transferred to the income statement when the foreign currency subsidiary is sold, as part of the gain or loss resulting from the disposal.

Effectiveness

For a hedge relationship to be classified as such, in accordance with IFRS 9, its effectiveness must be demonstrated. Therefore, the Group performs prospective tests at the inception date and at each balance sheet date, in order to demonstrate its effectiveness, showing that any adjustments to the fair value of the hedged item attributable to the risk being hedged are offset by adjustments to the fair value of the hedging instrument. Any ineffectiveness is recognised in the income statement when it occurs.

E) Other financial assets

The financial assets are classified based on the business model for managing the financial assets ("business model test") and their contractual cash flow characteristics ("SPPI test"). EDPR Group classifies its financial assets, at the initial recognition, in accordance with the aforementioned requirements introduced by IFRS 9, on the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if: (i) it is held within a business model whose objective is to hold assets in order to collect its contractual cash flows; and (ii) the contractual cash flows represent solely payments of principal and interest. Financial assets included within this category are initially recognised at fair value and subsequently measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Loans and trade receivables are generally held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest, thus they meet the criteria for amortised cost measurement under IFRS 9.

Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at fair value through other comprehensive income if (i) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and (ii) the asset's contractual cash flows represent solely payments of principal and interest. Financial assets included within this category are initially recognised and

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subsequently measured at fair value, with the changes in the carrying amount booked in other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be classified as financial assets at fair value through other comprehensive income (FVOCI) or at amortised cost, are classified at fair value through profit or loss, deemed to be a residual category under IFRS 9.

Regardless of the business model assessment, EDPR Group can elect to classify a financial asset at fair value through profit or loss if doing so reduces or eliminates a measurement or recognition inconsistency ("accounting mismatch").

Changes in the business model assessment over time

Financial assets are not reclassified subsequent to their initial recognition. However, if the Company changes its business model for managing financial assets, it will classify newly originated or newly purchased financial assets under the new business model but will keep the classification of existing assets under the previous business model.

Recognition and derecognition of financial assets

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits to purchase or sell these financial assets.

Financial assets are derecognised when: (i) the contractual rights to receive their future cash flows have expired, (ii) the Company has transferred substantially the risks and rewards of ownership, or (iii) although retaining some, but not substantially all the risks and rewards of ownership, the Company has transferred control over the assets.

Impairment

EDPR Group recognise an impairment loss based on the Expected Credit Loss (ECL) model, before the objective evidence of a loss event from past actions. This model is the basis for the recognition of impairment losses on held financial assets that are measured at amortised cost or at fair value through other comprehensive income (which includes cash and cash equivalents, trade receivables, loans and debt securities).

The impairment methodology applied depends on whether there has been a significant increase in credit risk. If the credit risk on a financial asset does not increase significantly since its initial recognition, EDPR Group measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If the credit risk increases significantly since its initial recognition, EDPR Group measures the loss allowance for that financial asset at an amount equal to lifetime expected credit losses.

Regardless of the above, a significant increase in credit risk is presumed if there is an objective evidence that the financial asset is impaired, including if there is observable data that comes to the attention of the holder of the asset about the following loss events, among others: significant financial difficulty of the issuer or obligor; restructuring of an amount due to the Company in terms that it would not consider otherwise; a breach of contract, such as a default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or other financial reorganization.

As soon as the loss event occurs (what is previous defined in IAS 39 as "objective evidence of impairment"), the impairment allowance would be allocated directly to financial asset affected, which provide the same accounting treatment, from that point, as previously provided by IAS 39, including the treatment of interest revenue. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed in profit or loss, if the decrease can be related objectively to an event occurring after the impairment loss was recognised.

Trade receivables and loans

EDPR Group applies the simplified approach and record lifetime expected losses on all trade receivables including those with a significant financing component. The estimated ECL are calculated based on actual credit loss experience over a period that, per

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business and type of customers, is considered statistically relevant and representative of the specific characteristics of the underlying credit risk.

Considering the particularities of each business, exposures are segmented based on common credit risk characteristics such as credit risk grade, geographic region and/or industry. Actual credit loss experience is adjusted by scalar factors to reflect differences between economic conditions during the period over which historical data was collect, current conditions and EDPR Group's view of economic conditions over the expected lives of the receivables.

For loans carried at amortised cost and FVOCI, EDPR Group performs an analysis based on the general approach. On making its assessment, the company has to make assumptions about risk of default and expected loss rates, which requires judgement. The inputs used for risk assessment and for calculation of the loss allowances for financial assets includes: (i) credit ratings (as far as available) from external credit rating companies such as Standard and Poor, Moody's and Fitch.; (ii) significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower; (iii) Public market data, namely on probabilities of default and loss given default expectations; and (iv) macroeconomic information (such as market interest rates or growth rates).

F) Trade payables and other liabilities

An instrument is classified as a financial liability when there is a contractual obligation for the issuer to liquidate capital and/or interests, through delivering cash or other financial asset, regardless of its legal form. Financial liabilities are recognised at the issuance date (trade date): (i) initially at fair value less transaction costs; and (ii) subsequently at amortised cost, using the effective interest method. All financial liabilities are booked at amortised cost, with the exception of the financial liabilities hedged at fair value hedge, which are stated at fair value on risk component that is being hedged.

Initial measurement of lease liabilities (rents due from lease contracts)

As provided by IFRS 16, as from 1 January 2019 EDPR Group measures the lease liability (rents due from lease contracts) on the commencement date based on the present value of the future payments of that lease contracts, discounted using EDPR Group's incremental borrowing rate for each portfolio of leases identified.

EDPR Group determines the lease term as the non-cancellable period of a lease, together with both: (i) periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

EDPR Group applies the recognition exemption provided by IFRS 16 for the leases which lease term is 12 months or less, or that are for a low-value asset.

After the commencement date, the lease liability (rents due from lease contracts) are increased to reflect interest on the liability and reduced to reflect the lease payments made.

Remeasurement of the lease liabilities (rents due from lease contracts)

EDPR Group remeasure the lease liability (rents due from lease contracts), and adjusts the corresponding right-of-use assets, by discounting the revised lease payments, using an unchanged discount rate, if either:

- There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; or
- There is a change in the amounts expected to be payable under a residual value guarantee.

If there is a lease modification that do not qualifies to be accounted as a separate lease, EDPR Group remeasures the lease liability (rents due from lease contracts) and adjusts the corresponding right-of-use assets by discounting the revised lease payments, using a revised discount rate at the effective date of the modification.

The variable lease payments that do not depend in an index or a rate are not included in the measurement of the liability regarding the rents due from lease contracts, nor the right-of-use asset. Those payments are recognised as cost in the period in which the event or condition that gives rise to the payments occurs.

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Derecognition of financial liabilities

EDPR Group derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability, or a part of it, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

G) Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or other financial asset to another entity, regardless of its legal form, and there is a residual interest in the assets of an entity after deducting all its liabilities.

Costs directly attributable to the issuance of equity instruments are recognised in equity, as a deduction to the amount issued. Amounts paid or received relating to sales or acquisitions of equity instruments are recognised in equity, net of transaction costs.

Distributions related to equity instruments are deducted from equity, as dividends, when declared.

Equity instruments at fair value

EDPR Group classifies the equity instruments that are held for trading at fair value to profit or loss. For all other equity instruments, management has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in other comprehensive income.

If this election is made, all fair value changes, excluding dividends that are a return on investment, will be included in other comprehensive income. There is no recycling of amounts from other comprehensive income to profit and loss (for example, on sale of an equity investment) being, at that time, transferred to retained earnings.

H) Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of assets are capitalised as part of the cost of the assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on these assets.

The capitalisation rate corresponds to the weighted average of the borrowing costs applicable to the outstanding borrowings during the period. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing costs incurred during the period.

The capitalisation of borrowing costs commences when expenditures for the asset are being incurred, borrowing costs have been incurred and activities necessary to prepare all or part of the assets for their intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use or sale are completed.

I) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. In case of projects in a development stage, costs are only capitalized when it is probable that the project will be finally built. If due to changes in regulation or other circumstances costs capitalized are derecognized from property plant and equipment, they are recognized in the profit and loss caption of “Other expenses”. Replacements or renewals of complete items are recognized as increases in the value of property, plant and equipment and the items replaced or renewed are derecognized and recognized in the “Other expenses” caption.

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The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of acquisition includes interest on external financing and personnel costs and other internal expenses directly or indirectly related to work in progress accrued solely during the period of construction. The cost of production is capitalised by charging costs attributable to the asset as own work capitalised under financial expenses and personnel costs and employee benefit expense in the consolidated income statement.

Subsequent costs are recognised as separate assets only when it is probable that future economic benefits associated with the item will flow to the Group. Repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The Group carries out impairment tests whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount and, at least, annually, being the impairment recognised in the income statement.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method, less the residual value, over their estimated useful lives, as follows:

	NUMBER OF YEARS
Buildings and other constructions	8 to 40
Plant and machinery:	
- Renewable assets	20 to 35
- Other plant and machinery	4 to 12
Transport equipment	3 to 5
Office equipment and tools	2 to 10
Other tangible fixed assets	3 to 10

Residual value is the amount determined by the Group related to the scrap to be obtained from dismantled wind farms and solar plants and is calculated based on the technology of each project and the estimated prices of steel, copper and aluminium (this last one in the case of solar plants or distributed generation assets).

J) Intangible assets

The Group's intangible assets are booked at acquisition cost less accumulated amortisation and impairment losses. The Group does not own intangible assets with indefinite lives.

The Group performs impairment tests, whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, being any impairment recognised in the income statement.

Acquisition and development of software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of their expected useful lives, and typically in 5 years.

Costs that are directly associated with the development of identifiable specific software applications by the Group, and that will probably generate economic benefits beyond one year, are recognised as intangible assets. These costs include employee costs directly associated with the development of the referred software and are amortised using the straight-line method during their expected useful lives.

Maintenance costs of software are charged to the income statement when incurred.

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Industrial property and other rights

Industrial property and other rights are amortised on a straight-line basis over the estimated useful life of the assets, which does not exceed 6 years.

K) Leases/ Right-of-use assets

EDPR Group presents the information related to lease contracts in the caption Right-of-use assets, creating a separate line in the Consolidated Statement of Financial Position. These assets are accounted for at cost less accumulated depreciation and impairment losses. The cost of these assets comprises the initial costs and the initial measurement of the liabilities regarding the rents due from lease contracts, deducted from the prepaid amounts and any incentives received.

Depreciation of right-of-use assets is calculated on a straight-line basis over their estimated useful lives, considering the lease contract terms.

Remeasurement of right-of-use assets

If EDPR Group remeasures the lease liability (rents due from lease contracts) (see 2F), the corresponding right-of-use assets shall be adjusted accordingly.

L) Non-current assets held for sale and discontinued operations

Non-current assets or groups of non-current assets held for sale (groups of assets and related liabilities that include at least one noncurrent asset) are classified as held for sale when their carrying amounts will be recovered mainly through sale, the assets or groups of assets are available for immediate sale and the sale is highly probable.

The Group also classifies as non-current assets held for sale, non-current assets or groups of assets acquired exclusively for its subsequent resale, that are available for immediate sale and the sale is highly probable.

Prior to their classification as held for sale, the measurement of all non-current assets and all assets and liabilities included in a disposal group, is adjusted in accordance with the applicable IFRS standards. Subsequently, these assets or disposal groups are measured at the lowest between their carrying amount and fair value less costs to sell.

M) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is then estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units which are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in circumstances that caused the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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N) Inventories

Inventories are measured at the lower of the acquisition cost and net realisable value. The cost of inventories includes purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs.

The cost of inventories is assigned by using the weighted average method.

Green Certificates and Renewable Energy Credits (RECs)

In some jurisdictions, on top of the market price, generators receive certificates for their performance, which are sold to the off-takers obliged to fulfil a quota obligation (a share of energy that must be sourced from renewable sources). Being these certificates considered subsidies under IAS 20, they are recognised when generated as inventory, at fair market value, mainly determined by active markets or public market operators. Green Certificates registered as Inventories are discharged at the time of their effective sale and any difference between the selling price and the fair value of the certificates is registered in the profit and loss account.

O) Classification of assets and liabilities as current and non-current

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. Current assets and liabilities are determined as follows:

Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within twelve months of the balance sheet date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least twelve months from the balance sheet date.

Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months of the balance sheet date or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Financial liabilities are classified as current when they are due to be settled within twelve months after the reporting period, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorised for issue.

P) Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation, (ii) it is probable that settlement will be required in the future and (iii) a reliable estimate of the obligation can be made.

Dismantling and decommissioning provisions

The Group recognises dismantling and decommissioning of assets at the end of the assets' useful life when there is a legal or contractual obligation. Consequently, the Group has booked provisions for property, plant and equipment related with renewables assets, for the expected cost of restoring sites and land to its original condition. The provisions correspond to the present value of the expenditure expected to be required to settle the obligation and are recognised as part of the initial cost or an adjustment to the cost of the respective asset, being depreciated on a straight-line basis over the asset useful life.

Discounting and inflation rates used for 2022 are:

	EUROPE	NORTH AMERICA	LATAM	APAC
Discount Rate	[2.24% - 8.75%]	[4.02% - 4.42%]	[12.40% - 12.50%]	[3.50% - 7.67%]
Inflation Rate	[1.90% - 3.88%]	[2.07% - 3.51%]	[3.45% - 3.59%]	[1.40% - 3.90%]

Discounting and inflation rates used for 2021 were:

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	EUROPE	NORTH AMERICA	LATAM	APAC
Discount Rate	[0.00% - 5.40%]	[0.26% - 1.92%]	[11.23% - 11.83%]	[2,10% - 2.37%]
Inflation Rate	[0.00% - 3.95%]	[2.00% - 2.50%]	[3.33% - 17.18%]	[0.54% - 2.36%]

Decommissioning and dismantling provisions are remeasured on an annual basis based on the best estimate of the settlement amount. EDPR's technical department has performed an in-depth analysis taking into account the reality of the EDPR's fleet. This analysis has led to the conclusion that the average cost per megawatt and salvage value of the renewable assets requires to be updated with effect December 2022 (see note 32).

The unwinding of the discount at each balance sheet date is charged to the income statement.

Tax liabilities

Liabilities for payment of taxes or levies related to an activity of the Group are recognized as the activity which triggers the payment is carried out, according to the laws regulating such taxes or levies. However, in the cases of taxes or levies with right of reimbursement of the amount already paid proportionally to the period of time in which there is no activity or the asset which triggers the payment is no longer owned, liabilities are recognized on a proportional basis.

Q) Recognition of revenue from contracts with customers

EDPR Group recognises revenue in accordance with the core principle introduced by IFRS 15. Thus, the Group recognises revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services, as provided in the 5 steps methodology, namely: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to performance obligations; and (v) recognise revenue when (or as) the entity satisfies a performance obligation.

Costs and revenues are recorded in the year to which they refer regardless of when paid or received, in accordance with the accrual basis. Differences between amounts received and paid and the corresponding revenue and cost are recorded under Other assets and Other liabilities.

Revenue in EDPR Group arises essentially from electricity generation and green certificate sales. For electricity generation, the transfer of control occurs when the energy is generated and injected into the transport/distribution grids. The electricity generated is sold under free market conditions or through the establishment of medium/long term power purchase agreements.

In the sale of green certificates, the performance obligation becomes effective when they are made available to the client, that is, when control of the certificate is transferred to the client.

For contracts that include sale of electricity and green certificates, there is only one performance obligation that becomes effective when the electricity is made available to the customer. At that moment, the energy is made available to the client at the point of delivery and, at the same time, the control of the green certificate is transferred to the client. These contracts have a unique price that includes both concepts under the same performance obligation, which is the delivery of electricity and green certificates at the same time.

In what concerns variable transaction prices, EDPR Group only recognises revenue when it is highly probable that there will not be any significant reversal of the recognised revenue, when it becomes certain. IFRS 15 requires that this estimate of variable transaction prices is determined using either (i) the expected value method – based on probability-weighted amounts, or (ii) the most likely outcome method. EDPR Group considers the facts and circumstances when analyzing the terms of each contract with customers, applying the requirements that determine the recognition and measurement of revenue in a harmonized manner, when considering contracts with the same characteristics and in similar circumstances.

Value of adjustments for deviations in the market price in accordance with article 22 of Royal Decree 413/2014

On 22 October 2021, the CNMV issued a statement establishing the criteria for accounting for the value of the adjustments for deviations in the market price in accordance with article 22 of Royal Decree 413/2014, of 6 June, which regulates the activity of electricity production from renewable energy sources, cogeneration and waste (RD 413/2014). The value of the adjustments for deviations in the market price includes the differences, which occur in each year, between the income from the sale of energy at

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the price estimated by the regulator at the beginning of each regulatory semi-period and the real average market price in said year.

EDPR had already been applying the criteria established by the CNMV, so that, each of the positive and negative market deviations arising under RD 413/2014 are typically recognized as assets and liabilities in the consolidated statement of financial position. However, if throughout the residual regulatory life of the renewable facilities, according to EDPR's best estimate of the future evolution of energy market prices, it would be highly probable that market returns would be higher than those established in the RD 413/2014 and, therefore, abandoning the remuneration regime would not have significantly more adverse economic consequences than remaining in said regime, it is considered that in this situation, only the asset is recognized. As at 31 December 2022, none of the renewable facilities have abandoned the remuneration regime.

R) Financial results

Financial results include interest costs on borrowings, interest income on funds invested, dividend income, foreign exchange gains and losses, realised gains and losses, changes in fair value of derivative financial instruments related to financing activity classified by the Group, within IFRS 9, as held for trading and consequently measured at fair value through profit or loss and changes in the fair value of hedged risks, when applicable.

Interest is recognised in the income statement on an accrual basis. Dividend income is recognised on the date the right to receive is established.

Considering the accounting model provided by IFRS 16, the financial results include the interest expenses (unwinding) calculated on the liabilities regarding the rents due from lease contracts.

S) Income tax

Income tax recognised in the income statement includes current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is also recognised in equity.

Deferred taxes arising from the revaluation of assets measured at fair value through other comprehensive income and cash flow hedge derivatives recognised in equity are recognised in the income statement in the period the results that originated the deferred taxes are recognised.

Current tax is the tax expected to be paid on the taxable income for the period, using tax rates enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

Deferred taxes are calculated in accordance with the balance sheet liability method, considering temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis, using the tax rates enacted or substantively enacted at the balance sheet date for each jurisdiction and that are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences except for goodwill not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries, to the extent that these will probably not be reversed in the future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to absorb deductible temporary differences for taxation purposes.

The Group offsets, as established in IAS 12, the deferred tax assets and liabilities if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in future periods in which deferred tax liabilities or assets are expected to be settled or recovered.

When accounting for interest and penalties related to income taxes, EDPR Group considers whether a particular amount payable or receivable is, in its nature, a taxable income and, if so, applies IAS 12 to this amount. Otherwise, IAS 37 is applied.

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T) Earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to equity holders of EDP Renováveis S.A. by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury stock.

For the diluted earnings per share calculation, the weighted average number of ordinary shares outstanding is adjusted to consider conversion of all dilutive potential ordinary shares, such as convertible debt and stock options granted to employees. The dilution effect corresponds to a decrease in earnings per share resulting from the assumption that the convertible instruments are converted or the options granted are exercised.

U) Cash and cash equivalents

Cash and cash equivalents include balances with maturity of less than three months from the date of acquisition, including cash and deposits in banks. This caption also includes other short-term, highly liquid investments that are readily convertible to known amounts of cash and specific demand deposits in relation to institutional partnerships that are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships in U.S.A., in the next twelve months.

The Group classifies as cash and cash equivalents the debit balance of the current accounts with EDP Group formalized under cash-pooling agreements.

V) Government grants

Government grants are recognised initially as deferred income under non-current liabilities when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

W) Environmental issues

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as other operating expenses in the period in which they are incurred.

X) Institutional partnerships in North America

The Group has entered in several partnerships with institutional investors in the United States, through limited liability Company operating agreements that apportion the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTCs), Investment Tax Credits (ITCs) and accelerated depreciation, largely to the investor.

The institutional investors purchase their minority partnership interests for an upfront cash payment with an agreed targeted internal rate of return over the period that the tax credits are generated. This anticipated return is computed based on the total anticipated benefit that the institutional investors will receive and includes the value of PTCs / ITCs, allocated taxable income or loss and cash distributions received.

The control and management of these wind farms are a responsibility of EDPR Group and they are fully consolidated in these financial statements.

The financial instruments held by the institutional investors issued by the partnerships represent compound financial instruments as they contain characteristics of both financial liabilities and equity. The Group has determined that at the funding dates, the fair values of the original proceeds is equal to the fair values of the liabilities at that time and no value was assigned to the equity component. Subsequently, these liabilities are measured at amortized cost.

This liability is reduced by the value of tax benefits provided and cash distributions made to the institutional investors during the contracted period. The value of the tax benefits delivered, primarily accelerated depreciation and ITC are recognized as Income from institutional partnerships over the 30-35 year useful life of the assets and over the 5-year recapture period, respectively (see

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note 8). The value of the PTCs delivered are recorded as generated. This liability is increased by an interest accrual that is based on the outstanding liability balance and the targeted internal rate of return agreed.

After the Flip Date (date on which institutional investors reach their specified return as indicated in the corresponding agreements), the institutional investor retains a non-significant interest for the duration of the structure. This non-controlling interest is entitled to distributions ranging from 2.5% to 10% and taxable income allocations ranging from 5% to 10%. EDPR NA has an option to purchase the institutional investor's residual interest at fair market value during a defined period following the flip date. Such fair value is calculated according to the future cashflows of the wind or solar projects or by an external party. This amount is reclassified from the total equity attributable to the Parent to non-controlling interests caption in the period in which the flip date takes place (see note 30).

Deferred tax liabilities arise since related project's assets are consolidated and corresponding accounting depreciation is registered, while a very large allocation of the tax depreciation is absorbed by the institutional investor.

Y) Statement of Cash Flow

The Statement of Cash Flow is presented under the direct method, by which gross cash flows from operating, financing and investing activities are disclosed. The Group classifies cash flows related to interest and dividends paid as financing activities and interest and dividends received as investing activities.

03. Recent accounting standards and interpretations issued

Standards, amendments and interpretations issued effective for the Group

The amendments that have been issued and that are already effective and that the Group has applied on its financial statements, with no significant impacts are the following:

- IFRS 3 (Amended) – Reference to the Conceptual Framework;
- IAS 16 (Amended) – Proceeds before Intended Use;
- IAS 37 (Amended) – Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvement to IFRS Standards Project (2018–2020).

Standards, amendments and interpretations issued but not yet effective for the Group

The standards issued but not yet effective for the Group, which impact is being evaluated, is the following:

- **IAS 12 (Amended) – Deferred tax related to assets and liabilities**

The IASB amended IAS 12, 'Income taxes', to require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The amendments target the recognition of deferred tax in respect of:

- right-of-use assets and lease liabilities; and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset. Since decommissioning obligations are common in the energy and mining industries, the impact of the amendment could be significant for entities in this sector.

These amendments should be applied for annual periods beginning on or after 1 January 2023. EDP Group will adopt the new standard on the required effective date in accordance with the modified retrospective transition approach, without adjustments to opening balance nor restatement of comparative information.

As of 31 December 2022 and 2021 EDPR Group has recognised in its financial position the net amount related to the net deferred tax assets and liabilities recognised related to the dismantling assets and provision and right of use assets and lease liabilities for those jurisdiction where those amounts are not deductible until the payment date. On initial application of IAS 12 Amendment, EDP Group will breakdown these net into the corresponding deferred tax assets and deferred liability. Therefore, on 1 January 2023, EDP Group will breakdown these net deferred tax assets and liabilities regarding dismantling and lease liabilities, whenever

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applicable, being estimated an increase between 223 and 243 million Euros in the captions Deferred tax assets and Deferred tax liabilities.

Standards, amendments and interpretations issued but not yet effective for the Group

The standards, amendments and interpretations issued but not yet effective for the Group (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the UE) for which no significant impact is expected, are the following:

- IFRS 17 – Insurance Contracts (and amendments related to initial application and comparative information);
- IAS 1 (Amended) - Classification of Liabilities as Current or Non-current;
- IAS 1 (Amended) - Disclosure of Accounting Policies;
- IAS 8 (Amended) - Disclosure of Accounting Estimates;

04. Critical accounting estimates and judgments in applying accounting policies

The IFRS set forth a range of accounting treatments and require the Board of Directors to apply judgment and make estimates in deciding which treatment is most appropriate.

The main accounting estimates and judgements used in applying the accounting policies are discussed in this note in order to improve the understanding of how their application affects the Group's reported results and disclosures. A broader description of the accounting policies employed by the Group is disclosed in note 2 to the Consolidated Financial Statements.

Although estimates are calculated by the Board of Directors based on the best information available at 31 December 2022 and 2021, future events may require changes to these estimates in subsequent years. Any effect on the financial statements of adjustments to be made in subsequent years would be recognised prospectively.

Considering that in many cases there are alternatives to the accounting treatment adopted by EDP Renováveis, the Group's reported results could differ if a different treatment was chosen. EDP Renováveis believes that the choices made are appropriate and that the financial statements are presented fairly, in all material respects, the Group's financial position and results. The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

Measurement of the fair value of financial instruments

Fair values are based on listed market prices, if available. Otherwise, fair value is determined either by the price of similar recent transactions under market conditions, or determined by external entities, or based on valuation methodologies, supported by discounting future cash flows techniques, considering market conditions, time value, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in determining fair values.

Consequently, the use of different methodologies and different assumptions or judgements in applying a particular model, could generate different financial results from those reported.

Additionally, financial instruments' classification as debt or equity requires judgement in the interpretation of contractual clauses and in the evaluation of the existence of a contractual obligation to deliver cash or other financial assets.

Review of the useful life of the assets

The Group reviews periodically the reasonableness of the assets' useful lives that are used to determine the depreciation rates of assets assigned to the activity, and prospectively changes the depreciation charge of the year based on such review.

Lease Liabilities (Rents due from lease contracts)

With the adoption of IFRS 16, the Group recognises right-of-use assets (ROU assets) and lease liabilities (rents due from lease contracts), if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: i) the contract involves the use of an identified asset; ii) it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and iii) it has the right to direct the use of the asset. EDPR Group uses

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judgement on its assessment, namely concerning the termination and extension contract options and the determination of the incremental borrowing rate to be applied for each portfolio of leases identified.

Impairment

Impairment of long-term assets and Goodwill

Impairment tests are performed whenever there is an indication that the recoverable amount of property, plant, equipment and intangible assets is less than the corresponding net book value of assets.

On an annual basis, the Group reviews the assumptions used to assess the existence of impairment in goodwill resulting from acquisitions of shares in subsidiaries. The assumptions used are sensitive to changes in macroeconomic indicators and business assumptions used by management. The net interest in associates is reviewed when circumstances indicate the existence of impairment.

Considering the uncertainties regarding the recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and goodwill as they are based on the best information available, changes in the assumptions could result in changes on the determination of the amount of impairment and, consequently, in results.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Certain interpretations and estimates are required in determining the global amount for income taxes.

There are several transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Different interpretations and estimates would result in a different level of income taxes, current and deferred, recognized in the period.

Tax Authorities are entitled to review EDP Renováveis, and its subsidiaries' determination of its annual taxable earnings, for a determined period that may be extended in case there are tax losses carried forward. Therefore, it is possible that some additional taxes may be assessed, mainly as a result of differences in interpretation of the tax law. However, the EDP Renováveis and its subsidiaries, do not anticipate any significant changes to the income tax booked in the financial statements.

EDPR evaluates the recoverability of deferred tax assets based on estimations of future taxable income in the period in which such deferred taxes are deductible.

Deferred tax assets are yearly evaluated to ensure there are no indications of impairment. In these analyses, which are based on assumptions considered in the impairment test indicated in note 19, the Group verifies that such deferred tax assets are still recoverable in the future.

Dismantling and decommissioning provisions

The Board of Directors considers that Group has contractual obligations with the dismantling and decommissioning of property, plant and equipment related to wind and solar electricity generation. For these responsibilities the Group has recorded provisions for the expected cost of restoring sites and land to its original condition. The provisions correspond to the present value of the expenditure expected to be required to settle the obligation.

In 2022 EDPR's technical department has performed an in-depth analysis taking into account the reality of the EDPR's fleet. This analysis has led to the conclusion that the average cost per megawatt and salvage value of the renewable assets requires to be updated, with effect December 2022 (see note 2.P and 32).

The use of different assumptions in estimates and judgments referred may have produced different results from those that have been considered.

Entities included in the consolidation perimeter

In order to determine which entities must be included in the consolidation perimeter, the Group evaluates whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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This evaluation requires judgement, assumptions and estimates in order to conclude whether the Group is in fact exposed to variable returns and has the ability to affect those returns through its power over the investee. Other assumptions and judgments could lead to a different consolidation perimeter of the Group, with direct impact in the consolidated financial statements.

Business combinations

Under IFRS 3 (Business Combination) in a business combination, the acquirer shall recognize and measure in the consolidated financial statements the assets acquired and liabilities assumed at fair value at the acquisition date. The difference between the purchase price and the fair value of the assets and liabilities acquired leads to the recognition of goodwill or a gain from a purchase at a low price (bargain purchase).

The fair value determination of the assets acquired and liabilities assumed is carried out internally or by independent external evaluators, using the discounted cash flows method, using the replacement cost or other fair value determination techniques, which rely on the use of assumptions including macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, sale and purchase prices of energy, cost of raw materials, production estimates, useful life and business projections. Consequently, the determination of the fair value and goodwill or gain from a purchase at a low price is subject to numerous assumptions and judgments and therefore changes could result in different impacts on results.

Fair value measurement of contingent consideration and variable prices

Contingent consideration from a business combination or variable prices for a sale of assets or businesses are measured at fair value at the acquisition date as part of the business combination or at the date of the sale in the event of a sale of a assets or businesses. This contingent consideration or variable price are subsequently remeasured at fair value at each report date. Fair value is based on discounted cash flows. The main assumptions consider the probability of achieving each objective and the discount factor, corresponding to the best estimates of management at each report date. Changes in assumptions could have significant impact on the values of variable prices for the assets and contingent liabilities recognised in the financial statement.

05. Financial risk management policies

The businesses of EDP Renováveis Group are exposed to a variety of risks, including the effects of changes in electricity market prices, foreign exchange and interest rates. The main financial risks arise from interest-rate and the exchange-rate exposures. The volatility of financial markets is analysed on an on-going basis in accordance with EDPR's risk management policies. Financial instruments are used to mitigate potential adverse effects on EDP Renováveis financial performance resulting from interest rates and foreign exchange rates changes.

The Board of Directors of EDP Renováveis is responsible for the definition of general risk-management policies and the establishment of exposure limits. Recommendations to manage financial risks of EDP Renováveis Group are proposed by EDPR's Finance and Global Risk Departments and discussed in the Financial Risk Committee of EDP Renováveis, which is held quarterly. The pre-agreed strategy is shared with the Finance Department of EDP – Energias de Portugal, S.A., to verify the accordance with the policies approved by the Board of Directors of EDP. The evaluation of appropriate hedging mechanisms and the execution is done by EDPR but may also be outsourced to the Finance Department of EDP.

All transactions undertaken using derivative financial instruments require the prior approval of the Board of Directors, which defines the parameters of each transaction and approves the formal documents describing their objectives.

Exchange-rate risk management

EDPR and EDP Group's Financial Department are responsible for managing the foreign exchange exposure of the Group, seeking to mitigate the impact of exchange rate fluctuations on the net assets and net profits of the Group. Instruments used for hedging are foreign exchange derivatives, foreign exchange debt and other hedging structures with offsetting exposure versus the item to be hedged. The effectiveness of these hedges is reassessed and monitored throughout their lives.

EDPR operates internationally and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. With the objective of minimizing the impact of exchange rates fluctuations, EDP Renováveis general policy is to fund each project in the currency of the operating cash flows generated by the project.

Currently, the main currency exposure is the U.S. Dollar, resulting from the shareholding in EDPR NA. EDPR is also exposed to Polish Zloty, Romanian Leu, Brazilian Real, British Pound, Canadian Dollar, Colombian Peso, Hungarian Forint and a marginal

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fiscal exposure to MXN due to Mexican assets. With the acquisition of Sunseap, EDPR is also exposed to Singaporean Dollar and has some relatively small exposure to other southeast Asian currencies.

To hedge the risk originated with net investment in EDPR NA, EDP Renováveis uses financial debt expressed in USD and also entered into cross currency interest rate swaps (CIRS) USD/EUR with EDP – Energias de Portugal, S.A. Following the same strategy adopted to hedge the net investments in USA, EDP Renováveis has also entered into CIRS in BRL/EUR, GBP/EUR, CAD/EUR and in COP/EUR to hedge the investments in Brazil, United Kingdom, Canada and Colombia, respectively, where exposures are sizable for hedging (see note 37).

Sensitivity analysis – Foreign exchange rate

As a consequence, a depreciation/appreciation of 10% in the most significant foreign currency exchange rate, with reference to 31 December 2022 and 2021, would originate an increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

				31 DEC 2022
THOUSAND EUROS	PROFIT OR LOSS		EQUITY	
	+10%	-10%	+10%	-10%
USD/EUR	14,500	-17,722	-119,873	146,511
BRL/EUR	35	-43	-20,069	24,528
SGD/EUR	302	-369	-65,001	79,446
	14,837	-18,314	-204,943	250,485

				31 DEC 2021
THOUSAND EUROS	PROFIT OR LOSS		EQUITY	
	+10%	-10%	+10%	-10%
USD/EUR	8,315	-10,162	-31,591	38,611
RON/EUR	23	-28	-	-
BRL/EUR	107	-131	-18	22
	8,445	-10,321	-31,609	38,633

For the currency PLN/EUR, since the process of selling of most of the portfolio of companies in Poland (see note 27), the global exposure will decrease significantly and will not achieve material impacts (see note 27).

This analysis assumes that all other variables, namely interest rates, remain unchanged.

Interest rate risk management

The Group's operating cash flows are substantially independent from the fluctuation in interest-rate markets.

The purpose of the interest-rate risk management strategy is to reduce the exposure of debt cash flows to market fluctuations. As such, whenever considered necessary and in accordance to the Group's policy, interest-rate financial instruments are contracted to hedge interest rate risks. These financial instruments hedge cash flows associated with future interest payments, converting floating rate loans into fixed rate loans.

All these hedges are undertaken on liabilities in the Group's debt portfolio and are mainly perfect hedges with a high correlation between changes in fair value of the hedging instrument and changes in fair value of the interest-rate risk or upcoming cash flows.

The EDP Renováveis Group has a portfolio of interest-rate derivatives with maturities up to 18 years. The Financial Department of EDP Group undertakes sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations or upcoming cash flows.

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About 83% of EDP Renováveis Group financial debt bear interest at fixed rates, considering operations of hedge accounting with financial instruments.

Additionally, during the fiscal year 2022, EDPR has executed interest rate pre-hedges of its future intercompany loans refinancing needs with EDP, both in EUR and USD, aiming to lock-in future interest rates levels given the current scenario of high volatility and uncertainty.

Sensitivity analysis - Interest rates

EDPR/EDP Group's Financial Departments are responsible for managing the interest rate risk associated to activities developed by the Group, contracting derivative financial instruments to mitigate this risk.

Based on the EDPR Group debt portfolio and the related derivative financial instruments used to hedge associated interest rate risk, as well as on the shareholder loans received by EDP Renováveis, a change of 100 basis points in the interest rates with reference to 31 December 2022 and 2021 would increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

				31 DEC 2022
	PROFIT OR LOSS		EQUITY	
THOUSAND EUROS	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Cash flow hedge derivatives	-	-	35,830	7,560
Unhedged debt (variable interest rates)	-9,580	9,580	-	-
	-9,580	9,580	35,830	7,560

				31 DEC 2021
	PROFIT OR LOSS		EQUITY	
THOUSAND EUROS	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Cash flow hedge derivatives	-	-	722	-9,259
Unhedged debt (variable interest rates)	-12,297	12,297	-	-
	-12,297	12,297	722	-9,259

This analysis assumes that all other variables, namely foreign exchange rates, remain unchanged.

Counter-party credit-rate risk management in financial transactions

The EDP Renováveis Group counter-party risk exposure in financial and non-financial transactions is managed by an analysis of technical capacity, competitiveness and probability of default to the counter-party. EDP Renováveis has defined a counter-party risk policy inspired in Basel III, which is implemented across all departments in all EDP Renováveis geographies. EDP Renováveis Group is exposed to counter-party risk in financial derivatives transactions in energy sales (electricity, GC and RECs) and in supply contracts.

Counterparties in derivatives and financial transactions are restricted to high-quality credit institutions or to the EDP Group.

Most relevant counterparties in derivatives and financial transactions are companies within EDP Group. Financial instruments contracted outside EDP Group are generally engaged under ISDA Master Agreements and credit quality of external counterparties is analysed and collaterals required when needed.

In the process of selling the energy (electricity, GCs and RECs produced), counter-party exposure arises from trade receivables, but also from mark-to-market of long-term contracts:

- In the specific case of the energy sales of EDPR EU & Latam platform, the Group's main customers are utilities and regulated entities in the different countries (EDP and CNMC in the case of the Spanish market). Credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of its debtors. Additional counter-party risk comes from the countries with renewables incentives, which it is usually treated as regulatory risk;

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- In the specific case of EDPR NA platform, the Group's main customers are regulated utility companies and regional market agents in the US. As it occurs in Europe, credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of the debtors. However, the exposure due to the mark-to-market of long-term contracts may be significant.

With the acquisition of Sunseap, in the specific case of EDPR APAC, the Group's main customers are Distributed Generation off-takers and regulated entities in the different markets, namely in Singapore and Vietnam. As it occurs in the other platforms, credit risk from trade receivables is not significant due to same reasons. However, counter-party risk comes from countries with renewables incentives through regulated tariffs, which it is usually treated as regulatory risk.

Exposure in all markets is managed by a detailed assessment of the counter-party before signing any long term agreement and by a requirement of collaterals when financial soundness of the counterparty deteriorates.

Regarding Trade receivables and other debtors, they are recognized net of the impairment losses. The Group believes that the credit quality of these receivables is adequate and that no significant impaired credits exist that have not been recognised as such and provided for.

Counter-party exposure to suppliers arises mainly from pre-paid contracts with equipment manufacturers and civil engineering contractors. Counter-party analyses are performed for each new contract. If needed, either parent company guarantees or bank guarantees are requested to comply with the limits of exposure established by EDP Renováveis counter-party risk policy.

The maximum exposure to customer credit risk by counterparty type is detailed as follows:

THOUSAND EUROS	DEC 2022	DEC 2021
CORPORATE SECTORS AND INDIVIDUALS		
Supply companies	73,275	158,432
Business to business	31,387	6,110
Other	18,306	1,039
Total Corporate sectors and individuals	122,968	165,581
Public sector	452	1,748
Total Public sector and Corporate sectors/individuals	123,420	167,329

Trade receivables by geographical market for the Group EDPR, is as follows:

THOUSAND EUROS						DEC 2022
	EUROPE	NORTH AMERICA	LATAM	APAC	OTHER	TOTAL
Corporate sectors and individuals	55,033	28,542	14,223	25,074	96	122,968
Public sector	-	452	-	-	-	452
Total	55,033	28,994	14,223	25,074	96	123,420
THOUSAND EUROS						**DEC 2021**
	EUROPE	NORTH AMERICA	LATAM	APAC	OTHER	TOTAL
Corporate sectors and individuals	138,604	24,281	97	2,199	400	165,581
Public sector	1,441	307	-	-	-	1,748
Total	140,045	24,588	97	2,199	400	167,329

In accordance with accounting policies, impairment losses are determined using the simplified approach precluded in IFRS 9, based on life time expected losses.

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Liquidity risk

Liquidity risk is the possibility that the Group will not be able to meet its financial obligations as they fall due. The Group strategy to manage liquidity is to ensure, as far as possible, that it will always have significant liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The liquidity policy followed ensures compliance with payment obligations acquired, through maintaining sufficient credit facilities and having access to the EDP Group facilities who manages the Group liquidity risk through the engagement and maintenance of credit lines and financing facilities with a firm underwriting commitment with international reliable financial institutions as well as term deposits, allowing immediate access to funds. These credit lines are used to complement and backup national and international commercial paper programs, allowing the EDP Group's short-term financing sources to be diversified.

The Directors have estimated cash flows that show that the Group will meet the commitments existing at the close as at 31 December 2022.

The maturity analysis for financial debt (see note 31), including expected future interests, is as follows:

THOUSAND EUROS	DEC 2023	DEC 2024	DEC 2025	DEC 2026	DEC 2027	FOLLOWING YEARS	TOTAL
Bank loans	456,494	109,290	88,048	64,396	96,134	643,820	1,458,182
Loans received from EDP Group	992,627	488,641	233,350	507,242	468,779	2,219,978	4,910,617
Other loans	3,405	1,011	12,365	1,304	1,073	10,955	30,112
Expected future interests	150,041	181,235	153,476	139,769	134,573	345,274	1,104,368
	1,602,567	780,177	487,240	712,710	700,559	3,220,026	7,503,279

EDPR has developed and presented to the markets a very ambitious Multi-Year Growth Plan, aimed at creating value for its shareholders, which entails a significant annual investment volume. EDPR defines itself as a listed company with a low risk profile and as such has defined a financing plan that ensures a balanced financial position structure, preserving its credit quality and, at the same time, guaranteeing the necessary flexibility to accommodate any temporary deviation that may occur throughout the implementation period of its growth plan.

In the base case, the financing of the investment volume is ensured based on 5 major sources of financing:

- The cash flow generated by the assets in operation and retained in the Group;
- The program for selling assets in operation (sell down/Asset Rotation), as a way to anticipate and crystallize value/cash flow;
- The Tax Equity Investment (the entry of institutional investors in projects developed in the US that materializes just before the entry into operation of the assets);
- The capital increase in EDP Renováveis S.A.
- Complemented by medium and long-term external financing, and namely:
  - Via Corporate Finance, as the most relevant solution; and
  - Project Finance, particularly in markets where the functional currency is different from EUR/USD and it is important to manage equity exposure to the market.

Flexibility, in order to manage temporary differences or adjustments in the proportions of the components identified above, is given by the following variables:

- EDPR has Current Accounts in EUR and USD with EDP Group that uses to manage daily/weekly/monthly its net liquidity needs;
- EDPR has a formal agreement with its parent company (EDP Group) whereby EDP has agreed to provide the necessary financing for the execution of EDPR's Growth Plan;
- Current Accounts and Overdrafts negotiated with commercial banks (as backup).

Electricity market price risk

As of 31 December 2022, electricity market price risk affecting the EDP Renováveis Group is not significant. In the case of EDPR NA, the great majority of the plants are under power purchase agreements or long-term financial contracts, with fixed or

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escalating prices. In the case of EDPR EU, the electricity is sold in Spain, France, Italy, Portugal and Poland through regulated tariffs or financial PPAs. In Romania the green certificates have a floor.

For the smaller share of energy with merchant exposure after tariff regimes, PPAs or long-term financial contracts (electricity, green certificates and RECs), market risk is managed through the execution of electricity, green certificate and REC forward contracts. For this exposure EDPR EU and EDPR NA have electricity, green certificates and REC financial swaps that qualify for hedge accounting (cash flow hedge) that are related to sales for the years 2022 to 2025 (see note 37). The purpose of EDP Renováveis Group is to hedge in advance a significant volume of the merchant exposure to reduce the volatility of energy prices in each reporting year.

For 2022, the Group's total generation was 33.4 TWh, of which 67% was subject to both regulated remuneration and long-term contracts and the remaining 33% was remunerated at market price. Anyway, as commented above, this portion of generation remunerated at market price is practically fully hedged, increasing overall hedged position in the year to ca. 95%.

During 2022 energy market prices have experienced significant volatility as a result of Ukraine's crisis, affecting natural gas prices, thus electricity prices globally. Such spike in volatility and prices has become especially relevant in Europe, where maximum historical electricity prices were reached during August 2022. For EDPR EU and EDPR NA, the potential gain from the increase in electricity prices was very limited, since, as indicated above, EDPR´s merchant exposure for the year 2022 was already hedged before the start of this trend.

Considering recent spike in market prices and volatility, EDPR is closely managing and monitoring its exposure to market prices variations, despite it being limited with current hedges in place. For 2023, EDPR´s exposure to a potential decrease of 30% in market prices would be approximately of 36 million Euros.

Capital management

The Group's goal in managing equity, in accordance with the policies established by its main shareholder, is to safeguard the Group's capacity to continue operating as a going concern, grow steadily to meet established growth targets and maintain an optimum equity structure to reduce equity cost.

In conformity with other sector groups, the Group controls its financing structure based on the leverage ratio. This ratio is calculated as net financial borrowings divided by total equity and net borrowings. Net financial borrowings are determined as the sum of financial debt, institutional equity liabilities corrected for non-current deferred revenues, less cash and cash equivalents.

Climate-related risk

The Earth's climate has changed throughout history. Scientists attribute the current global warming trend observed since the mid-20th century to the human expansion of the "greenhouse effect" – warming that results when the atmosphere traps heat radiating from Earth toward space. Over the last century, the burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO_2).

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and seamless execution, supported by core competences that yield superior profitability, all embedded within a distinctive and self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate changing business and economic environments, EDPR remains today a leading company in the renewable energy industry. As presented in its 2021-25 Business Plan, EDPR plans to add 20 GW in the 2021-2025, of which 11.3 GW is already secured. EDPR will diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore, green hydrogen and storage technology along with the entrance in new markets.

During 2022, EDPR added 2,1 GW and finished the year managing a global portfolio of 14.7 GW. Benefiting from a diversified portfolio, the Company generated 33.4 TWh of renewable energy, avoiding the emissions of 20 million tons of CO_2. Capital expenditures and financial investments with capacity additions, ongoing construction and development works during the year totalled 5,147 millions of Euros.

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However, EDPR faces climate change not only as a business opportunity, but also as an opportunity to innovate. EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

Nevertheless, on the risk side, meteorological changes may pose a risk for EDPR's activities and results since they are carried out in areas of the planet that are being affected by climate change. In addition, future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years and they are considered to be representative of the future. However, relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data. Thus, when evaluating a new investment, EDPR considers potential changes in the production forecasted but, even so, the size of the potential deviation in the case of relevant meteorological changes is uncertain.

Moreover, renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc. These risks depend on the location of the assets. At EDPR, all plants are insured from the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident will also be partially insured to revenue losses due to the event. Thus, no material impacts are identified in the EDPR's consolidated financial statements as a consequence of climate change.

As a sector leader, EDPR is aware of the urgency to fight climate change and even though its business inherently implies a positive impact on the environment, the Company continues to work on a daily basis to hold itself to a higher standard and to incorporate innovation in its value chain in order to further contribute to the protection of the climate.

06. Consolidation perimeter

During the year ended in 31 December 2022, the changes in the consolidation perimeter of the EDP Renováveis Group were:

Companies acquired:

The following acquisitions were classified as asset purchases, out of scope of IFRS 3 – Business Combinations, due to the substance of these transactions, the type of assets acquired and the very early stage of the projects:

- EDP Renováveis, S.A. acquired 100% of the Colombian company Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P.;
- EDP Renewables Europe, S.L.U. acquired 100% of the Hungarian companies Szabadsolar, Kft., Sunglare Capture, Kft., Sunglare Expert, Kft. and Napenergia, Kft.; 100 % of the German company EDP Renewables Germany GmbH; 100% of the Greek company Aeolos Evias Energiaki, M.A.E. and the 100% of the Romanian company Fravezac, S.R.L.;
- EDP Renovables España, S.L.U. acquired 100% of the companies Rocio Hive, S.L., Palma Hive, S.L. and Pedregal Hive, S.L.;
- EDP Renewables Italia Holding, S.r.l. acquired 100% of the companies Solar Italy I, S.r.l., Solar Italy II, S.r.l. and Solar Italy IV, S.r.l.;
- EDP Renewables Polska, Sp. Z o.o. acquired 100% of the companies Farma Fotowoltaiczna Radziejów, Sp. z o.o., Farma Fotowoltaiczna Ujazd, Sp. Z.o.o.,Farma Fotowoltaiczna Warta, Sp. Z o.o., Farma Fotowoltaiczna Wielkopolska, Sp. Z o.o., Farma Fotowoltaiczna Budzyn, Sp. Z o.o., Farma Fotowoltaiczna Dobrzyca, Sp. Z o.o. and Farma Fotowoltaiczna Tomaszów, Sp. Z o.o.;
- EDPR NA Distributed Generation LLC acquired 100% of the companies Bar Harbor Community Solar LLC, Mohave Power Holdings, LLC, Ragsdale Solar LLC, HB Steel Community Solar LLC, Citizens Dickenson Solar LLC, Citizens Westmoreland Solar LLC, Bear Peak Beccaria LLC, Bear Peak Brady LLC, Bear Peak East Carroll LLC, Bear Peak Glen Hope LLC, Bear Peak Jennerstown LLC, Bear Peak Juniata LLC, Bear Peak Paint II LLC, Bear Peak Richmond LLC, Generate USF McClellan, LLC, Generate USF Manassas, LLC, Generate USF Las Vegas, LLC, Generate USF N Las Vegas, LLC, Generate USF Loveland, LLC, Generate USF Fairburn, LLC and Generate USF Phoenix, LLC;
- EDP Renewables North America LLC acquired 100% of the company Hickory Solar LLC and New Road Power, LLC;
- EDP Renováveis Brasil, S.A. acquired 100% of the companies Central Geradora Fotovoltaica Zebu, Ltda., Solar Barra I, S.A., Solar Barra II, S.A., Solar Barra III, S.A., Solar Barra IV, S.A., Eólica Barra I, S.A. to Eólica Barra XI, S.A. and Central Solar Presidente JK I, S.A.;
- EDPR Sunseap Pte. Ltd. through its subsidiaries acquired 100% of the Chinese companies Wuhan Panshuo Energy Technology Co., Ltd., Qinghe Xinoufuneng New Energy Technology Co., Ltd., Yancheng Qingneng Power Technology Co., Ltd., Suzhou Liansong New Energy Technology Co., Ltd., Chongqing Xingzhi New Energy Technology Co., Ltd., Tianjin Xingsheng Energy Development Co., Ltd., Zhenjiang Ruichengda New Energy Co., Ltd., Dongguan Jiehuang New Energy Technology Co., Ltd., Hubei Jianghui New Energy Co., Ltd., Weihai Deao New Energy Co., Ltd., Heze Dechen new energy Co., Ltd., Wuxi Lingzhong New Energy Technology Co., Ltd., Suzhou Xingyi Energy Engineering Co.,

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Ltd., Tianjin Xingrun Energy Development Co., Ltd., 100% of the Indonesian company PT Right People Renewable Energy, 100% of the Vietnamese companies Long Dai Phat Investment Co., Ltd., DKT Energy Investment Co., Ltd.

Additionally, the following companies were acquired:

- In the first quarter of 2022, EDP Renováveis, S.A acquired a 91.4% stake in a distributed solar generation portfolio, Sunseap Group Pte. Ltd., located in Southeast Asia, which includes a portfolio that allows EDPR to set up to 10 GW of solar projects for an amount of 659,658 thousand Euros. This transaction was framed within the scope of IFRS 3 – Business combinations that has implied the recognition of provisional goodwill in the consolidated financial statements in the amount of 363,485 thousand Euros (see note 19 and 42).

  In addition, during the second quarter of 2022, EDP Renováveis, S.A acquired a 0.88% stake in Sunseap Group Pte. In 2022 EDPR signed put and call options agreements for the remaining percentage of the shares of the Sunseap Group with the minority shareholders. As a consequence, EDPR has call options to acquire the remaining stake of the capital of the Sunseap Group and the sellers have put options to sell their shares. Considering the premises of IFRS 3 Business Combinations and in order to follow consistently the Group's policy in similar situations, EDPR have recognized in the consolidated financial statements the put option as a liability, measured at the present value of the best estimate of the amount payable at date of acquisition (IAS 32), and following the premises stated for the anticipated-acquisition method, has recognized 100% of investment in the consolidated financial statements. This transaction hasn't given rise to any Non-Controlling Interest (NCI), since EDPR has acquired the 92.28% of Sunseap Group and has assumed an anticipated acquisition of the remaining 7.71% due to the put option over the NCI.

- During the year ended as at 31 December 2022, EDPR NA Distributed Generation LLC. acquired, through several stand-alone transactions, the 100% stake in a distributed solar generation portfolio, Longroad, located in North America for a total of 99.3MW solar operational projects. The total amount paid for these transactions has been 132,992 thousand Euros. These transactions were framed within the scope of IFRS 3 – Business combinations that has implied the recognition of a provisional goodwill in the amount of 28,965 thousand Euros and 923 thousand Euros of a provisional badwill (see notes 19 and 42).

- In the third quarter, EDP Renewables Europe, S.L.U. acquired a 66.80% stake in a solar generation portfolio, Kronos Solar Projects GmbH. Group, for a total of 9,4GW under development located in Germany, Netherlands, France and UK, for an amount of 663,030 thousand Euros (which includes an amount of 341,996 thousand Euros corresponding to the certain put options and 71,035 thousand Euros related to the estimation for the success fee to be paid to the sellers, based on the solar capacity delivered by these projects). This transaction was framed within the scope of IFRS 3 – Business combinations. that has implied the recognition of a provisional goodwill in the amount of 651,657 thousand Euros (see notes 19, 35 and 42).

  Upon completion of the agreement, Kronos Solar Projects GmbH performed a capital increase which was subscribed solely by EDP Renewables Europe, S.L.U. and lead to EDP Renewables Europe, S.L.U. holding 70% of the total stake of the acquired company, the amount of the capital increase is not considered within the consideration transferred for the business combination.

  As part of the business combination EDPR signed put and call options agreements for the remaining percentage of the shares of the Kronos Group with the minority shareholders. As a consequence, EDPR has call options to acquire the remaining stake of the capital of the Kronos Group and the sellers have put options to sell their shares. Considering the premises of IFRS 3 Business Combinations and in order to follow consistently the Group's policy in similar situations, EDPR has recognized, in the consolidated financial statements, the put option as a liability, measured at the present value of the best estimate at the date of acquisition (IAS 32), and following the premises stated for the anticipated-acquisition method, has recognized 100% of investment in the consolidated financial statements. This transaction hasn't given rise to any NCI, since EDPR has acquired the 70% of Kronos Group and has assumed an anticipated acquisition of the remaining 30% due to the put option over the NCI.

- In the third quarter, Sunseap Commercial & Industrial Assets (Vietnam) Co., Ltd. acquired a 99.99% stake in a solar generation portfolio, Xuan Thien Ninh Thuan Co., Ltd. and Xuan Thien Thuan Bac Co., Ltd., that owns 200 MWac (255MWdc) solar operational project in Vietnam, for a total amount of 202,298 thousand Euros (that includes an amount of 41,288 thousand Euros related to some retentions that would be paid if and when certain milestones are fulfilled). This transaction was framed within the scope of IFRS 3 – Business combinations. that has implied the recognition of provisional goodwill in the consolidated financial statements in the amount of 21,236 thousand Euros (see notes 19, 35 and 42).

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Companies sold and liquidated:

- In the second quarter of 2022, EDPR Group, through its fully owned subsidiary EDP Renewables Polska, Sp. Z o.o., sold to Mirova Anemoska the EDPR's entire stake in the Polish companies Winfan, Sp. z o.o., Lichnowy Windfarm, Sp. z o.o., Kowalewo Wind, Sp. z o.o., EWP European Wind Power Krasin, Sp. z o.o., Nowa Energia 1, Sp. z o.o. and Farma Wiatrowa Bogoria, Sp. z o.o. Total shares proceeds for the transaction amount to 88,466 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 51,795 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- In the second quarter of 2022, EDPR Group, through its fully owned subsidiary EDP Renovables España, S.L., sold to China Three Gorges ("CTG") the EDPR's entire stake in the Spanish companies Eólica La Janda, S.L. and Parc Eòlic Serra Voltorera, S.L. Total shares proceeds for the transaction amount to 207,018 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 42,596 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- In the third quarter of 2022, EDPR Group, through its fully owned subsidiary EDP Renewables Italia Holding, S.r.l., sold to ERG, S.p.A ("ERG") the EDPR's entire stake in the Italian companies WinCap, S.r.l. TACA Wind, S.r.l., San Mauro, S.r.l., Conza Energia, S.r.l., Lucus Power, S.r.l, Breva Wind, S.r.l. and Aria del Vento. Total shares proceeds for the transaction amount to 293,027 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 168,568 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- In the fourth quarter of 2022, EDPR Group, through its fully owned subsidiary EDP Renováveis Brasil, S.A., sold to Copel Geração e Transmissão S.A. the EDPR's entire stake in the Brazilian companies Aventura Holding, S.A.. and its subsidiaries (Central Eólica Aventura II, S.A., Central Eólica Aventura III, S.A., Central Eólica Aventura IV, S.A., Central Eólica Aventura V, S.A.) and SRMN Holding, S.A. and its subsidiaries (Central Eólica SRMN I, S.A., Central Eólica SRMN II, S.A, Central Eólica SRMN III, S.A., Central Eólica SRMN IV, S.A., Central Eólica SRMN V, S.A.). Total shares proceeds for the transaction amount to 184,778 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 119,085 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- In the fourth quarter of 2022, EDPR Group, through its fully owned subsidiary EDP Renewables Europe, S.L.U., sold to OW Group the EDPR's remaining stake in the offshore company Moray West Holdings Limited. Total shares proceeds for the transaction amount to 33,825 thousand Euros (30,000 thousand GBP). This transaction has generated a gain, net of transaction costs, amounting to 16,981 thousand Euros, which has been registered within the "Joint Venture and Associates" caption of the consolidated income statement (see note 20).
- In the fourth quarter of 2022, EDPR Group, through its fully owned subsidiary EDP Renewables North America LLC., sold to Northern Indiana Public Service Company LLC ("NIPSCO") the EDPR's entire stake in the US company Meadow Lake Solar Park LLC. Total shares proceeds for the transaction amount to 281,563 thousand Euros (296,500 thousand USD). This transaction has generated a gain amounting to 15,791 thousand Euros (19,312 thousand USD), which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- EDP Renováveis, S.A. sold the company Solar Works! B.V. to EDP Group (see note 20).
- EDP Renewables North America LLC sold the company RSBF E470 I LLC, NJ GSEB Fal Solar LLC, ME Punky Meadows, Parkman Solar DG LLC and Waterville Solar LLC, RI- Comolli with no significant impacts in the consolidated financial statements.
- EDP Renovables España S.L. sold the 49% of the stake in the company Desarrollos Renovables de Teruel, S.L.
- Viesgo Renovables, S.L.U. liquidated the company Northeolic Monte Buño, S.L.

Companies Incorporated:

- EDPR Vento II Holding LLC (*)
- EDPR Vento III Holding LLC (*)
- EDPR Scarlet II LLC
- Clover Creek Solar Project II LLC (*)
- EDPR Cross Solutions, S.A.
- EDPR Korea Ltd.
- EDPR Sicilia Uno, S.r.l.
- EDPR Sicilia Due, S.r.l.
- EDPR Scarlet I LLC (*)
- EDPR Scarlet III LLC (*)
- Fotovoltaica Flutuante do Grande Lago, S.A.
- Crooked Lake Solar II LLC (*)
- Cypress Knee Solar Park LLC (*)
- Eagle Creek Solar Park LLC (*)
- Rose Run Solar Park LLC (*)
- Salt Lick Solar Park LLC (*)
- Lotus Blocker LLC (*)
- Lotus DevCo I LLC (*)
- Lotus DevCo II LLC (*)
- EDPR Solar Ventures VI LLC (*)
- 2022 SOL VI LLC (*)
- EDPR Solar Ventures VII LLC (*)
- 2022 SOL VII LLC (*)
- EDPRNA DG Ohio Development LLC (*)
- EDPRNA DG Illinois Development CO LLC (*)
- EDPRNA DG Wisconsin Development CO LLC (*)

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- EDPRNA DG New York Development CO LLC (*)
- Big River Solar Park LLC (*)
- Shy Place Solar Park LLC (*)
- Eoles Montjean, S.A.S.
- EDPR Sardegna, S.r.l.
- EDPR Sud Italia, S.r.l.
- EDPR Puglia Uno, S.r.l.
- EDPR Puglia Due, S.r.l.
- EDPR Basilicata, S.r.l.
- EDPRNA DG Mississippi Development LLC (*)
- EDPR NA DG Missouri Development LLC (*)
- Rongcheng Xingyi Energy Technology Co., Ltd.
- Qingdao Xingqi Energy Co., Ltd.
- Eólica da Coutada II, S.A.
- Central Eólica Asas de Zabelê I, S.A.
- Central Eólica Asas de Zabelê II, S.A.
- Central Eólica Asas de Zabelê III, S.A.
- Central Eólica Asas de Zabelê IV, S.A.
- Central Solar Zebu II, S.A.
- Central Solar Zebu III, S.A.
- Central Solar Zebu IV, S.A.
- Central Solar Zebu V, S.A.
- Central Solar Zebu VI, S.A.
- Central Eólica Asas de Zabelê V, S.A.
- Central Eólica Asas de Zabelê VI, S.A.
- Central Eólica Asas de Zabelê VII, S.A.
- Central Solar Zebu VII, S.A.
- Central Solar Zebu VIII, S.A.
- Central Solar Zebu IX, S.A.
- Central Solar Presidente JK II, S.A.
- Central Solar Presidente JK III, S.A.
- Central Solar Presidente JK IV, S.A.
- Central Solar Presidente JK V, S.A.
- Central Solar Presidente JK VI, S.A.
- Central Solar Presidente JK VII, S.A.
- Central Solar Presidente JK VIII, S.A.
- Central Solar Presidente JK IX, S.A.
- Central Solar Presidente JK X, S.A.
- Central Solar Presidente JK XI, S.A.
- Central Solar Presidente JK XII, S.A.
- Central Geradora Fotovoltaica Monte Verde Solar I, S.A.
- Central Geradora Fotovoltaica Monte Verde Solar VI, S.A.
- Central Eólica Borborema I, S.A.
- Central Eólica Borborema II, S.A.
- Central Eólica Borborema III, S.A.
- Central Eólica Borborema IV, S.A.
- Central Eólica Itaúna I, S.A.
- Central Eólica Itaúna II, S.A.
- Central Eólica São Domingos I, S.A.
- Central Eólica São Domingos II, S.A.
- Central Eólica São Domingos III, S.A.
- Desarrollos Renovables de la Frontera, S.L.
- Desarrollos Renovables de Allande, S.L.U.
- ICE Tudela S.L. EDPRNA DG Georgia Development, LLC
- EDPRNA DG Texas Development, LLC
- RE Sandrini LLC (*)
- Sugar Plum Solar Park LLC (*)
- EDPR Scarlet II Bess LLC (*)
- Ragsdale Solar II LLC (*)
- Sweet Acres Solar Park LLC (*)
- EDPRNA DG California Development, LLC (*)
- EDPRNA DG Indiana Development, LLC (*)
- EDPRNA DG Pennsylvania Development, LLC (*)
- EDPRNA DG Michigan Development, LLC (*)
- EDPRNA DG Maryland Development, LLC (*)
- EDPRNA DG Virginia Development, LLC (*)
- EDPRNA DG PR Radar, LLC (*)
- EDPRNA DG Distributed Sun Holding, LLC
- EDPRNA DG York County Sun, LLC (*)
- Sounding Creek Solar Park GP Ltd
- Sounding Creek Solar Park LP
- Iron Valley Solar Park LLC (*)
- Trolley Barn Storage LLC (*)
- EDPR Northeast Solar Park LLC (*)
- Edgeware BESS Project GP Ltd
- Edgeware BESS Project GP Limited Partnership
- Sunseap China Energy (Qingdao) Co., Ltd.
- RL Sunseap Energy Sdn. Bhd.

* EDPR Group holds, through its subsidiary EDPR NA, a set of subsidiaries legally established in the United States without share capital and that, as at 31 December 2022, do not have any assets, liabilities, or any operating activity.

Others:

- EDP Renováveis, S.A. acquired 50% of the Polish companies Lomartico Investments, Sp. Z o.o., Medsteville Investments, Sp. Z o.o. and Ondentille Investments, Sp. Z o.o., (acquisition with no control).
- EDPR France Holding, S.A.S. acquired 51% of the company Centrale Eolienne D'Occey, S.A.S. According to the Shareholder Agreements, key operation and financial matters are included under "Reserved Matters" and shall be approved and resolved by the unanimously of the Board of Directors, therefore is considered under joint control.
- EDP Renewables Italia Holding acquired the remaining 49% strike of the Italian company Sarve, S.r.l. as a consequence of the put option exercised by the previous shareholders. This transaction has not significant impacts in the consolidated financial statements.This was previously consolidated,
- EDPR Sunseap Group acquired an additional 15% of the strike in the Korean company OMA Haedori Co., Ltd. This transaction has not significant impacts in the consolidated financial statements.
- EDPR Sunseap Group acquired an additional 18% of the strike in the Thailand company Thai Sunseap Co Ltd and obtaining control over the company. This transaction has not significant impacts in the consolidated financial statements.

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07. Revenues

Revenues are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
REVENUES BY BUSINESS AND GEOGRAPHY		
Electricity in Europe	1,269,806	902,605
Electricity in North America	685,211	567,316
Electricity in LATAM	52,793	66,089
Electricity in APAC	79,424	-
	2,087,235	1,536,010
Other revenues	2,425	3,959
	2,089,660	1,539,969
Services rendered	55,227	43,359
Changes in inventories and cost of raw material and consumables used		
Cost of consumables used and changes in inventories	-6,906	-2,870
Total Revenues	2,137,981	1,580,458

The breakdown of revenues by segment is presented in the segmental reporting (see annex I).

Increase in revenues is, mainly, explained by the income from the projects that have reached the COD during 2022 and the increase in prices as a consequence of the current world economic situation explained in the note "Conflict situation and geopolitical instability in Eastern Europe – Macroeconomic, Regulatory, Operational, Accounting Impact and relationship with Stakeholders."

Other revenues include settlement of energy trading derivative and hedge.

08. Income from institutional partnerships in North America

Income from institutional partnership in North America in the amount of 233,505 thousand Euros (31 December 2021: 177,205 thousand Euros), includes revenue recognition related to production tax credits (PTC), investments tax credits (ITC) and other tax benefits, mostly from accelerated tax depreciation related to projects Sol I, II and V, Blue Canyon I, Vento I to V, Vento IX to XVI, Vento XVIII and Vento XX to XXII (see note 33).

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09. Other income

Other income is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Amortisation of deferred income related to power purchase agreements	1,041	1,773
Contract and insurance compensations	60,789	27,957
Gains on business combination	578	7,831
Gains on disposals	411,372	500,664
Other income	52,246	97,506
	526,026	635,731

The amount of 7,831 thousand Euros in caption Gains of business combinations in 2021 referred to the acquisition of the operating company SPV Parco Eólico Aria del Vento S.R.L. (see note 6 and 42).

As at 31 December 2022, the caption Gains on disposals essentially includes:

- Gain amounting to 51,795 thousand Euros resulting from the sale of the entire stake in the Polish companies Winfan, Sp. z o.o., Lichnowy Windfarm, Sp. z o.o., Kowalewo Wind, Sp. z o.o., EWP European Wind Power Krasin, Sp. z o.o., Nowa Energia 1, Sp. z o.o. and Farma Wiatrowa Bogoria, Sp. z o.o. (see note 6).
- Gain amounting to 42,596 thousand Euros resulting from the sale of the entire stake in the Spanish companies Eólica La Janda, S.L. y Parc Eòlic Serra Voltorera, S.L. (see note 6).
- Gain amounting to 168,568 thousand Euros resulting from the sale of the entire stake in the Italian companies WinCap, S.r.l. TACA Wind, S.r.l., San Mauro, S.r.l., Conza Energia, S.r.l., Lucus Power, S.r.l, Breva Wind, S.r.l. and Aria del Vento S.R.L. (see note 6).
- Gain amounting to 119,085 thousand Euros resulting from the sale of the entire stake in the Brazilian companies Aventura Holding, S.A.. and its subsidiaries (Central Eólica Aventura II, S.A., Central Eólica Aventura III, S.A., Central Eólica Aventura IV, S.A., Central Eólica Aventura V, S.A.) and SRMN Holding, S.A. and its subsidiaries (Central Eólica SRMN I, S.A., Central Eólica SRMN II, S.A, Central Eólica SRMN III, S.A., Central Eólica SRMN IV, S.A., Central Eólica SRMN V, S.A. (see note 6).
- Gain amounting to 15,791 thousand Euros resulting from the sale of the entire stake in the North American company Meadow Lake Solar Park LLC (see note 6).
- Income amounting to 12,492 thousand Euros resulting from the lower cost to pay related to the project Indiana Crossroads Wind Farm LLC (see note 35).

As at 31 December 2021, the caption Gains on disposals essentially includes:

- Gain amounting to 307,699 thousand Euros resulting from the sale of the entire stake in the Portuguese companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).
- Gain amounting to 95,119 thousand Euros resulting from loss of control in the company 2019 Vento XX LLC and subsidiaries (see note 6). This amount includes 37,758 thousand Euros for the gain related to the fair value of the retained investment. It should also be considered an additional result in the amount of 811 thousand Euros related to the additional sale of a 12% stake in the company.
- Gain amounting to 62,995 thousand Euros resulting from the sale of the entire stake in the North American company Indiana Crossroads Wind Farm LLC (see note 6).
- Gain amounting to 34,825 thousand Euros resulting from loss of control in the companies Riverstart Development LLC and Riverstart Ventures LLC and subsidiaries (see note 6). This amount includes 8,167 thousand Euros for the gain related to the fair value of the retained investment.

As at 31 December 2022, the caption other income mainly includes:

- An amount of 739 thousand Euros which refers to changes in the fair value of the variable price related to the sale in 2018 to Sumitomo Corporation and in 2020 to OW Offshore SL of shares in the companies Éoliennes en Mer Dieppe – Le Tréport, SAS and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS (see note 24);
- An amount of 748 thousand Euros which refers to changes in the fair value of the variable price, related to the sale in 2020 to OW Offshore S.L. of Mayflower Wind Energy LLC;

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- An amount of 8,678 thousand Euros which refers to the success fee received from OW related to the stake of Moray West Holdings Limited sold in 2019;
- Price adjustment amounting to 12,428 thousand Euros according to the corresponding agreements in the transaction of selling 49% of EDPR Portugal portfolio of companies to CTG that took place in 2013;
- Price adjustment amounting to 5,633 thousand Euros according to the corresponding agreements in the transaction of selling 49% of EDP Renewables Polska SP.Zo.o portfolio of companies to CTG that took place in 2016;
- Management and cost reinvoiced to equity accounted projects in the amount of 5,403 thousand Euros;

As at 31 December 2021, the caption other income includes: i) the gain in the amount of 9,705 thousand Euros which refers to changes in the fair value of the variable price related to the sale in 2018 to Sumitomo Corporation and in 2020 to OW Offshore SL of shares in the companies Éoliennes en Mer Dieppe – Le Tréport, SAS and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS (see note 24); and ii) the gain in the amount of 29,950 thousand Euros which refers to changes in the fair value of the variable price, related to the sale in 2020 to OW Offshore S.L. of Mayflower Wind Energy LLC.

As at 31 December 2022 the caption contract and insurance compensations increased as a consequence of the liquidity damage received for certain projects under construction in North America.

10. Supplies and services

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Rents and leases	38,472	28,823
Maintenance and repairs	225,819	186,278
SPECIALISED WORKS:		
- IT Services, legal and advisory fees	18,225	24,758
- Shared services	22,854	19,661
- Other services	71,302	44,480
Other supplies and services	62,302	31,674
	438,974	335,674

The caption Rents and leases mainly includes costs for variable lease payments and rental costs for short-term leases.

The caption Other supplies and services has increased in the year ended 31 December 2022, mainly, due to the increase of information system services, studies and other expenses associated with the initial stage of development of projects as well as the consequence of the integration of the new geographies (see note 6).

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11. Personnel costs and employee benefits

Personnel costs and employee benefits is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
PERSONNEL COSTS		
Board remuneration (see note 39)	838	729
Remunerations	194,855	135,779
Social charges on remunerations	30,978	23,541
Employee's variable remuneration	52,985	37,739
Other costs	7,255	4,922
Own work capitalised (see note 16)	-72,666	-47,049
	214,245	155,661
EMPLOYEE BENEFITS		
Costs with pension plans	8,985	6,523
Costs with medical care plans and other benefits	17,381	12,075
	26,366	18,598
	240,611	174,259

As at 31 December 2022, Costs with pension plans relates essentially to defined contribution plans in the amount of 8,848 thousand Euros (31 December 2021: 6,430 thousand Euros).

The average breakdown by management positions and professional category of the permanent staff during 2022 and 2021 is as follows:

	2022	2021
Senior Managers	350	267
Managers	271	187
Specialists	1,661	1,260
Technicians	450	254
	2,732	1,968

The breakdown by gender of the permanent staff during 2022 and 2021 is as follows:

	31 DEC 2022		31 DEC 2021	
	MALE	FEMALE	MALE	FEMALE
Senior Managers	287	94	213	73
Managers	209	105	153	58
Specialists	1,155	709	896	497
Technicians	428	99	192	68
	2,079	1,007	1,454	696

The increase in the number of employees is a consequence of the acquisition of the Sunseap Group and Kronos Group (see note 6).

In the companies in Spain where there is a legal obligation to have people with disabilities in the workforce to comply with the LISMI due to the number of employees, EDPR has opted for the exceptionality measures provided by the Law. The Company is

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able to comply with the quota that legally applies to it through contracts of goods or services with companies that promote the hiring of disabled people and also through donations.

EDPR's companies under this obligation are covered with the exceptionality measures since March 2021 until 2023. For the rest of EDPR countries, the approach is the same. In 2020, as part of EDPR's global strategy, a Diversity and Equality Committee was set up with the participation of the Management Team, whose objective is to integrate the commitment to this issue within the company. One of the objectives of this Committee is focused on the group of people with disabilities as one of the most important topics to be developed.

12. Other expenses

Other expenses are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Taxes	142,058	86,981
Losses on fixed assets	19,895	10,656
Other costs and losses	75,816	67,384
	237,769	165,021

The caption Taxes, on 31 December 2022, besides other direct and indirect taxes, includes the amount of 54,362 thousand euros related to the additional income obtained by electricity generation in Romania and resulting from the difference between the average monthly selling price of electricity and the price fixed by the Romanian Authorities (see note 1).

The caption Taxes, on 31 December 2021, besides other direct and indirect taxes, included the amount of 4,493 thousand Euros related to taxes for energy generators in Spain, affecting all the wind farms in operation, amounting to 7% of revenues for each wind farm. The reason for the significant decrease refers to the issuance of the Royal Decree Law 17/2021 by which the Spanish Government announced the temporary suspension of the 7% Energy Tax, for the third and fourth quarters of the year 2021 and 2022.

Losses on fixed assets as at 31 December 2022 and 2021 mainly refers to abandonment of projects in Europe and North America.

Other costs and losses include as at 31 December 2022, mainly, operating costs associated with compensations and availability bonus to O&M suppliers (see note 9).

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13. Amortisation and impairment

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
PROPERTY, PLANT AND EQUIPMENT		
Buildings and other constructions	497	382
Plant and machinery	641,234	564,527
Other	6,614	5,202
Impairment loss (see note 16 and 19)	54,432	-
	702,777	570,111
RIGHT-OF-USE ASSETS		
Right-of-use assets	44,067	34,807
Intangible assets		
Industrial property, other rights and other intangibles	23,900	18,402
	770,744	623,320
Impairment of goodwill	-	-
	-	-
Amortisation of deferred income (Government grants)	-19,433	-16,031
	751,311	607,289

Right of use assets includes depreciation of IFRS 16 related assets.

Amortisation of deferred income (Government grants) refers to grants for fixed assets received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States that are amortised through the recognition of revenue in the income statement over the useful life of the related assets (see note 34).

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14. Financial income and financial expenses

Financial income and financial expenses are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
FINANCIAL INCOME		
Interest income	37,352	11,551
Derivative financial instruments:		
Interest	16,893	951
Fair value	340,608	30,623
Foreign exchange gains	284,643	64,442
Other financial income	1,136	418
	680,632	107,985
FINANCIAL EXPENSES		
Interest expense	225,201	145,960
Derivative financial instruments:		
Interest	84,342	28,514
Fair value	265,177	31,447
Foreign exchange losses	434,499	60,782
Own work capitalised	-41,342	-32,457
Unwinding	136,296	110,983
Other financial expenses	25,561	11,353
	1,129,734	356,582
Net financial income / (expenses)	- 449,102	-248,597

Derivative financial instruments include interest liquidations on the derivative financial instrument established between EDPR and EDP – Energias de Portugal, S.A. (see notes 24, 35 and 37). The increase in the captions fair value is a due to the current world economic situation describe in note "Conflict situation and geopolitical instability in Eastern Europe".

The increase on both foreign exchange gains a loses is related to the financing in foreign currency, mainly in US Dollars.

In accordance with the corresponding accounting policy, the borrowing costs (interest) capitalised in tangible fixed assets in progress as at 31 December 2022 amounted to 41,342 thousand Euros (at 31 December 2021 amounted to 32,457 thousand Euros) (see note 16), which are included under Own work capitalised (financial interest). The interest rates used for this capitalisation vary in accordance with the related loans' Interest expense refers to interest on loans bearing interest at contracted and market rates.

Interest expense refers to interest on loans bearing interest at contracted and market rates.

Unwinding expenses refers essentially to: (i) the implied return in institutional partnerships in North America amounting to 96,955 thousand Euros (31 December 2021: 79,023 thousand Euros) (see note 33); (ii) financial update of lease liabilities related to IFRS 16 in the amount of 33,612 thousand Euros (31 December 2021: 28,852 thousand Euros) (see note 35); and (iii) financial update of provisions for dismantling and decommissioning of wind and solar farms in the amount of 5,729 thousand Euros (31 December 2021: 3,106 thousand Euros) (see note 32).

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15. Income tax expense and Extraordinary Contribution to the Energy Sector (CESE)

The following note includes an analysis on the reconciliation between the theoretical and the effective income tax rate applicable at the level of the EDPR Group, on a consolidated basis. In general terms, the analysis on the reconciliation between the theoretical and the effective income tax rate aims at quantifying the impact of the income tax, recognised in the income statement, which includes both current and deferred tax. The note also includes an analysis on the extraordinary contribution to the energy sector (CESE).

As the EDPR Group prepares and discloses its financial statements in accordance with IFRS, an alignment between the accounting of income tax expense or income and the corresponding cash flow is not mandatory. Accordingly, this analysis does not represent the income tax paid or received by the EDPR Group for the corresponding reporting period.

Notwithstanding the above, the income tax paid by the EDPR Group on a country-by-country basis is disclosed in the Annual Report, which is available on EDPR's website (www.edpr.com). This website also includes the details on the general principles concerning EDPR Group's mission and tax policy and the overall tax contribution to public finance in 2022.

Main features of the tax systems of the countries in which the EDP Renewables Group operates

The statutory corporate income tax rates applicable in the countries in which EDP Renewables Group operates are as follows:

COUNTRY	31 DEC 2022	31 DEC 2021
EUROPE		
Belgium	25%	25%
France	25%	26.5-27.5%
Germany	15% - 30%	15% - 30%
Greece	22%	24%
Hungary	9%	9%
Italy	24% - 28.8%	24% - 28.8%
Netherlands	15% - 25.8%	15% - 25.8%
Poland	19%	19%
Portugal	22.5% - 31.5%	21% - 31.5%
Romania	16%	16%
Spain	25%	25%
United Kingdom	19%	19%
AMERICA		
Brazil	34%	34%
Canada	26.5%	26.5%
Chile	27%	27%
Colombia	35%	31%
Mexico	30%	30%
United States of America	24.91%	24.91%
APAC		
Australia	30%	30%
Cambodia	20%	20%
China	25%	25%
Indonesia	22%	22%

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Japan	30%	30%
South Korea	11% - 27.5%	10%-25%
Malaysia	24% - 33%	24%
The Philippines	20% - 25%	20% - 25%
Singapore	17%	17%
Taiwan	0% - 20%	0% - 20%
Thailand	20%	20%
Vietnam	20%	20%

EDP Renováveis S.A. and its subsidiaries file individual tax returns in accordance with the applicable tax legislation. Nevertheless, the company and the majority of its Spanish subsidiaries are taxed under the tax consolidation group regime foreseen in the Spanish law. EDP - Energias de Portugal, S.A. - Sucursal en España (Branch) is the dominant company of this Group, which includes other subsidiaries that are not within the renewables energy industry.

As per the applicable tax legislation, tax periods may be subject to inspection by the various Tax Administrations during a limited number of years. Statutes of limitation differ from country to country generally as follows: Vietnam: 2 years; USA, Chile, Belgium, Cambodia, Canada, China, Philippines and France: 3 years; Australia, Germany, Spain, United Kingdom, Singapore and Portugal: 4 years; Brazil, Colombia, Greece, Hungary, Indonesia, Italy, Japan, Korea, Malaysia, Netherlands, Poland, Romania, Taiwan, Thailand and Mexico: 5 years; Notwithstanding this, it is important to note that, in case of Portugal, if tax losses/credits being carried-forward are utilized, the statute of limitation is extended to the years when such tax losses/credits were generated. In Spain and France, tax losses may be subject to the Tax Authorities' verification up to 10 years after they are generated; once this period has expired, taxpayers must prove the origin of the tax losses whose utilization is intended. In Netherlands, the statute of limitation is extended to 12 years for non-resident income. In the event of fraud, numerous tax jurisdictions extend its statute of limitation.

Tax losses generated each year are also subject to Tax Administrations's review and reassessment. As per the legislation currently in force, losses may be used to offset yearly taxable income assessed in the subsequent periods as follows: 3 years in Philippines; 5 years in Portugal, Cambodia, China, Greece, Hungary, Indonesia, Vietnam, Thailand and Poland; 7 in Romania; 10 in Malaysia, Mexico, Taiwan and Japan; 12 in Colombia; 15 in Korea; 20 in Canada; and indefinitely in the Australia, United States, Spain, Chile, France, Italy, Belgium, Brazil, Singapore, Netherlands and United Kingdom. Notwithstanding this, it is important to note that, in some geographies, tax losses generated in previous years might be subject to the limitation period that was applicable at the moment when they were generated (e.g., Portugal and the United States). Moreover, in France tax losses in a given year may be carried back against the taxable base assessed in the previous tax year; in Canada in the 3 previous years; in Germany in the previous 2 years; and in Singapore, France, Netherlands, United Kingdom, Vietnam and Australia in the previous year. Notwithstanding this, the deduction of tax losses in Australia, Germany, USA, Portugal, Colombia, Chile, Korea, Spain, Greece, Hungary, Netherlands, Brazil, France, Italy, the United Kingdom, Japan and Poland is limited to a percentage of the taxable income of each period, or subject to other limitations.

EDP Renováveis Group companies may, in accordance with the law, benefit from certain tax benefits or incentives under specific conditions. Most importantly, Production Tax Credits in the US which are the dominant form of wind remuneration in this country, and represent an extra source of revenue per unit of electricity over the first 10 years of the assets life. Wind farms that qualify for the application of the PTC prior to 1 January 2017, benefit from 100% of the credit ($28/MWh in 2018, $25/MWh in 2019, 2020 and 2021, $26/MWh in 2022, being adjusted to inflation in subsequent years). The PTC amount is reduced by 20% for wind farms qualifying in 2017, 40% in 2018 and 60% in 2019. Additional legislation in 2020 & 2021 extended the aforementioned regime to wind facilities, with start of construction in 2020 or 2021, attributing 60% of the tax credit amount. Additionally, EDP Group companies benefit from the Investment Tax Credit which avails solar projects to a credit based upon its capital expenditures. This credit amount equates to 26% for projects that start construction before 2022 and 22% for projects starting construction in 2023 as long as these projects go into service by 2025.

Transfer pricing legislation is duly complied with by EDP Renováveis Group. Its policy follows the rules, guidelines and best international practices applicable across all geographies where the Group operates, in due compliance with the spirit and letter of the Law.

During 2022, the EDPR Group had various tax audits regarding different topics. In May, the commencement of a general tax audit was notified to the Spanish tax consolidation group headed by EDP - Energias de Portugal, S.A. - Sucursal en España (Branch),

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whose scope covers fiscal years 2017 – 2019. This audit is currently at a very preliminary stage. In addition, the general tax audit in Romania, made to the company Cernavoda Power, S.A, was finalized and is currently undergoing a litigation phase; however, EDPR does not expect any further liability than the one already recorded in the companies' accounts at 31 December 2022.

Changes in the tax law with relevance to the EDP Renewables Group in 2022

As from 2022, the statutory CIT rates applicable in the following relevant geographies have been modified as follows:

- In Colombia, even though the CIT rate was subject to a reduction from 32% to 31% in 2021, it was raised again from 2022 onwards from 31% to 35%.
- In France, the Finance Bill 2018 voted on 30 December 2017 (LOI n° 2017-1837 du 30 décembre 2017 de finances pour 2018) approved a progressive reduction of the general CIT rate to 25% by 2022. For fiscal years starting in 2022, the CIT rate amounts to 25%.

Windfall / extra-profit taxes

As per described in the referred Note, the European Union Council Regulation 2022/1854 of 6 October 2022 (Regulation) consubstantiated on a European Union wide emergency intervention to address high energy prices. While EDPR fully acknowledges that the existing emergency situation required for extraordinary measures, the Company also considers that (i) the principle of not taxing unrealized extra-profits should always prevail and (ii) the compatibility with existing, legitimately implemented, risk management strategies, needs to be ensured. These requirements are necessary to avoid harming producers that do not actually benefit from the current high electricity prices, due to having hedged, individually or at Group level, their revenues, against fluctuations in the wholesale electricity market. These financial hedges follow the Company's established low risk strategy to secure long term revenues and to remove electricity prices volatility on the company's earnings.

EDPR will pursue all legal actions at its disposal in order to challenge the legality of these measures.

Corporate income tax provision.

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 202
Current tax	-233,540	-46,903
Deferred tax	91,315	-42,922
Income tax expense	-142,225	-89,825

The effective income tax rate as at 31 December 2022 and 2021 is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Profit before tax	962,402	902,591
Income tax expense	-142,225	-89,825
Effective Income Tax Rate	14.78%	9.95%

The difference between the theoretical and the effective income tax expense, results from the application of the law provisions in the determination of the tax base, as demonstrated below.

The reconciliation between the nominal and the effective income tax rate for the Group during the years ended 31 December 2022 and 2021 is analysed as follows:

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THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Profit before taxes	962,402	902,591
Nominal income tax rate (*)	25.00%	25.00%
Theoretical income tax expense	-240,601	-225,648
Fiscal revaluations, amortization, depreciation and provisions	-15,098	1,998
Tax losses and tax credits	8,576	35,554
Financial investments in associates	21,851	-26
Difference between tax and accounting gains and losses	76,986	63,852
Non deductible windfall taxes	-35,732	-
Effect of tax rates in foreign jurisdictions and CIT rate changes	-7,823	14,656
Taxable differences attributable to non-controlling interests (USA)	17,926	15,852
Other	31,690	3,937
Effective income tax expense as per the Consolidated Income Statement	-142,225	-89,825

(*) Statutory corporate income tax rate applicable in Spain

The main captions are the following:

- The caption Tax losses and tax credits mainly reflects the effect of the abovereferred PTCs retained by EDPR North America and the effect of tax losses in different geographies.
- The caption Non deductible windfall taxes includes the effect of the Italian and Polish windfall taxes, enacted in 2022, as those taxes are not deductible for CIT purposes.
- The caption Difference between tax and accounting gains and losses refers to changes in the Groups perimeter not subject to income taxes.
- The caption Taxable differences attributable to non-controlling interests (USA) essentially includes the effect inherent to the attribution of taxable income to non-controllable interests in the subgroup EDPR NA, as determined by the tax legislation of that geography.
- The caption Other is mainly referred to the adjustment for inflation and exchange rate in Mexico.

Extraordinary Contribution to the Energy Sector (CESE)

Law 83-C/2013, of the State Budget 2014 ("Lei do Orçamento de Estado 2014"), approved by the Portuguese Government on 31 December 2013, introduced an extraordinary contribution applicable to the energy sector (CESE), with the objective of financing mechanisms that promote the energy sector systemic sustainability, through the establishment of a fund which aims to contribute for the reduction of tariff debt and to finance social and environmental policies in the energy sector. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CESE is calculated based on the companies' net assets as at 1 January, which comply, cumulatively, to: (i) property, plant and equipment; (ii) intangible assets, except industrial property elements; and (iii) financial assets assigned to concessions or licensed activities. In the case of regulated activities, CESE focuses on the value of regulated assets if it is higher than the value of those assets.

As at 31 December 2022, EDPR Group recorded in caption Tax Liabilities a fair value for this contribution of 3,075 thousand Euros.

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16. Property, plant and equipment

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
COST		
Land and natural resources	50,481	31,491
Buildings and other constructions	30,925	20,646
Plant and machinery:		
- Renewables generation	19,969,929	18,265,839
- Other plant and machinery	9,992	10,467
Other	87,417	76,909
Assets under construction	4,870,215	2,420,599
	25,018,959	20,825,951
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-648,345	-570,111
Accumulated depreciation in previous years	-6,280,429	-5,546,034
Impairment losses	-54,432	-
Impairment losses in previous years	-144,899	-147,506
	-7,128,105	-6,263,651
Carrying amount	17,890,854	14,562,300

The movement in Property, plant and equipment for the period ended 31 December 2022, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	31,491	18,295	-113	-	942	-134	50,481
Buildings and other constructions	20,646	328	-135	3,814	1,007	5,265	30,925
Plant and machinery	18,276,306	63,589	-25,517	760,334	719,984	185,225	19,979,921
Other	76,909	6,425	-1,464	2,514	2,378	655	87,417
Assets under construction	2,420,599	3,340,158	-14,245	-765,880	-10,081	-100,336	4,870,215
	20,825,951	3,428,795	-41,474	782	714,230	90,675	25,018,959

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	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	IMPAIRMENT LOSSES/ REVERSES	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Buildings and other constructions	13,056	496	-	-23	1,109	-	14,638
Plant and machinery	6,126,449	641,235	344	-24,900	209,311	-19,925	6,932,514
Assets under construction	73,131	-	54,088	-	-7,851	3,619	122,987
Other	51,015	6,614	-	-1,121	1,731	-273	57,966
	6,263,651	648,345	54,432	-26,044	204,300	-16,579	7,128,105

Plant and machinery include the cost of the wind farms and solar plants under operation.

Additions include, the investment in wind farms and solar plants under development and construction mainly in the United States of America, Colombia, Brazil, Poland, Italy, Canada, Spain, Portugal, Mexico, Singapore, Greece, Taiwan, France, China. Vietnam, Chile and Hungary. This caption also includes the allocation of the acquisition cost of certain companies due to the nature of the transactions, the type of assets and the initial stage of completion of the projects acquired (see note 6). The most significant ones, including additions from their acquisition, are:

- Polish companies Farma Fotowoltaiczna Radziejów, Sp. z o.o. and Farma Fotowoltaiczna Ujazd, Sp. Z.o.o. Farma Fotowoltaiczna Warta, Sp. Z o.o., Farma Fotowoltaiczna Wielkopolska, Sp. Z o.o., Farma Fotowoltaiczna Budzyn, Sp. Z o.o., Farma Fotowoltaiczna Dobrzyca, Sp. Z o.o. and Farma Fotowoltaiczna Tomaszów, Sp. Z o.o. for a total amount of 40,335 thousand Euros;
- Colombian company Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P. for a total amount of 8,036 thousand Euros;
- Hungarian companies Szabadsolar, Kft, Sunglare Capture, Kft., Sunglare Expert, Kft. and Napenergia, Kft. For a total amount of 6,726 thousand Euros;
- Greek company Aeolos Evias Energiaki, M.A.E for a total amount of 20,128 thousand Euros.
- Spanish companies Rocio Hive, S.L., Palma Hive, S.L. and Pedregal Hive, S.L. for a total amount of 19,274 thousand Euros;
- Italian companies Solar Italy I, S.r.l., Solar Italy II, S.r.l. and Solar Italy IV, S.r.l. for a total amount of 41,463 thousand Euros;
- North American Distributed Generation companies for a total amount of 33,498 thousand Euros;
- Brazilian companies for a total amount of 38,204 thousand Euros;
- Asian Distributed Generation companies for a total amount of 19,148 thousand Euros.

Changes in the perimeter / other also includes the change in the dismantling provisions related to the update of the main assumptions as at 31 December 2022 (see note 32).

Transfers from assets under construction into operation refer to wind and solar farms that became operational in Poland, the United States of America, Italy, Brazil, Spain, France, Mexico, Singapore, Taiwan and Canada.

Write-offs mainly refer to abandonment of projects in the United States of America and other certain projects in Europe. This amount is recorded under the caption Losses on fixed assets in the consolidated income statement (see note 12).

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar, Mexican Peso, Canadian Dollar, Colombian COPS, Singaporean Dollar, Polish zloty and Brazilian Real.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 520,521 thousand Euros related to the acquisition of Sunseap, a distributed solar generation business in Singapore (see note 6 and 42);
- Increase amounting to 198,241 thousand Euros related to the acquisition of a certain solar generation business in Vietnam (see note 6 and 42);
- Increase amounting to 97,330 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America (see note 6 and 42);
- Increase amounting to 4,871 thousand Euros related to the acquisition of a solar generation business “Kronos” (see note 6 and 42);

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- Net decrease amounting to 222,919 thousand Euros due to the sale of the companies WinCap, S.r.l., TACA Wind, S.r.l., San Mauro, S.r.l., Conza Energia, S.r.l., Lucus Power, S.r.l., Breva Wind, S.r.l. and Aria del Vento in Italy (see note 6 and 9);
- Decrease amounting to 210,044 thousand Euros due to the sale of the companies Central Eólica Aventura II, S.A., Central Eólica Aventura III, S.A., Central Eólica Aventura IV, S.A., Central Eólica Aventura V, S.A., Central Eólica SRMN I, S.A., Central Eólica SRMN II, S.A., Central Eólica SRMN III, S.A., Central Eólica SRMN IV, S.A. and Central Eólica SRMN V, S.A. in Brazil (see note 6);
- Decrease amounting to 182,766 thousand Euros due to the sale of the companies Meadow Lake Solar Park LLC and RSBF E470 I LLC in the United States of America (see note 6);
- Decrease amounting to 9,152 thousand Euros due to the reclassification to held for sale of certain portfolio in Europe (see note 27).
- Increase in the amount of 9,841 thousand Euros related to the dismantling cost for projects that have reached the COD during the year ended 31 December 2022.
- Update on the estimated dismantling cost according to an in-depth analysis performed by the EDPR's technical department with a net impact of a decrease in the amount of 84,613 thousand Euros

The Company has taken out an insurance global program to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

Loans with credit institutions formalized as 'Project Finance' are secured by the shares of the corresponding wind farms and, ultimately, by the fixed assets of the wind farm to which the financing is related (see note 31). Additionally, the construction of certain assets has been partly financed by grants received from different Government Institutions.

Impairment losses are mainly related to certain projects in Colombia as a result of the recoverability assessment (see note 19).

The movement in Property, plant and equipment during 2021, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	29,585	2,354	-57	-	1,065	-1,456	31,491
Buildings and other constructions	19,276	260	-	-	1,077	33	20,646
Plant and machinery	16,457,307	307,489	-35,006	2,091,321	849,849	-1,394,654	18,276,306
Other	67,562	5,499	-1,350	2,925	2,788	-515	76,909
Assets under construction	2,571,806	2,243,963	-19,403	-2,090,120	115,633	-401,280	2,420,599
	19,145,536	2,559,565	-55,816	4,126	970,412	-1,797,872	20,825,951

	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	IMPAIRMENT LOSSES/ REVERSES	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Buildings and other constructions	11,736	382	-	-	938	-	13,056
Plant and machinery	5,523,972	564,527	-	-24,879	253,583	-190,754	6,126,449
Assets under construction	72,981	-	-	-	150	-	73,131
Other	45,129	5,202	-	-1,322	2,135	-129	51,015
	5,653,818	570,111	-	-26,201	256,806	-190,883	6,263,651

Plant and machinery include the cost of the wind farms and solar plants under operation.

Additions include the investment in wind farms and solar plants under development and construction mainly in the United States, Poland, Brazil, Spain, Italy, Portugal, Mexico, France, Canada, Colombia and Greece. This caption also includes the allocation of

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the acquisition cost of certain companies due to the nature of the transactions, the type of assets and the initial stage of completion of the projects acquired (see note 6). The most significant ones, including additions from their acquisition, are:

- Greek companies Aioliki Oitis Energiaki Single-Member LLC, Kadmeios Anemos Energiaki, A.E. and Voiotikos Anemos Anonimi Energiaki Etaireia Wind Shape, Ltd. for a total amount of 16,700 thousand Euros.
- Italian company C & C Tre Energy S.r.l. in the amount of 10,203 thousand Euros;
- Romanian companies Energopark, S.R.L., International Solar Energy, S.R.L., Solar Phoenix, S.R.L. and Beta Wind, S.R.L. for a total amount of 19,548 thousand Euros;
- Polish companies Elektrownia Kamienica, Sp. z o.o., Neo Solar Chotków, Sp. z o.o., Neo Solar Przykona II, Sp. z o.o., Farma Fotowoltaiczna Koden, Sp. z o.o. and WF Energy III, Sp. z o.o. for a total amount of 22,919 thousand Euros;
- Chilean companies Los Llanos Solar, SpA, Parque Eólico San Andrés, SpA, Parque Eólico Victoria, SpA. and Parque Eólico Punta de Talca, SpA for a total amount of 4,305 thousand Euros.
- Hungarian company Nyírség Watt, Kft. in the amount of 2,467 thousand Euros.

Transfers from assets under construction into operation refer to wind and solar farms that became operational in the United States, Canada, Portugal, Mexico, Italy, France, Poland, Brazil, Spain and Greece.

Write-offs mainly refer to abandonment of projects in Europe.

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar, Mexican Peso and Canadian Dollar.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 134,949 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America. The effect of the fair value adjustment of the assets, in the amount of 447 thousand Euros, has been included in the caption Additions (see note 6 and 42);
- Increase amounting to 21,651 thousand Euros related to the acquisition of the Italian operational company Parco Eolico Aria Del Vento S.R.L. The effect of the fair value adjustment of the assets, in the amount of 13,993 thousand Euros, has been included in the caption Additions (see note 6 and 42);
- Increase amounting to 19,724 thousand Euros related to the acquisition of the Vietnamese operational company Trung Son Energy Development LLC and Singaporean companies Trina Solar Investment First Pte. Ltd. and LYS Energy Investment Pte. Ltd.. The effect of the fair value adjustment of the assets, in the amount of 5,631 thousand Euros, has been included in the caption Additions (see note 6 and 42);
- Increase amounting to 7,564 thousand Euros related to the acquisition of the UK companies Vento Ludens Ltd and the operational company Muirake Wind Farm Ltd. The effect of the fair value adjustment of the assets, in the amount of 13,201 thousand Euros, has been included in the caption Additions (see note 6 and 42);
- Decrease amounting to 558,047 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6);
- Decrease amounting to 372,381 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies;
- Decrease amounting to 350,901 thousand Euros due to the sale of the company Indiana Crossroads Wind Farm LLC (see note 6);
- Decrease amounting to 268,864 thousand Euros due to the loss of control in the companies Riverstart Development LLC, Riverstart Ventures LLC and subsidiaries (see note 6).
- Decrease amounting to 221,082 thousand Euros due to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).

Assets under construction as at 31 December 2022 and 31 December 2021 are analysed as follows:

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THOUSAND EUROS	31 DEC 2022	31 DEC 2021
EDPR NA	2,589,575	1,079,633
EDPR EU	1,074,177	825,986
EDPR LATAM	1,098,164	509,951
EDPR APAC	108,299	5,029
	4,870,215	2,420,599

Assets under construction as at 31 December 2022 are mainly related to wind and solar farms under construction and development in the United States of America, Poland, Brazil, Colombia, South Asia, Spain, Italy, Mexico, France, Canada, Greece, Hungary and Portugal.

Financial interests capitalized during the period amount to 41,342 thousand Euros as at 31 December 2022 (31 December 2021: 32,457 thousand Euros) (see note 14).

Personnel costs capitalised during the period amount to 72,666 thousand Euros as at 31 December 2022 (31 December 2021: 47,049 thousand Euros) (see note 11).

The EDP Renováveis Group has purchase obligations disclosed in Note 38 – Commitments.

17. Right of use assets

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
COST		
Land and natural resources	1,070,178	721,642
Buildings and other constructions	51,490	35,720
Plant and machinery:	-	119
Other	6,743	5,568
	1,128,411	763,049
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-44,067	-34,807
Accumulated depreciation	-96,042	-59,454
	-140,109	-94,261
Carrying amount	988,302	668,788

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The movements in Right of use assets, for the Group, for the period ended 31 December 2022, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS / WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	721,642	316,735	-1,613	3,221	28,222	1,971	1,070,178
Buildings and other constructions	35,720	15,015	-	-3,193	1,108	2,840	51,490
Plant and machinery:	119	-	-	-119	-	-	-
Other	5,568	1,508	-288	-74	32	-3	6,743
	763,049	333,258	-1,901	-165	29,362	4,808	1,128,411

THOUSAND EUROS	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Land and natural resources	75,789	35,523	-795	325	2,554	-125	113,271
Buildings and other constructions	15,168	7,451	-	-407	391	-13	22,590
Plant and machinery:	10	4	-	-14	-	-	-
Other	3,294	1,089	-116	-24	8	-3	4,248
	94,261	44,067	-911	-120	2,953	-141	140,109

Cost additions include new lease contracts mainly located in the USA, Spain, Canada and Poland.

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 39,000 thousand Euros related to the acquisition of the Sunseap Group (see note 6);
- Decrease amounting to 9,705 thousand Euros due to the sale of a certain portfolio in Europe;
- Decrease amounting to 24,346 thousand Euros due to the sale of certain portfolio in North America.

The movements in Right of use assets, for the Group, for the period ended 31 December 2021, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
COST						
Land and natural resources	699,214	136,690	-210	43,557	-157,609	721,642
Buildings and other constructions	30,246	4,285	-46	1,275	-40	35,720
Plant and machinery:	118	-	-	1	-	119
Other	4,152	1,439	-20	4	-7	5,568
	733,730	142,414	-276	44,837	-157,656	763,049

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THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Land and natural resources	-48,143	-28,225	2	-3,058	3,635	-75,789
Buildings and other constructions	-9,348	-5,453	3	-389	19	-15,168
Plant and machinery:	-7	-3	-	-	-	-10
Other	-2,187	-1,126	20	-1	-	-3,294
	-59,685	-34,807	25	-3,448	3,654	-94,261

Cost additions include new lease contracts mainly located in the USA, Portugal, Spain, Brazil, Italy, Mexico, Canada and Greece. New leases are typically signed for a similar period than the useful life of the projects. See note 35 for maturity of lease contracts.

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 4,858 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America (see note 6);
- Decrease amounting to 53,882 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6).
- Decrease amounting to 41,134 thousand Euros due to the sale of the company Indiana Crossroads Wind Farm LLC (see note 6).
- Decrease amounting to 36,758 thousand Euros due to the loss of control in the companies Riverstart Development LLC, Riverstart Ventures LLC and subsidiaries (see note 6).
- Decrease amounting to 16,884 thousand Euros due to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).
- Decrease amounting to 12,405 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies.

18. Intangible assets

This caption is analysed as follows:

THOUSAND EUROS EUROS	31 DEC 2022	31 DEC 2021 (*)
Cost		
Industrial property, other rights and other intangible assets	426,891	232,351
Concession Rights	55,913	31,493
Intangible assets under development	70,511	44,461
	553,315	308,305
Accumulated amortisation		
Amortisation charge	-23,900	-18,402
Accumulated amortisation in previous years	-137,010	-119,282
Impairment losses	-	-
Impairment losses in previous years	-11,559	-11,746
	-172,469	-149,430
Carrying amount	380,846	158,875

* See note 2.A) for details regarding the modification as a result of the change in the Green Certificates and RECs accounting policy

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Industrial property, other rights and other intangible assets include mainly:

- Fair value adjustments related to the power sales contracts acquired in the business combination of the Sunseap Group, Xuan Thien and Longroad (see note 6 and 42).
- Power sales contracts in relation to former asset acquisitions out of the scope of IFRS 3 in the amount of 58,892 thousand Euros (31 December 2021: 55,460) that are amortized over the term of the power sales contracts. The variation is explained by the effect of the exchange rates;
- Software, substation access rights and wind generation permit and licenses amounting to 135,698 thousand Euros (31 December 2021: 145,134 thousand Euros);

The movement in Intangible assets for the period ended 31 December 2022, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS / WRITE-OFFS	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Industrial property, other rights and other intangible assets	232,351	1,574	-	6,038	4,990	181,938	426,891
Concession rights	31,493	420	-853	5,933	41	18,879	55,913
Intangible assets under development	44,461	15,515	-1,315	-12,753	514	24,089	70,511
	308,305	17,509	-2,168	-782	5,545	224,906	553,315

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 31 DEC
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES						
Industrial property, other rights and other intangible assets	140,246	20,093	-	3,568	-16,364	147,543
Concession Rights	9,183	3,807	-177	15	12,098	24,926
	149,429	23,900	-177	3,583	-4,266	172,469

Additions mainly refer to software development during the period.

Changes in the perimeter mainly refers to the fair value of power purchase agreements associated to the generation assets agreements acquired in the business combination transactions. An amount of 113,717 thousand Euros corresponds to the Sunseap Group, 85,476 thousand Euros corresponds to the Xuan Thien and 20,667 thousand Euros to Longroad from the acquisition of the Sunseap Group (see note 6 and 42).

The movement in Intangible assets during 2021(*), is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
COST							
Industrial property, other rights and other intangible assets	220.581	877	-	4,956	8,687	-2,750	232,351
Concession rights	27,786	60	-	6,561	3	-2,917	31,493
Intangible assets under development	44,199	13,346	-392	-15,643	203	2,748	44,461
	292,566	14,283	-392	-4,126	8,893	-2,919	308,305

* See note 2.A) for details regarding the modification as a result of the change in the Green Certificates and RECs accounting policy

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THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 31 DEC
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES						
Industrial property, other rights and other intangible assets	120,304	15,684	-	4,257	-	140,245
Concession Rights	6,702	2,718	-	1	-236	9,185
	127,006	18,402	-	4,258	-236	149,430

* See note 2.A) for details regarding the modification as a result of the change in the Green Certificates and RECs accounting policy

Additions mainly refer to software license acquisitions during the period.

As at 31 December 2021 the caption Others mainly includes a decrease amounting to 6,553 thousand Euros related to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).

19. Goodwill

For the Group, the breakdown of Goodwill resulting from the difference between the cost of the investments and the corresponding share of the fair value of the net assets acquired, is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Goodwill booked in EDPR EU :	1,177,206	578,120
- EDPR Spain	419,023	470,784
- EDPR France	25,904	25,904
- EDPR Portugal	43,712	43,712
- Kronos Solar Group	651,657	-
- Other	36,910	37,720
Goodwill booked in EDPR NA	758,736	686,842
Goodwill booked in EDPR LATAM	668	627
Goodwill booked in EDPR APAC	393,354	2,446
	2,329,964	1,268,035

The movements in Goodwill, by subgroup, during the period ended 31 December 2022 is as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	INCREASES	DECREASES	IMPAIRMENT	EXCHANGE DIFFERENCES	CHANGE PERIMETER / OTHERS	BALANCE AT 31 DEC
EDPR EU :							
- EDPR Spain	470,784	-	-	-	-	-51,761	419,023
- EDPR France	25,904	-	-	-	-	-	25,904
- EDPR Portugal	43,712	-	-	-	-	-	43,712
- Kronos Solar Group	-	-	-	-	-	651,657	651,657
- Other	37,720	-	-	-	-125	-685	36,910
EDPR NA	686,842	-	-	-	42,929	28,965	758,736
EDPR LATAM	627	-	-	-	75	-33	668
EDPR APAC	2,446	-	-	-	6,186	384,721	393,354
	1,268,035	-	-	-	49,065	1,012,864	2,329,964

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Changes in the perimeter / others refer to:

- Increase amounting to 651,657 thousand Euros provisional goodwill related to the business combination for the acquisition of the Kronos Solar Group (see note 6 and 42);
- Increase amounting to 363,485 thousand Euros provisional goodwill related to the business combination for the acquisition of the Sunseap Group (see note 6 and 42);
- Increase amounting to 28,965 thousand Euros provisional goodwill related to the business combination for the acquisition of certain portfolio in the United States of America (see note 6 and 42);
- Increase amounting to 21,236 thousand Euros provisional goodwill related to the business combination for the acquisition of certain portfolio in Vietnam (see note 6 and 42);
- Decrease in the amount of 51,761 thousand Euros related to the sale of Spanish companies during the period ended 31 December 2022 (see note 6 and 9).
- Decrease in amount of 685 thousand Euros related to completion of a sale of a certain European portfolio (see note 6 and 9).

The movements in Goodwill, by subgroup, during 2021 are analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	INCREASES	DECREASES	IMPAIRMENT	EXCHANGE DIFFERENCES	CHANGES PERIMETER / OTHERS	BALANCE AT 31 DEC
EDPR EU Group:							
- EDPR Spain Group	470,784	-	-	-	-	-	470,784
- EDPR France Group	25,904	-	-	-	-	-	25,904
- EDPR Portugal Group	43,712	-	-	-	-	-	43,712
- Other	37,147	-	-	-	29	544	37,720
EDPR NA Group	644,499	-	-	-	52,274	-9,931	686,842
EDPR LATAM Group	620	-	-	-	7	-	627
EDPR APAC Group	-	-	-	-	103	2,343	2,446
	1,222,666	-	-	-	52,413	-7,044	1,268,035

Changes in the perimeter / others refer to:

- Increase amounting to 2,343 thousand Euros related to the business combination for the acquisition of the Vietnamese operational company Trung Son Energy Development LLC and Singaporean companies Trina Solar Investment First Pte. Ltd. and LYS Energy Investment Pte. Ltd. (see note 6 and 42);
- Increase amounting to 1,575 thousand Euros related to the business combination for the acquisition of the distribution generation business in EDPR NA (see note 6 and 42).
- Increase amounting to 544 thousand Euros related to the business combination for the acquisition of the UK companies Vento Ludens Ltd and the operational company Muirake Wind Farm Ltd (see note 6).
- Decrease in the amount of 11,506 thousand Euros related to the sale of companies in EDPR NA (see note 6).

Impairment tests – EDPR Group

Goodwill, property, plant and equipment, right of use assets, intangible assets and investments in joint ventures and associates of the EDPR Group are tested for impairment each year. In the case of operational wind farms and solar plants, it is performed by determining the recoverable value through the value in use. Goodwill is allocated to each country (CGUs) where EDPR Group performs its activity, so the EDPR Group calculates cash flows in each country in order to determine the recoverable amount of goodwill and the rest of the assets allocated.

To perform this analysis, a Discounted Cash Flow (DCF) method was used. This method is based on the principle that the estimated value of an entity or business is defined by its capacity to generate financial resources in the future, assuming these can be removed from the business and distributed among the company's shareholders, without compromising the maintenance of the activity. Therefore, for the businesses developed by EDPR's CGUs, the valuation was based on free cash flows generated by the business, discounted at appropriate discount rates.

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The future cash flows projection period used is the useful life of the assets (20 to 35 years) which is consistent with the current depreciation method. The cash flows also incorporate the long-term off-take contract in place and long-term estimates of power prices, whenever the asset holds merchant exposure.

The main assumptions used for the impairment tests are as follows:

- **Power produced:** net capacity factors used for each CGU utilize the wind studies carried out, which takes into account the long-term predictability of wind output and that wind generation is supported in nearly all countries by regulatory mechanisms that allow for production and priority dispatching whenever weather conditions permit;
- **Electricity remuneration:** regulated or contracted remuneration has been applied where available, as for the CGUs that benefit from regulated remuneration or that have signed contracts to sell their output during all or part of their useful life; where this is not available, prices were derived using price curves projected by the company based on its experience, internal models and using external data references;
- **New capacity:** tests were based on the best information available on the wind and solar farms expected to be built in coming years, adjusted by probability of success and by the growth prospects of the company based on the Business Plan Targets, which includes the commitment to develop under construction wind farms, its historical growth and market size projections. The tests considered the contracted and expected prices to buy turbines from various suppliers;
- **Operating costs:** established contracts for land leases and maintenance agreements were used; other operating costs were projected consistent with the company's experience and internal models;
- **Terminal value:** considered as a 15% of the initial investment in each wind farm, considering inflation;
- **Discount rate:** the discount rates used are post-tax (which does not differ significatively from the discount rate pre-tax), reflect EDPR Group's best estimate of the risks specific to each CGU and range as follows:

	2022	2021
Europe	3.7%-8.6%	2.9%-5.6%
North America	6.0%	4.6%
LATAM	5.9%-9.6%	7.6%-9.3%
APAC	6.9%-10.8%	4.6%-7.7%

Impairment tests done have taken into account the regulation changes in each country, as disclosed in note 1.

As a result of the impairment tests, it has been required to book an impairment in Property, plant and equipment during the year ended 31 December 2022, mainly, for certain Colombian projects which do not have any associated goodwill (in 2021 it had not been required to book any additional impairment or reverse existing impairments). Further, EDPR has performed the following sensitivity analyses in the results of goodwill impairment tests performed in Europe, North America, LATAM and APAC in some of the key variables, such as:

- 5% reduction of Merchant Prices used in the base case. This sensitivity analysis performed for this assumption independently would not suppose any impairment for the goodwill allocated to each country;
- 100 basis points increase of the discount rate used in the base case. This sensitivity analysis performed for this assumption independently would not suppose any impairment for the goodwill allocated to each country.

20. Investments in Joint Ventures and Associates

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
INVESTMENTS IN ASSOCIATES		
Interests in joint ventures	1,057,048	911,196
Interests in associates	100,201	77,326
Carrying amount	1,157,249	988,522

For the purpose of the consolidated financial statements presentation, goodwill arising from the acquisition of joint ventures and associated companies is presented in this caption. None of the companies is listed.

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The movement in Investments in joint ventures and associates, is analysed as follows:

THOUSAND EUROS	2022	2021
Balance as at 1 January	988,522	474,884
Changes in the consolidation perimeter	25,002	-
Changes in consolidation method	-	96,204
Acquisitions / other perimeter variations	-839	371,143
Disposals	-	-3,960
Share of profits of joint ventures and associates	161,534	41,184
Dividends	-45,445	-29,599
Exchange differences	23,142	35,713
Hedging reserve in joint ventures and associates	85,782	-5,376
Others	-80,449	8,329
Balance as at the end of the period	**1,157,249**	**988,522**

Acquisition and other perimeter variations includes an amount related to capital increases of 2,586 thousand Euros mainly of the entities of Evoikos Voreas A.E., Total Sofrano A.E. and Charge+ Pte. Ltd and a negative amount of 3,425 thousand Euros related to capital reductions mainly of the entities of San Juan de Bargas Eólica, S.L. and Unión de Generadores de Energía, S.L. The caption in 2021 mainly included share capital increases in OW Offshore S.L. (Ocean Winds) in the amount of 331,519 thousand Euros.

Changes in the consolidated perimeter mainly includes an amount of 9,111 thousand Euros related to the acquisition of Sunseap Group (see note 42) and the fair value adjustment amounting to 14,842 thousand Euros.

The caption "joint venture and associates" in the income statement includes a gain amounting to 16,981 thousand Euros resulting from the sale of the remaining stake in the offshore company Moray West Holdings Limited and an amount of 752 thousand Euros resulting from the sale of the stake in the company Solar Works! B.V., which are not reflected in the chart above due to this amount is recorded in the corresponding holding companies (see note 6).

Changes in the consolidation method in 2021 refered to:

- Increase amounting to 32,763 thousand Euros due to the loss of control in the companies Riverstart Development LLC, Riverstart Ventures LLC and subsidiaries (see note 6);
- Increase amounting to 63,441 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6).

The following table resumes the companies' financial information of joint ventures included in the Group consolidated accounts, as of December 2022:

THOUSAND EUROS	OW OFFSHORE, S.L. AND SUBSIDIARIES	FLAT ROCK WINDPOWER LLC	GOLDFINGER VENTURES II LLC	GOLDFINGER VENTURES LLC	2019 VENTO XX LLC AND SUBSID.	2017 VENTO XVII LLC AND SUBSID.
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	2,625,312	196,542	322,496	211,527	632,137	539,395
Current Assets	457,761	12,882	-2,069	221	7,830	11,673
Cash and cash equivalents	237,416	10,400	58	-	-	-
Total Equity	1,069,680	203,387	211,917	153,491	24,236	202,561
Long term Financial debt	493,044	-	-	-	-	-
Non-Current Liabilities	987,607	4,391	98,885	54,690	597,474	340,973
Short term Financial debt	4,918	-	-	448	517	219
Current Liabilities	1,025,786	1,646	9,625	3,567	18,257	7,534
Revenues	46,200	20,238	17,172	12,484	39,529	46,946

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THOUSAND EUROS	OW OFFSHORE, S.L. AND SUBSIDIARIES	FLAT ROCK WINDPOWER LLC	GOLDFINGER VENTURES II LLC	GOLDFINGER VENTURES LLC	2019 VENTO XX LLC AND SUBSID.	2017 VENTO XVII LLC AND SUBSID.
PPE and intangible assets amortisations	-8,466	-14,719	-10,039	-10,556	-23,872	-25,529
Other financial expenses	-121,882	-60	-3,432	-1,724	-20,218	-17,905
Income tax expense	7,298	-	-	-	-	-
Net profit for the period	257,040	-6,653	20,039	11,192	27,652	33,995
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	490,929	111,047	93,349	68,989	34,035	62,510
Goodwill	5,352	-	-	-	-	-
Dividends paid	-	1,012	5,858	3,677	4,186	4,311

THOUSAND EUROS	2018 VENTO XIX LLC AND SUBSIDIARIES	FLAT ROCK WINDPOWER II LLC	SOL V	EVOIKOS VOREAS A.E.	EVOLUCIÓN 2000, S.L.	OTROS
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	489,003	80,600	324,297	1,021	27,826	30,487
Current Assets	18,917	4,901	4,415	878	8,964	15,502
Cash and cash equivalents	-	3,889	-	878	7,125	7,175
Total Equity	101,026	82,815	194,623	1,723	27,272	14,461
Long term Financial debt	-	-	-	-	-	16,211
Non-Current Liabilities	398,228	1,677	125,503	-	4,037	18,716
Short term Financial debt	38	-	58	-	1	317
Current Liabilities	8,666	1,009	8,586	176	5,481	12,812
Revenues	22,271	7,653	17,751	-	23,673	2,833
PPE and intangible assets amortisations	-20,377	-5,682	-9,473	-	-2,594	-900
Other financial expenses	-17,990	-27	-3,630	-5	-86	-994
Income tax expense	-	-	-	-	-5,080	6
Net profit for the period	16,866	-2,916	20,389	-153	14,022	-552
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	40,986	41,407	39,001	21,454	16,071	37,270
Goodwill	-	-	-	-	2,667	27
Dividends paid	2,290	-	1,217	-	7,063	-

The following table resumes the companies' financial information of joint ventures included in the Group consolidated accounts, as of December 2021:

THOUSAND EUROS	OW OFFSHORE S.L. AND SUBSIDIARIES	FLAT ROCK WINDPOWER LLC	GOLDFINGER VENTURES II LLC AND SUBSID.	2019 VENTO XX LLC AND SUBSID.	GOLDFINGER VENTURES LLC AND SUBSID.	2017 VENTO XVII LLC AND SUBSID.
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	1,181,672	198,883	313,792	644,157	209,580	525,213
Current Assets	266,754	5,205	1,685	16,121	554	5,453
Cash and cash equivalents	82,639	4,282	870	9,429	-47	-159
Total Equity	707,268	197,721	194,044	215,942	141,812	177,217
Long term Financial debt	50,037	-	-	-	-	-
Non-Current Liabilities	650,372	4,080	112,157	415,353	65,228	344,720
Short term Financial debt	3,720	-	101	456	98	-
Current Liabilities	90,786	2,287	9,276	28,983	3,094	8,729

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THOUSAND EUROS	OW OFFSHORE S.L. AND SUBSIDIARIES	FLAT ROCK WINDPOWER LLC	GOLDFINGER VENTURES II LLC AND SUBSID.	2019 VENTO XX LLC AND SUBSID.	GOLDFINGER VENTURES LLC AND SUBSID.	2017 VENTO XVII LLC AND SUBSID.
Revenues	10,040	9,711	10,657	30,600	11,063	34,952
PPE and intangible assets amortisations	-4,532	-13,097	-7,372	-15,714	-9,212	-19,352
Other financial expenses	-69,164	-53	-3,202	-26,102	-1,708	-14,259
Income tax expense	1,080	-	-	-	-	-
Net profit for the period	34,813	-14,667	12,931	534,542	9,187	20,545
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	358,986	102,608	84,775	67,457	63,217	57,919
Goodwill	5,352	-	-	-	-	-
Dividends paid	-	9,809	4,539	-	3,270	3,885

THOUSAND EUROS	2018 VENTO XIX LLC AND SUBSIDIARIES	FLAT ROCK WINDPOWER II LLC	EVOIKOS VOREAS A.E.	SOFRANO S.A.	EVOLUCIÓ N 2000 S.L.	OTHERS
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	477,623	81,368	625	582	33,502	306,237
Current Assets	13,913	1,893	752	227	9,805	3,795
Cash and cash equivalents	-86	1,704	752	96	5,778	334
Total Equity	133,497	80,735	685	645	27,620	81,755
Long term Financial debt	-	-	-	-	-	-
Non-Current Liabilities	351,971	1,554	-	-	10,336	137,777
Short term Financial debt	-	-	-	-	3,680	184
Current Liabilities	6,068	972	692	164	5,351	90,500
Revenues	22,019	3,723	-	-	8,343	319
PPE and intangible assets amortisations	-16,498	-5,117	-	-	-2,623	-
Other financial expenses	-17,347	-24	-	-	-98	-26
Income tax expense	-	-	-	-	-577	-
Net profit for the period	13,463	-6,184	-38	-33	3,686	35,466
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	47,447	40,367	20,925	15,409	16,242	35,844
Goodwill	-	-	-	-	2,667	27
Dividends paid	3,118	-	-	-	-	-

The following table resumes the companies' financial information of associates included in the Group consolidated accounts, as of December 2022:

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THOUSAND EUROS	PARQUE EÓLICO SIERRA DEL MADERO, S.A.	EÓLICA DE SÃO JULIÃO, LDA.	UNIÓN DE GENERADORES DE ENERGÍA, S.L.	GEÓLICA MAGALLÓN, S.L.
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	41,120	5,839	2,600	4,441
Current Assets	32,020	23,725	1,626	11,800
Equity	51,374	-1,219	3,171	4,243
Non-Current Liabilities	3,852	15,411	28	2,211
Current Liabilities	17,914	15,372	1,027	9,787
Revenues	30,477	15,821	-	571
Net profit for the period	17,973	12,496	8,665	8,247
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	21,577	19,639	13,851	10,181
Goodwill	-	1,457	1,913	683
Dividends paid	3,262	-	150	3,880

THOUSAND EUROS	DESARROLLOS EÓLICOS DE CANARIAS, S.A.	SAN JUAN DE BARGAS EÓLICA, S.L.	PARQUE EÓLICO BELMONTE, S.A	OTROS
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	2,246	5,866	18,250	21,061
Current Assets	7,211	6,992	7,440	13,645
Equity	7,193	4,811	15,136	17,460
Non-Current Liabilities	607	1,741	1,934	5,935
Current Liabilities	1,658	6,306	8,620	11,311
Revenues	8,212	475	12,469	13,638
Net profit for the period	4,568	3,784	6,863	3,705
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	9,697	8,455	6,251	10,550
Goodwill	6,479	-	1,725	-
Dividends paid	1,542	3,451	360	3,186

The following table resumes the companies' financial information of associates included in the Group consolidated accounts, as of December 2021:

THOUSAND EUROS	EÓLICA SÃO JULIÃO LDA.	PARQUE EÓLICO SIERRA DEL MADERO S.A.	GEÓLICA MAGALLÓN S.L.	SAN JUAN DE BARGAS EÓLICA S.L.
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	6,007	44,104	5,619	7,547
Current Assets	529	24,124	10,010	7,636
Equity	-11,931	41,171	6,700	11,367
Non-Current Liabilities	14,496	8,066	1,477	725
Current Liabilities	3,971	18,991	7,452	3,091

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THOUSAND EUROS	EÓLICA SÃO JULIÃO LDA.	PARQUE EÓLICO SIERRA DEL MADERO S.A.	GEÓLICA MAGALLÓN S.L.	SAN JUAN DE BARGAS EÓLICA S.L.
Revenues	6,657	16,656	7,343	5,463
Net profit for the period	-2,724	7,766	5,982	5,132
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	16,115	17,290	11,680	12,036
Goodwill	1,457	-	683	-
Dividends paid	-	-	1,068	817

THOUSAND EUROS	DESARROLLOS EÓLICOS DE CANARIAS S.A.	EOS PAX IIA, S.L.	PARQUE EÓLICO BELMONTE S.A.	OTHER
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	2,711	867	17,811	21,681
Current Assets	5,274	167	5,054	9,944
Equity	6,072	-462	9,506	8,124
Non-Current Liabilities	845	995	9,302	17,881
Current Liabilities	1,068	501	4,057	5,620
Revenues	5,804	8,416	3,914	3,115
Net profit for the period	3,171	2,872	1,278	-460
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	9,196	3,481	4,568	2,960
Goodwill	6,479	-	1,726	3,976
Dividends paid	70	1,455	-	1,568

During 2022, the significant companies' financial information of joint ventures and associates presented the following fair value reconciliation of net assets proportionally attributed to EDPR Group:

THOUSAND EUROS	EQUITY	% INVESTMENT	FAIR VALUE ADJUSTMENTS	GOODWILL	OTHERS	NET ASSETS
OW Offshore S.L. and subsidiaries	1.069,680	50.00%	-49,265	5,352	-	490,929
Flat Rock Windpower LLC	203,387	50.00%	-	-	9,356	111,047
Goldfinger Ventures II LLC	211,917	50.00%	-12,610	-	-	93,349
Goldfinger Ventures LLC	153,491	50.00%	-7,756	-	-	68,989
2019 Vento XX and subsidiaries	24,236	20.00%	29,188		-	34,035
2017 Vento XVII LLC and subs.	202,561	20.00%	21,998		-	62,510
2018 Vento XIX LLC and subs.	101,026	20.00%	20,781	-	-	40,986
Flat Rock Windpower II LLC	82,815	50.00%	-	-	-	41,407
Sol V	194,623	20.00%	76	-	-	39,001
Evoikos Voreas A.E[1]	1,723	51.00%	20,575	-	-	21,454
Evolución 2000, S.L.	27,212	49.15%	-	2,667	-	16,071
Parque Eólico Sierra del Madero, S.A.	51,374	42.00%	-	-	-	21,577
Eólica de São Julião, Lda.	-1,219	45.00%	18,731	1,457	-	19,639
Unión de Generadores de Energía, S.L.	3,171	50.00%	10,352	1,913	-	13,851
Geólica Magallón, S.L.	4,243	36.23%	7,961	683	-	10,181

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THOUSAND EUROS	EQUITY	% INVESTMENT	FAIR VALUE ADJUSTMENTS	GOODWILL	OTHERS	NET ASSETS
Desarrollos Eólicos de Canarias, S.A.	7,193	44.75%	-	6,479	-1	9,697
San Juan de Bargas Eólica, S.L.	4,811	47.01%	6,193	-	-	8,455
Parque Eólico Belmonte, S.A.	15,136	29,90%	-	1,725	-	6,251

(1) According to the relevant shareholder agreements, it has been concluded a joint control over the company.

During 2021, the significant companies' financial information of joint ventures and associates presented the following fair value reconciliation of net assets proportionally attributed to EDPR Group:

THOUSAND EUROS	EQUITY	% INVESTMENT	FAIR VALUE ADJUSTMENTS	GOODWILL	OTHERS	NET ASSETS
OW Offshore S.L. and subsidiaries	707,268	50.00%	-	5,352	-	358,986
Flat Rock Windpower LLC	197,721	50.00%	-	-	3,747	102,608
Goldfinger Ventures II LLC	194,044	50.00%	-12,247	-	-	84,775
2019 Vento XX and subsidiaries	215,942	20.00%(1)	24,269(2)	-	-	67,457
Goldfinger Ventures LLC and subs.	141,812	50.00%	-7,689	-	-	63,217
2017 Vento XVII LLC and subs.	177,217	20.00%(1)	22,476	-	-	57,919
2018 Vento XIX LLC and subs.	133,497	20.00%(1)	20,748	-	-	47,447
Flat Rock Windpower II LLC	80,735	50.00%	-	-	-	40,367
Evoikos Voreas A.E.(*)	685	51.00%(1)	20,575	-	-	20,924
Evolución 2000 S.L.	27,620	49.15%(1)	-	2,667	-	16,242
Sofrano S.A.(*)	645	51.00%(1)	15,080	-	-	15,409
Parque Eólico Sierra del Madero S.A	41,171	42.00%	-	-	-	17,290
Eólica de São Julião, Lda.	-11,931	45.00%	-	1,457	-	16,115
San Juan de Bargas Eólica, S.L.	11,367	47.01%	6,692	-	-	12,036
Geólica Magallón, S.L.	6,700	36.24%	8,569	683	-	11,680
Desarrollos Eólicos de Canarias, S.A	6,072	44.75%	-	6,479	-	9,196
Eos Pax IIa, S.L.	-462	48.50%	3,705	-	-	3,481
Parque Eólico Belmonte, S.A.	9,506	29.90%	-	1,726	-	4,568

(1) According to the relevant shareholder agreements, it has been concluded a joint control over the company.
(2) Includes the impact of the sale of 12% stake after loss of control

EDPR commitments to provide funding to Joint Ventures as at 31 December 2022 are:

		2022 CAPITAL OUTSTANDING BY MATURITY			
THOUSAND EUROS	TOTAL	LESS THAN 1 YEAR	FROM 1 TO 3 YEARS	FROM 3 TO 5 YEARS	MORE THAN 5 YEARS
EDPR Commitments to provide funding to Joint Ventures	295,780	295,780	-	-	-
	295,780	295,780	-	-	-

EDPR commitments to provide funding to Joint Ventures as at 31 December 2021 are:

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		2021			
		CAPITAL OUTSTANDING BY MATURITY			
THOUSAND EUROS	TOTAL	LESS THAN 1 YEAR	FROM 1 TO 3 YEARS	FROM 3 TO 5 YEARS	MORE THAN 5 YEARS
EDPR Commitments to provide funding to Joint Ventures	384,621	384,621	-	-	-
	384,621	384,621	-	-	-

EDPR Commitments to provide funding for Joint Ventures in 2022 and 2021 refer to funds agreed to be provided to Ocean Winds for financing the offshore business.

EDPR Group granted parent company guarantees for certain joint venture projects. Total guarantees granted refer to financial and operational guarantees granted by EDPR to joint ventures in the amount of 411,637 thousand Euros and 455,579 thousand Euros respectively (17,795 thousand Euros and 267,200 thousand Euros respectively as at 31 December 2021). Further, EDP Energías de Portugal Sucursal en España has operational guarantees to EDPR's joint ventures in the amount of 11,719 thousand Euros (11,037 thousand Euros as at 31 December 2021). In addition, EDP Energías de Portugal Sucursal en España had granted financial guarantees to EDPR's joint ventures in the amount of 261,187 thousand Euros as at 31 December 2021.

21. Deferred tax assets and liabilities

EDP Renováveis Group records the tax effect resulting from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at 31 December 2022, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

				NET DEFERRED TAX ASSETS	
THOUSAND EUROS	BALANCE AT 31.12.2021	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2022
Tax losses and tax credits	762,913	58,118	3,244	32,658	856,933
Provisions	23,320	708	-30	-3,991	20,006
Financial instruments	133,261	131,506	185,624	-96,555	353,836
Property plant and equipment	68,105	-16,823	-	-12,029	39,254
Non-deductible financial expenses	15,858	-14,403	-	-2,838	-1,383
Other temporary differences	36,808	19,362	-3,159	42,340	95,352
Assets/liabilities compensation of deferred taxes	-708,461	-32,463	3,159	-875	-738,641
	331,803	146,005	188,838	-41,289	625,357

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THOUSAND EUROS	BALANCE AT 31.12.2021	MOV. RESULTS	MOV. RESERVES	NET DEFERRED TAX LIABILITIES PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2022
Financial instruments	2,119	47,295	53,420	-68,472	34,361
Property plant and equipment	302,384	12,550	39,411	27,694	382,039
Allocation of fair value to assets and liabilities acquired	461,374	2,215	-	-4,481	459,109
Income from institutional partnerships (North America)	383,232	32,733	-91	23,714	439,588
Other temporary differences	24,715	23,700	-1	13,404	61,819
Assets/liabilities compensation of deferred taxes	-719,260	-32,463	3,159	9,940	-738,624
	454,564	86,030	95,898	1,799	638,290

As at 31 December 2021, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

THOUSAND EUROS	BALANCE AT 31.12.2020	MOV. RESULTS	MOV. RESERVES	NET DEFERRED TAX ASSETS PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2021
Tax losses and tax credits	618,024	91,431	294	53,164	762,913
Provisions	10,640	6,805	-4	5,879	23,320
Financial instruments	12,195	-123,565	244,193	437	133,260
Property plant and equipment	64,795	4,954	-839	-803	68,107
Non-deductible financial expenses	34,530	-3,683	-	-14,989	15,858
Other temporary differences	40,397	-6,428	-40	2,879	36,808
Assets/liabilities compensation of deferred taxes	-658,413	15,289	-178	-65,161	-708,463
	122,168	-15,197	243,426	-18,594	331,803

THOUSAND EUROS	BALANCE AT 31.12.2020	MOV. RESULTS	MOV. RESERVES	NET DEFERRED TAX LIABILITIES PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2021
Financial instruments	10,943	-3,587	-5,371	134	2,119
Property plant and equipment	284,601	-6,128	-2,232	26,143	302,384
Allocation of fair value to assets and liabilities acquired	433,443	7,568	2,406	17,957	461,374
Income from institutional partnerships (North America)	343,468	11,048	58	28,658	383,232
Other temporary differences	22,104	2,492	520	-401	24,715
Assets/liabilities compensation of deferred taxes	-667,457	13,044	1,636	-66,483	-719,260
	427,102	24,437	-2,983	6,008	454,564

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The compensation between deferred tax assets and liabilities is performed at each subsidiary, and therefore the consolidated financial statements reflect the total deferred tax assets and deferred tax liabilities of the Group's subsidiaries.

Management considers that in accordance with the business plan approved by the Board of Directors, the deferred tax assets related to tax losses and tax credits will be recoverable with future tax profit.

The Group tax losses carried forward are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
EXPIRATION DATE		
2022	-	1,344
2023	2,983	10,430
2024	1,555	22,753
2025	3,189	7,049
2026	11,842	20,943
2027	62,869	7,007
2028	4,985	23,739
2029 to 2043	2,314,380	1,760,552
Without expiration date	851,916	726,232
	3,253,720	2,580,050

In addition to the above, EDPR North America LLC has State tax losses that are recorded in the Group's accounts. The associated deferred tax asset raised to 78,566 thousand Euros as at 31 December 2022 (69,232 thousand Euros as at 31 December 2021).

Of the total tax losses available to carry forward as at 31 December 2022, an amount of 344,469 thousand Euros does not have an associated deferred tax asset, in accordance with the applicable accounting standards since, at the present date, there is still not sufficient visibility about the future period in which such tax losses will be used.

22. Inventories

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021(*)
Advances on account of purchases	4,749	4,892
Finished and intermediate products	11,490	11,215
Green certificates and RECs	172,658	157,533
Raw and subsidiary materials and consumables	63,947	46,167
	252,844	219,807

* See note 2.A) for details regarding the modification as a result of the change in the Green Certificates and RECs accounting policy

The caption Green certificates and RECs has increased amounting to 15,115 thousand Euros related to the Green certificates and RECs generated during the period pending to be sold.

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23. Debtors and other assets from commercial activities

Debtors and other assets from commercial activities are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Trade receivables	54	617
Deferred costs	23,209	20,621
Sundry debtors and other operations	12,743	11,685
	36,006	32,923
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES – CURRENT		
Trade receivables	370,231	364,676
Services rendered	44,825	29,349
Advances to suppliers	44,810	4,845
Deferred costs	58,473	48,062
Sundry debtors and other operations	55,344	19,037
	573,683	465,969
Impairment losses	-3,996	-658
	605,693	498,234

The amount of trade receivables - current as at 31 December 2022 principally refers to Europe in the amount of 188,828 thousand Euros (228,481 thousand Euros as at 31 December 2021) and to North America in the amount of 120,288 thousand Euros (115,725 thousand Euros as at 31 December 2021), which mainly includes electricity generation invoicing and services rendered. Also, as at 31 December 2022 the caption includes an amount of 32,210 thousand Euros related to Sunseap Group (see note 6).

The caption of Sundry debtors and other assets from commercial activities – Current includes 3,996 thousand Euros, which is the result of impairment losses under the expected credit loss model recommended in IFRS 9. This amount includes as at 31 December 2022 1,136 thousand Euros related to the acquisition of the Sunseap Group (see note 6).

The caption Advances to suppliers mainly includes as at 31 December 2022 an amount of 44,801 thousand Euros as a result of the under construction of certain projects in LATAM and Europe.

The caption Sundry debtors and other operations – current increase mainly due to the amount pending to collect from the stoppage of certain turbines.

The credit risk analysis are disclosed in note 5, under the Counterparty credit risk management section.

The fair values and carrying amounts of current debtors and other assets do not differ significantly.

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24. Other debtors and other assets

Other debtors and other assets are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
OTHER DEBTORS AND OTHER ASSETS - NON-CURRENT		
Loans to related parties	185,775	172,906
Derivative financial instruments	137,597	51,013
Sundry debtors and other operations	138,802	547,496
	462,174	771,415
OTHER DEBTORS AND OTHER ASSETS – CURRENT		
Loans to related parties	337,020	91,498
Derivative financial instruments	163,262	60,868
Sundry debtors and other operations	722,624	622,944
	1,222,906	775,310
	1,685,080	1,546,725

Sundry debtors and other operations- non-current mainly includes:

- Fair value of the variable price in the amount of 41,452 thousand Euros in connection with the sale in 2020 of the stake in the company Mayflower Wind Energy LLC in the context of the sale of the offshore business to OW Offshore S.L. (35,866 thousand Euros as at 31 December 2021);
- 51,758 thousand Euros (36,170 thousand Euros as at 31 December 2021) mainly related to Interconnection and transmission deposits in EDPR NA;
- 30,000 thousand Euros related to the advance payment paid during 2022 for future investment acquisitions.
- 9,424 thousand Euros as at 31 December 2022 (13,049 thousand Euros as at 31 December 2021) as part of the price adjustment, according to the corresponding agreements, in the transaction of selling 49% of EDP Renováveis Portugal S.A to CTG that took place in 2013.
- Fair value of the variable price in connection with the sale in 2020 and 2018 of 29.5% and 13.5% stake of the French companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S. to OW Offshore S.L. and Sumitomo Corporation respectively, in accordance with the relevant agreements signed, that amounts to 77,920 thousand Euros and 29,112 thousand Euros, respectively, as at 31 December 2022 has been reclassified to the caption Sundry debtors and other operations – current. The amount included in the caption for this concept as at 31 December 2021 was 77,440 thousand Euros and 28,853 thousand Euros respectively.

As at 31 December 2021 the caption sundry debtors and other operations- non-current included an amount of 350,359 thousand Euros related to the sale transaction in 2020 of the entire stake in the company Rosewater Wind Farm LLC and the sale transaction in 2021 of the company Indiana Crossroads Wind Farm LLC. The amount does not collected during the period ended 31 December 2022 has been reclassified to the caption sundry debtors and other operations-current.

Loans to related parties mainly include loans granted to Ocean Winds in the amount of 184,644 thousand Euros in the long-term with maturity in 2029 and 326,730 thousand Euros in the short-term, in the context of the agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L., to jointly develop fixed and floating offshore wind business (26,118 thousand Euros in the short-term and 172,095 thousand Euros in the long-term as at 31 December 2021). These loans bear interest at market rates, which are fixed or with reference rate indexed to Euribor in its majority, plus a market spread.

At 31 December 2022 the caption Sundry debtors and other operations-current mainly includes:

- Fair value of the variable price in connection with the sale of the French companies described in the caption Sundry debtors and other operations non-current;
- Receivable for the proceeds for the sale of the Brazilian companies Aventura Holding, S.A. and SRMN Holding, S.A. and its subsidiaries in the amount 184,778 thousand Euros (see note 6 and 9);

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- Cash collateral held in markets where the Group enters into derivative instruments and trades US green certificates in the amount of 238,375 thousand Euros (161,362 thousand Euros as at 31 December 2021);
- 118,323 thousand Euros related to the sale transaction in 2020 of the entire stake in the company Rosewater Wind Farm LLC and the sale transaction in 2021 of the company Indiana Crossroads Wind Farm LLC;
- Receivables related to the derivatives with the EDP Group in the amount of 19,916 thousand Euros;
- 4,634 thousand Euros related to the advance payment paid during 2022 for future investment acquisitions.
- 16,063 thousand Euros as part of the price adjustment, according to the corresponding agreements, in the transaction of selling 49% of EDP Renováveis Portugal S.A. to CTG that took place in 2013 (see note 9), which include an amount of 3,653 thousand Euros reclassified during 2022 from the caption Sundry debtors and other operations non-current.

At 31 December 2021 the caption Sundry debtors and other operations-current mainly includes:

- Receivable for the proceeds, including shareholder loans, for the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. in the amount of 356,025 thousand Euros (see note 6);
- Cash collateral held at exchanges where the Group enters into derivative instruments and trades US green certificates in the amount of 161,362 thousand Euros;
- Estimated corporate income tax due by EDP Energias de Portugal, S.A. Sucursal en España in the amount of 38,611 thousand Euros (11,748 as at 31 December 2020).

For derivatives, refer to note 37.

The fair values and carrying amounts of other debtors and other assets do not differ significantly.

25. Current tax assets

Current tax assets is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Income tax	68,345	16,964
Value added tax (VAT)	208,883	192,698
Other taxes	25,156	15,134
	302,384	224,796

The increase in the income tax caption corresponds, mainly, to the amount related with the tax paid in the past for the sale of certain companies which Directors and legal experts have estimated recoverable.

26. Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Cash	410	79
BANK DEPOSITS		
Current deposits	799,938	540,204
Term deposits	30,632	38,938
Specific demand deposits in relation to institutional partnerships	1,536	231
	832,106	579,373
Other short-term investments	339,416	424,332
	1,171,932	1,003,784

Term deposits include temporary financial investments to place treasury surpluses.

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Specific demand deposits in relation to institutional partnerships are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships (see note 33), under the accounting policy. The governing agreements of these partnerships and specific escrow agreements define the appropriate expenditure of these funds.

The caption "Other short-term investments" essentially includes, as at 31 December 2022 and 31 December 2021, the debit balance of the current account with EDP Servicios Financieros España S.A. in accordance with the terms and conditions of the contract signed between the parties (see note 39).

27. Assets and liabilities held for sale

The criteria for classifying assets and liabilities as held for sale and discontinued operations, as well as their presentation in the EDPR Group's consolidated financial statements, are presented under accounting policies.

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022		31 DEC 2021	
	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE
Electricity generation assets – Offshore wind	-	-	25,111	-
Electricity generation assets – Onshore wind	9,198	-	470,813	62,487
	9,198	-	495,924	62,487

Electricity generation assets – Offshore wind

Reduction of 25,111 thousand Euros related to the closing of the sale of remaining stake in Moray West Holdings Limited (see note 6 and 20).

Electricity generation assets – Onshore wind

Reduction of 470,813 thousand Euros related to the closing of the sale of certain onshore wind portfolio in Spain and Poland (see note 6 and 9).

Increase in 9,189 thousand Euros related to the process of selling a project in Europe and other non-current Property, plant and equipment. As at 31 December 2022 there are no liabilities associated with these non-current assets held for sale.

As at 31 December 2022 the following reclassifications were made to held for sale:

THOUSAND EUROS	ONSHORE WIND	OFFSHORE WIND	TOTAL
ASSETS			
Property, plant and equipment	9,152	-	9,152
Right-of-use assets	-	-	-
Other assets	46	-	46
Cash and cash equivalents	-	-	-
Non-Current Assets Held for Sale	9,198	-	9,198
LIABILITIES			
Financial debt	-	-	-
Provisions	-	-	-
Other liabilities	-	-	-
Non-Current Liabilities Held for Sale	-	-	-

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As at 31 December 2021 the following reclassifications were made to held for sale:

THOUSAND EUROS	ONSHORE WIND	OFFSHORE WIND	TOTAL
ASSETS			
Property, plant and equipment	373,878	-	373,878
Right-of-use assets	12,350	-	12,350
Other assets	75,095	25,111	100,206
Cash and cash equivalents	9,490	-	9,490
Non-Current Assets Held for Sale	470,813	25,111	495,924
LIABILITIES			
Financial debt	-	-	-
Provisions	6,965	-	6,965
Other liabilities	55,522	-	55,522
Non-Current Liabilities Held for Sale	62,487	-	62,487

These reclassifications were made only for financial statement presentation purposes, without impact on the measurement of these assets and liabilities, as it is expected that the fair value less costs to sell is higher than its book value, in accordance with IFRS 5.

28. Share capital and share premium

On April 15, 2021, EDPR made a capital increase by issuing 88,250,000 ordinary shares, with a par value of 5 Euros each and a subscription price of 17 Euros per share, with the exclusion of the pre-emptive subscription rights of the Company´s shareholders. The new shares are fungible with EDPR's other shares and will confer on their holders, as from the date of the respective issue, the same rights as the other shares existing prior to the capital increase. As such, the share capital of EDPR at 31 December 2022 and 31 December 2021 amounts to 4,802,790,810 euros, represented by 960,558,162 shares of 5 euros par value each, all of a single class and series.

The shares are in book-entry bearer form, the company is entitled to request the listing of its shares and all the shareholders are registered in the relevant book-entry records. These shares have the same voting and profit-sharing rights and are freely transferable.

EDP Renováveis, S.A. shareholder's structure as at 31 December 2022 and 2021 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	720,191,372	74.98%	74.98%
Other (*)	240,366,790	25.02%	25.02%
	960,558,162	100.00%	100.00%

(*) Shares quoted on the Lisbon stock exchange

There were no changes in Share capital and Share premium during 2022. The Share premium is freely distributable.

Movements in Share capital and Share premium during 2021 were as follows:

	SHARE CAPITAL	SHARE PREMIUM
Balance as at 1 January 2021	4,361,541	552,035
Movements during the period (net of transaction costs)	441,250	1,046,978
Balance as at 31 December 2021	4,802,791	1,599,013

PUBLIC

Earnings per share attributable to the shareholders of EDPR are analysed as follows:

	31 DEC 2022	31 DEC 2021
Profit attributable to the equity holders of the parent (in thousand Euros)	616,231	655,443
Profit from continuing operations attributable to the equity		
holders of the parent (in thousand Euros)	616,231	655,443
Weighted average number of ordinary shares outstanding	960,558,162	934,818,579
Weighted average number of diluted ordinary shares outstanding	960,558,162	934,818,579
Earnings per share (basic) attributable to equity holders of the parent (in Euros)	0.64	0.70
Earnings per share (diluted) attributable to equity holders of the parent (in Euros)	0.64	0.70
Earnings per share (basic) from continuing operations attributable to the equity holders of the parent (in Euros)	0.64	0.70
Earnings per share (diluted) from continuing operations attributable to the equity holders of the parent (in Euros)	0.64	0.70

The EDPR Group calculates its basic and diluted earnings per share attributable to equity holders of the parent using the weighted average number of ordinary shares outstanding during the period.

The company does not hold any treasury stock as at 31 December 2022 and 31 December 2021.

The average number of shares was determined as follows:

	31 DEC 2022	31 DEC 2021
Ordinary shares issued at the beginning of the period	960,558,162	872,308,162
Effect of shares issued during the period	-	62,510,417
Average number of realised shares	960,558,162	934,818,579
Average number of shares during the period	960,558,162	934,818,579
Diluted average number of shares during the period	960,558,162	934,818,579

29. Other comprehensive income, reserves and retained earnings

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
OTHER COMPREHENSIVE INCOME		
Fair value reserve (cash flow hedge)	-1,052,141	-754,882
Fair value reserve (equity instruments at fair value)	19,737	4,146
Exchange differences - Currency translation arising on consolidation	672,254	383,406
Exchange differences - Net investment hedge	-790,670	-544,039
Exchange differences - Net investment hedge - Cost of hedging	-20,925	711
	-1,171,745	-910,658
OTHER RESERVES AND RETAINED EARNINGS		
Retained earnings and other reserves	2,903,746	2,344,797
Additional paid in capital	60,666	60,666
Legal reserve	214,829	214,829
	3,179,241	2,620,292
	2,007,496	1,709,634

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Currency translation reserve – Net investment hedge and Cost of hedging

The changes in these captions for the year 2022 are as follows:

THOUSAND EUROS	NET INVESTMENT HEDGE	COST OF HEDGING
Balance as at 31 December 2021	-544,039	711
Changes in fair value	-320,792	-28,849
Tax effect fair value changes	77,383	7,213
Exchange rate	-	-
Transfer to income statement resulting from the sale of a foreign subsidiary	-3,222	-
Others	-	-
Balance as at 31 December 2022	-790,670	-20,925

The changes in these captions for the year 2021 are as follows:

THOUSAND EUROS	NET INVESTMENT HEDGE	COST OF HEDGING
Balance as at 31 December 2020	-569,648	-166
Changes in fair value	-148,401	877
Tax effect fair value changes	30,422	-
Exchange rate	155,207	-
Transfer to income statement resulting from the sale of a foreign subsidiary	-15,751	-
Others	4,132	-
Balance as at 31 December 2021	-544,039	711

Additional paid in capital

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance, within IFRSs, the Group EDPR has adopted an accounting policy for such transactions, judged appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated financial statements using the book values of the acquired company (subgroup) in the EDPR consolidated financial statements. The difference between the carrying amount of the net assets received and the consideration paid is recognised in equity.

Legal reserve

The legal reserve has been appropriated in accordance with Article 274 of the Spanish Companies Act whereby companies are obliged to transfer 10% of the profits for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset losses, if no other reserves are available, or to increase the share capital.

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Profit distribution (parent company)

The EDP Renováveis, S.A. Board of Directors proposal for 2022 profits distribution to be presented in the Annual General Meeting is as follows:

	EUROS
BASE FOR DISTRIBUTION	
Loss for the year 2022	-220,662,410
Retained earnings from previous periods	240,139,541
DISTRIBUTION	
Prior years' losses	-220,662,410
Dividends	240,139,541

The EDP Renováveis, S.A. Board of Directors proposal for 2021 profits distribution was presented in the Annual General Meeting was as follows:

	EUROS
BASE FOR DISTRIBUTION	
Loss for the year 2021	-95,471,089.00
Retained earnings from previous periods	86,450,234.58
DISTRIBUTION	
Prior years' losses	-95,471,089.00
Dividends	86,450,234.58

Fair value reserve (cash flow hedge)

The Fair value reserve (cash flow hedge) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

Fair value reserve (equity instruments at fair value)

This reserve includes the cumulative net change in the fair value of equity instruments at fair value as at the balance sheet date:

	THOUSAND EUROS
Balance as at 1 January 2021	3,318
Parque Eólico Montes de las Navas, S.L.	828
Balance as at 31 December 2021	4,146
Parque Eólico Montes de las Navas, S.L. Eólicas Páramo de Poza, S.A. Others	4,542 10,352 697
Balance as at 31 December 2022	19,737

Exchange differences arising on consolidation

This caption reflects the amount arising on the translation of the financial statements of subsidiaries and associated companies from their functional currency into Euros. The most significant exchange rates used in the preparation of the consolidated financial statements are as follows:

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		EXCHANGE RATES AT 31 DECEMBER 2022		EXCHANGE RATES AT 31 DECEMBER 2021	
		CLOSING RATE	AVERAGE RATE	CLOSING RATE	AVERAGE RATE
US Dollar	USD	1.067	1.053	1.133	1.183
Zloty	PLN	4.690	4.688	4.599	4.567
Brazilian Real	BRL	5.639	5.440	6.310	6.378
New Leu	RON	4.947	4.931	4.948	4.921
Pound Sterling	GBP	0.887	0.853	0.840	0.860
Canadian Dollar	CAD	1.444	1.369	1.439	1.483
Mexican Peso	MXN	20.781	21.198	23.28	23.99
Colombian Peso	COP	5,133.687	4,470.960	4,527	4,426
Hungarian Forint	HUF	400.87	391.286	369.2	358.5
Vietnamese Dong	VND	25,182	24,601	25,852	27,079
Singaporian Dollar	SGD	1.43	1.451	-	-

30. Non-controlling interests

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Non-controlling interests in income statement	200,871	154,135
Non-controlling interests in share capital and reserves	1,344,263	1,253,891
	1,545,134	1,408,026

Non-controlling interests, by subgroup, are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
EDPR NA	912,461	886,475
EDPR EU	520,217	461,283
EDPR LATAM	65,131	58,524
EDPR APAC	47,325	1,744
	1,545,134	1,408,026

The movement in non-controlling interests of EDP Renováveis Group is mainly related to:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Balance as at 1 January	1,408,026	1,276,282
Dividends distribution	-62,867	-38,387
Net profit for the year	200,871	154,135
Exchange differences arising on consolidation	55,916	67,203
Acquisitions and sales without change of control	-2,076	1,020
Increases/(Decreases) of share capital	-98,508	-69,164
Other changes	43,772	16,937
Balance as at 31 December	1,545,134	1,408,026

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31. Financial debt

Financial debt current and Non-current is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
FINANCIAL DEBT - NON-CURRENT		
Bank loans:		
- EDPR EU	66,876	114,592
- EDPR LATAM	325,656	330,402
- EDPR NA	361,177	368,622
- EDPR APAC	182,886	-
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	207,507	230,036
- EDP Renováveis Servicios Financieros, S.L.	3,698,948	2,293,120
Other loans:		
- EDPR EU	15,374	16,332
- EDPR APAC	11,428	-
Total Debt and borrowings - Non-current	4,869,851	3,353,104
Collateral Deposit - Project Finance and others (*)	-23,311	-23,397
Total Collateral Deposits - Non-current	-23,311	-23,397
FINANCIAL DEBT - CURRENT		
Bank loans:		
- EDPR EU	318,482	46,056
- EDPR LATAM	9,393	11,156
- EDPR NA	37,455	45,881
- EDPR APAC	66,847	-
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	37,026	99,150
- EDP Renováveis Servicios Financieros, S.L.	770,298	439,029
Other loans:		
- EDPR EU	1,207	1,001
- EDPR APAC	1,258	-
Interest payable	48,137	45,572
Total Debt and borrowings - Current	1,290,103	687,845
Collateral Deposit - Project Finance and others (*)	-26,734	-25,708
Total Collateral Deposits - Current	-26,734	-25,708
Total Debt and borrowings – Current and Non-current	6,159,954	4,040,949
Total Debt and borrowings net of collaterals – Current and Non-current	6,109,909	3,991,844

(*) Collateral deposits mainly refer to amounts held in bank accounts to comply with obligations under project finance agreements entered into by certain EDP Renewable subsidiaries.

Loans received from EDP group entities current and non-current as at 31 December 2022 mainly refer to a set of loans granted by EDP Finance BV amounting to 4,213,354 thousand Euros (31 December 2021: 2,652,919 thousand Euros), including accrued interests and deducted of debt origination fees (3,906,456 thousand Euros non-current and 306,898 thousand Euros current) (31 December 2021: 2,290,156 thousand Euros non-current and 362,763 thousand Euros current)

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and by EDP Servicios Financieros España S.A. amounting to 544,832 thousand Euros current (31 December 2021: 445,499 thousand euros, 233,000 thousand Euros non-current and 212,499 thousand Euros current), the balance includes an amount related to cash pooling of 311,807 thousand Euros. The bundled average maturity regarding long-term loans is approximately 5 years and bear interest at weighted average fixed market rates of 1.8% for EUR loans and 4% for USD loans. On 2022, EDPR has received from EDP Group a total amount of 1,736 millions of Euros. The purpose of these corporate financings was the acquisition of platforms over different geographies such us Kronos in Germany, Sunseap in Singapore, Xuan Thien in Vietnam and the remaining part was destinated for the internal development of projects.

The main events regarding financing and refinancing of the Group refers mainly: i) net effect of the external financial debt where the incorporation of the Sunseap Group (note 6) resulted in the addition of 246,171 thousands Euros, the Nation Rise project financing in Canada also increase debt in 9,759 thousands Euros and ii) Brazilian project Boqueirao plus additional dispositions in existing projects resulting in 165,459 thousand Euros debt increase.

For these corporate loans mentioned above, 1,267 million Euros were financed through different synthetic loans, that means, EDP Servicios Financieros España S.A hedges its variable payments with a Cross-currency Interest Rate Swap. Instead of paying a EUR loan, EDP Servicios Financieros España S.A will pay a USD leg and receive a EUR leg, that will match the EUR payment leg of the loan 325 million Euros in February, 448 million Euros in April and 494 million Euros in November.

As at 31 December 2022, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	2023	2024	2025	2026	2027	FOLLOWING YEARS	TOTAL
BANK LOANS							
Euro	302,990	25,224	11,755	158	-	-	340,127
Polish Zlotych	15,938	19,121	8,226	3,901	-	-	47,186
American dólar	33,194	23,874	23,242	28,104	23,822	177,350	309,585
Brazilian Real	14,298	17,817	19,441	24,287	22,737	250,173	348,753
Canadian dólar	6,338	6,442	7,789	7,974	8,107	114,015	150,665
Singapore dólar	31,147	2,336	4,695	2,568	23,091	15,262	79,099
Other	32,526	12,226	12,846	9,752	11,082	31,156	109,588
	436,431	107,040	87,994	76,743	88,839	587,956	1,385,002
THOUSAND EUROS	**2023**	**2024**	**2025**	**2026**	**2027**	**FOLLOWING YEARS**	**TOTAL**
LOANS RECEIVED FROM EDP GROUP							
Euro	589,224	-	-	-	-	1,126,220	1,715,444
American Dollar	262,507	488,641	233,350	507,242	568,779	982,223	3,042,742
	851,731	488,641	233,350	507,242	568,779	2,108,443	4,758,186
OTHER LOANS							
Euro	1,243	1,011	1,031	1,304	1,073	10,954	16,616
Other	1,305	-	11,428	-	-	-	12,733
	2,549	1,011	12,459	1,304	1,073	10,954	29,350
Origination fees	-607	-	-	-11,977	-	-	-12,584
	1,290,103	596,692	333,803	573,312	658,691	2,707,353	6,159,954

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As at 31 December 2021, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	2022	2023	2024	2025	2026	FOLLOWING YEARS	TOTAL
BANK LOANS							
Euro	31,419	31,096	25,224	11,755	-	-	99,494
American Dollar	35,845	18,037	18,551	20,566	21,429	236,241	350,669
Brazilian Real	19,092	10,870	12,860	14,303	14,583	198,039	269,747
Others	25,509	16,472	9,256	10,015	5,022	151,765	218,039
	111,865	76,475	65,891	56,639	41,034	586,045	937,949
LOANS RECEIVED FROM EDP GROUP							
Euro	211,587	233,000	-	-	-	-	444,587
American Dollar	363,683	247,219	460,166	219,632	466,405	896,855	2,653,960
	575,270	480,219	460,166	219,632	466,405	896,855	3,098,547
OTHER LOANS							
Euro	1,005	1,202	1,020	1,031	1,052	12,027	17,337
	1,005	1,202	1,020	1,031	1,052	12,027	17,337
Origination fees	-295	-703	-313	-613	-516	-10,444	-12,884
	687,845	557,193	526,764	276,689	507,975	1,484,483	4,040,949

The Group has project finance financings that include the usual guarantees on this type of financings, namely the pledge or a promise of pledge of bank accounts and assets of the related projects. As at 31 December 2022, these financings amount to 1,097,288 thousand Euros (31 December 2021: 843,778 thousand Euros), which are included within the financial debt caption. At 31 December 2022 and 2021, the Group confirms the fulfilment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are 16,111 thousand Euros of other loans that are guaranteed by EDPR (31 December 2021: 17,329 thousand Euros).

The fair value of EDP Renováveis Group's debt is analysed as follows:

	31 DEC 2022		31 DEC 2021	
THOUSAND EUROS	CARRYING VALUE(*)	MARKET VALUE	CARRYING VALUE(*)	MARKET VALUE
Financial debt - Non-current	4,869,851	4,196,714	3,353,104	3,354,591
Financial debt - Current	1,290,103	1,290,103	687,845	687,845
	6,159,954	5,486,817	4,040,949	4,042,436

(*) Net of origination fees

The market value of the medium/long-term (non-current) debt and borrowings that bear a fixed interest rate is calculated based on the discounted cash flows at the rates ruling at the balance sheet date. The market value of debt and borrowing that bear a floating interest rate is considered not to differ from its book value as these loans bear interest at a rate indexed to Euribor. The book value of the short-term (current) debt and borrowings is considered to be the market value.

32. Provisions

Provisions are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Dismantling and decommission provisions	264,756	313,594
Provision for other liabilities and charges	4,987	10,565
Long-term provision for other liabilities and charges	4,266	4,249
Short-term provision for other liabilities and charges	723	6,316
Employee benefits	468	474
	270,213	324,633

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Dismantling and decommission provisions refer to the costs to be incurred for dismantling wind and solar farms and restoring sites and land to their original condition, in accordance with the corresponding accounting policy. The above amount mainly refers to: (i) 140,723 thousand Euros for wind farms and solar plants in North America (31 December 2021: 163,100 thousand Euros); (ii) 110,441 thousand Euros for wind farms and solar plants in Europe (31 December 2021: 146,014 thousand Euros); (iii) 2,679 thousand Euros for wind farms and solar plants in LATAM (31 December 2021: 3,370 thousand Euros) and (iv) 10,913 thousand Euros for wind farms and solar plants in APAC (31 December 2021: 1,110 thousand Euros).

The variation during the year ended 31 December 2022 in the dismantling provision is mainly explained by:

- Increase in the amount of 6,162 thousand Euros due to the Sunseap Group acquisition (see note 6), 5,639 thousand Euros related to the Long Road acquisition (see note 6), 2,303 thousand Euros related to the Xuan Thien acquisition.
- Increase in the amount of 9,841 thousand Euros for projects that have reached the COD during the year ended 31 December 2022.
- Decrease in amount of 5,505 thousand Euros related to the sale transactions of the year (see nota 6 and 9).
- Update on the estimated dismantling cost according to an in-deep analysis performed by the EDPR's technical department as well as update in the discount and inflation rates used for determining the provisions, with a net impact of a decrease in the amount of 84,613 thousand Euros
- Increase in the amount of 11,606 thousand Euros related to the effect of the exchange rates variation, and mainly for the US Dollar.
- Increase for the unwinding charged for the period ended 31 December 2022 amounted to 5,729 thousand Euros.

Short-term provision for other liabilities and charges decreases, mainly, in 5,940 thousand Euros related the reversal of the provision booked in 2016 related with Portuguese regulation "Portaria 268-B/2016" as, according to the legal assessment, the risk of any outflow finally due is no longer probable.

There were no significant movements in provisions for other liabilities and charges in 2021.

EDP Renováveis believes that the provisions booked on the consolidated statement of financial position adequately cover the foreseeable obligations described in this note. Therefore, it is not expected that they will give rise to liabilities in addition to those recorded.

33. Institutional partnerships in North America

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Deferred income related to benefits provided	798,362	731,573
Liabilities arising from institutional partnerships in North America	1,413,800	1,528,168
	2,212,162	2,259,741

The movements in Institutional partnerships in North America are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Balance at the beginning of the period	2,259,741	1,933,542
Proceeds received from institutional investors	57,095	779,825
Deferred transaction costs	-2,172	-4,431
Cash paid to institutional investors	-134,480	-83,230
Income (see note 7)	-233,505	-177,205
Unwinding (see note 14)	96,955	79,023
Loss of control of companies with institutional partnerships	-	-420,522
Exchange differences	142,242	168,318
Others	26,286	-15,579
Balance at the end of the period	2,212,162	2,259,741

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The Group has entered in several partnerships with institutional investors in the United States, through limited liability companies operating agreements that apportions the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTC), Investment Tax Credits (ITC) and accelerated depreciation, largely to the investor.

Proceeds received from institutional investors mainly refer to proceeds secured and received amounting to 57,095 thousand Euros (60,130 thousand US dollars) in exchange for an interest in onshore wind and solar projects.

In 2021, EDPR NA had lost control over the Vento XX portfolio upon the completion of the sale of 68% of equity shareholding and over the Rivestart portfolio (see note 6), implying a decrease in the amount of 420,522 thousand Euros in the Institutional partnerships liabilities related to these portfolio.

EDPR NA is providing its tax equity investors with standard corporate guarantees typical of these agreements to indemnify them against costs they may incur as a result of fraud, wilful misconduct or a breach of EDPR NA of any operational obligation under the tax equity agreements.

Caption others includes, mainly, as at 31 December 2022 an amount of 26,506 thousand Euros related to the changes in the perimeter during the year (7,216 thousand Euros as at 31 December 2021)(see note 42).

34. Trade and other payables from commercial activities

Trade and other payables from commercial activities are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Government grants / subsidies for investments in fixed assets	317,446	311,203
Electricity sale contracts - EDPR NA	4,353	5,092
Property, plant and equipment suppliers	202,826	189,052
Other creditors and sundry operations	108,424	129,340
	633,049	634,687
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES – CURRENT		
Suppliers	248,577	176,410
Property, plant and equipment suppliers	2,387,080	1,334,230
Other creditors and sundry operations	283,087	178,151
	2,918,744	1,688,791
	3,551,793	2,323,478

Government grants for investments in fixed assets are essentially related to grants received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States of America Government.

Property plant and equipment suppliers-non-current mainly includes success fees payables in the long term for the acquisition of certain projects in the USA for a total amount of 46,600 thousand Euros (31 December 2021: 47,481 thousand Euros), Colombia for a total amount of 47,754 thousand Euros (40,022 thousand Euros), UK for a total amount of 32,754 thousand Euros (31 December 2021: 34,760 thousand Euros), Greece for a total amount of thousand Euros 32,687 (31 December 2021: 24,769 thousand Euros), Poland for a total amount of 22,155 thousand Euros (31 December 2021 18,712 thousand Euros) and Romania for a total amount of 13,396 thousand Euros (31 December 2021 12,131 thousand Euros) that, due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions (see note 6).

Variation in other creditors and sundry operations – non-current is mainly explained by the evolution of the energy pool prices in the Spanish market related to the establishment of the pool boundaries adjustment as a result of the publication of

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Royal Decree-Law 413/2014 and Order IET/1045/2014, and the regulatory reforms established by Royal Decree-Law 6/2022 and Royal Decree-Law 10/2022.

The balance of such concept as at 31 December 2022 amounts to a credit amount of 87,369 thousand Euros (101,859 thousand Euros as at 31 December 2022)of which a credit amount of 40,330 thousand Euros refers to the current 2022 semi-period, a credit amount of 36,940 thousand Euros refers to the 2020-2021 semi-period, a credit amount of 13,268 thousand Euros refers to the 2017-2019 semi-period and a debit amount of 3,169 thousand Euros refers to the 2014-2016 semi-period.

The movements during the period, which has been recorded under the revenues caption of the consolidated income statement, are mainly related to:

- Decrease amounting to 11,422 thousand Euros as a resulting of the wind capture rate updated for the 2020-2021 period.
- Increase amounting to 40,324 thousand Euros as a result of the adjustment for the current 2022 semi-period.

The rest of the movements in the caption are relating to the straight-line basis recognition according to the EDPR accounting policy.

Because of the high electricity prices that are occurring in the Spanish market, considering the market prices until December 2022, the EDPR Group facilities whose commissioning was in the years 2006-2007 will reach net present value equal to zero the next regulatory semi-period (2026) instead of at the end of the regulatory useful life of the facility. Thus, EDPR Group has stopped recognizing, for these installations, adjustments for deviations from market prices, and has derecognized the net accruals (assets & liabilities). The accounting impact as at 31 December 2022, in the amount of 40,324 thousand Euros, has been recorded as an increase under the revenues caption of the consolidated income statement.

Variation in suppliers, besides the normal course of the business, is impacted by the acquisition of the distributed generation business of Sunseap Group and Long Road portfolio.

Property plant and equipment suppliers -current refer to wind and solar farms in construction mainly in the USA in the amount of 1,225,554 thousand Euros (873,189 thousand Euros as of December 31, 2021), Canada in the amount of 108,275 thousand Euros, Colombia in the amount of 356,474 thousand Euros, Poland in the amount of 172,308 thousand Euros (31 December 2021: 104,864 thousand Euros), Mexico in the amount of 74,769 thousand Euros (31 December 2021: 60,338 thousand Euros), Italy in the amount of 69,769 thousand Euros (31 December 2021: 43,754 thousand Euros), Spain in the amount of 73,724 thousand Euros (31 December 2021: 32,016 thousand Euros) and Portugal in the amount of 97,709 thousand Euros.

The caption Property plant and equipment suppliers -current also includes success fees payables for the acquisition of certain projects in the amount of 141,838 thousand Euros (31 December 2021: 97,390 thousand Euros) mainly in US, Colombia, UK, Greece, Italy, Romania and Poland that due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions.

The fair values and carrying amounts of current trade and other payables do not differ significantly.

The Company has prepared the below information for Spanish subsidiaries, according to criterion required by the Spanish Accounting and Auditing Institute (ICAC) resolution of 29 January 2017 and the requirements introduced by the Law 18/2022 approved in 2022 on disclosures in notes to financial statements of late payments to suppliers in commercial transactions:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
DAYS		
Average payment period	28	42
Ratio paid operations	31	46
Ratio of pending operations	7	23
Total payments made	62,402	123,843
Total outstanding payments	9,566	23,575

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In 2022, total number of invoices paid by Spanish companies within the legal payment period amounted to 10,212 invoices, 97% of total invoices, while the payments made within the legal payment period amounted to 54,931 thousand Euros, which represents 88% of total payments. The average supplier payment period was of 28 days, below the payment period stipulated by law of 60 days.

35. Other liabilities and other payables

Other liabilities and other payables are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
OTHER LIABILITIES AND OTHER PAYABLES - NON-CURRENT		
Amount payable for changes in the perimeter	71,035	21,200
Loans from non-controlling interests	82,895	122,964
Derivative financial instruments	1,335,600	437,620
Rents due from lease contracts	966,932	648,082
Other creditors and sundry operations	387,882	1,352
	2,844,344	1,231,218
OTHER LIABILITIES AND OTHER PAYABLES – CURRENT		
Amount payable for changes in the perimeter	229,186	62,589
Derivative financial instruments	647,419	788,580
Loans from non-controlling interests	17,407	39,762
Rents due from lease contracts	72,889	50,445
Other creditors and sundry operations	43,343	26,267
	1,010,244	967,643
	3,854,588	2,198,861

The caption Loans from non-controlling interests Current and Non-Current mainly includes:

- Loans granted by ACE Portugal (CTG Group) due to the sale in 2017 of 49% of shareholding in EDPR PT – Parques Eólicos S.A and subsidiaries for a total amount of 20,713 thousand Euros, including accrued interests (25,760 thousand Euros as of 31 December 2021), bearing interest at a fixed rate of 3.75%;
- Loans granted by ACE Poland (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Polska HoldCo, S.A. and subsidiaries for a total amount of 41,026 thousand Euros including accrued interests (74,086 thousand Euros as at 31 December 2021), bearing interest at a fixed rate of a range between 2.95% and 7.23%;
- Loans granted by ACE Italy (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Italia, S.r.l. and subsidiaries for a total amount of 31,954 thousand Euros including accrued interests (43,868 thousand Euros as at 31 December 2021), bearing interest at a fixed rate of 4.50%;
- In addition, in 2021, the caption Loans from non-controlling interests non-current included loans granted by CITIC CWEI Renewables (CTG Group) due to the sale in 2013 of 49% of shareholding in EDP Renováveis Portugal, S.A. for a total amount of 13,590 thousand Euros including accrued interests that it has been fully paid during the year 2022.

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The caption Rents due from lease contracts - Non-Current and Current includes lease liabilities related to IFRS 16. Variation in both captions is as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Balance as at 1 January	698,527	689,709
Increases due to new lease contracts	327,487	137,858
Unwinding (note 14)	33,612	28,852
Payment of leases	-54,612	-43,746
Exchange differences	28,590	43,568
Changes in the perimeter and other changes	6,217	-157,714
Balance at the end of the period	1,039,821	698,527

Increases due to new lease contracts are mainly located in the USA, Spain, Canada and Poland.

Changes in the perimeter and other changes in 2022 mainly refers to:

- Increase amounting to 40,581 thousand Euros related to the acquisition of Sunseap Group (see note 6);
- Decrease amounting to 10,072 thousand Euros due to the sale of certain portfolio of European companies;
- Decrease amounting to 24,302 thousand Euros due to the sale of a company in North America (see note 6).

Changes in the perimeter and other changes in 2021 mainly refers to:

- Increase amounting to 4,858 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America (see note 6);
- Decrease amounting to 55,545 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6).
- Decrease amounting to 41,134 thousand Euros due to the sale of the company Indiana Crossroads Wind Farm LLC (see note 6).
- Decrease amounting to 36,758 thousand Euros due to the loss of control in the companies Riverstart Development LLC, Riverstart Ventures LLC and subsidiaries (see note 6).
- Decrease amounting to 16,727 thousand Euros due to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).
- Decrease amounting to 12,533 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies.

As at 31 December 2022, the nominal value of the rents due from lease contracts is detailed as follows: (i) less than 5 years: 379,408 thousand Euros; (ii) from 5 to 10 years: 358,453 thousand Euros; (iii) from 10 to 15 years: 351,681 thousand Euros; and (iv) more than 15 years: 653,040 thousand Euros.

The captions amount payable for changes in the perimeter non-current and current mainly include:

- Increase amounting to 71,035 thousand Euros in the caption non-current related to the acquisition of Kronos Group (see note 42);
- Decrease amounting to 20,395 thousand Euros in the caption non-current related to the payment of the variable price associated to the sale transaction of the company Vento XX and subsidiaries;
- Increase amounting to 41,288 thousand Euros in the caption current related to the acquisition of Xuan Thien Ninh Thuan JSC and Xuan Thien Thuan Vac JSC (see note 42);
- Increase amounting to 166,510 thousand Euros in the caption current related to the remaining cost to pay, mainly, for the projects Meadow Lake Solar Park LLC, Rosewater and Vento XX;
- Decrease amounting to 39,549 thousand Euros in the caption current refers to payment during 2022 for the remaining cost related to the project Indiana Crossroads Wind Farm LLC.

Amount payable for changes in the perimeter -non-current at 31 December 2021 is mainly related to the variable price adjustment in the amount of 20,396 thousand Euros related to the sale of the company Vento XX and subsidiaries (see note

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6). Amount payable for changes in the perimeter – current mainly refers to the remaining cost to pay in the amount of 54,326 thousand Euros related to the project Indiana Crossroads Wind Farm LLC.

The caption other creditors and sundry operations non-current and current mainly increase as at 31 December 2022 as a consequence of the present value accrued for the put options associated to the Sunseap Group acquisition (40,991 thousand Euros in non-current and 15,451 thousand Euros in current) and Kronos Group (341,996 thousand Euros in non-current) (see note 6 and 42).

The fair values and carrying amounts of current trade and other payables do not differ significantly.

See note 37 for non-current and current derivatives.

36. Current tax liabilities

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Income tax	99,463	39,439
Withholding tax	13,674	3,983
Value added tax (VAT)	45,430	91,401
Other taxes	76,837	57,133
	235,404	191,956

The increase in the Income tax caption is mainly explained by the raising prices of the electricity in Europe and the capital gain over the sale of certain projects in Brazil (see note 6 and 9).

37. Derivative financial instruments

As of 31 December 2022, the fair value of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE			NOTIONAL (THOUSAND UNITS)			
	ASSETS	LIABILITIES	UNITS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
NET INVESTMENT HEDGE							
Cross currency rate swaps	5,702	-159,114	EUR	91,158	1,430,850	957,776	2,479,784
Currency forwards	22,583	-84,063	EUR	1,819,013	133,660	-	1,952,673
	28,285	-243,177		1,910,171	1,564,510	957,776	4,432,457
FAIR VALUE HEDGES							
Cross currency rate swaps	18	-2,056	EUR	-	-	85,897	85,897
	18	-2,056	EUR	-	-	85,897	85,897
CASH FLOW HEDGE							
Power price swaps	44,117	-1,594,997	MWh	13,261	42,051	72,915	128,227
Interest rate swaps	79,753	-1,725	EUR	159,363	204,355	1,725,040	2,088,758
Currency forwards	13,985	-14,578	EUR	146,760	290	-	147,050
	137,855	-1,611,300					
TRADING							
Power price swaps	29,338	-94,952	MWh	4,082	5,124	871	10,077

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THOUSAND EUROS	FAIR VALUE			NOTIONAL (THOUSAND UNITS)			
	ASSETS	LIABILITIES	UNITS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Interest rate swaps	1,189	-105	EUR	700	3,070	8,753	12,523
Cross currency rate swaps	25,539	-1,521	EUR	182,062	32,353	493,896	708,311
Currency forwards	78,635	-29,654	EUR	2,349,940	72,629	-	2,422,569
	134,701	-126,231					
	300,859	-1,983,019					

The fair value of derivative financial instruments is recorded under Other debtors and other assets (note 24) or Other liabilities and other payables (note 35), if the fair value is positive or negative, respectively.

The net investment derivatives are mainly related to the CIRS and Forward in USD and EUR with EDP SA as referred in the notes 39 and 40. The net investment derivatives also include CIRS and Forward in CAD, BRL, COP and SGD with EDP with the purpose of hedging EDP Renováveis Group's operations in Canada, Brazil, Colombia and Singapore.

Interest rate swaps are related to the project finances and have been formalised to convert variable to fixed interest rates.

Cash flow hedge power price swaps are related to the hedging of the sales price. EDPR NA has entered into a power price swap to hedge the variability in the spot market prices received in some of its projects. Additionally, both EDPR NA and EDPR EU have entered in short and long term hedges to hedge the short and long term volatility of certain un-contracted generation of its wind farms.

In certain US power markets, EDPR NA is exposed to congestion and line loss risks which typically have a negative impact on the price received for power generated in these markets. To economically hedge these risk exposures, EDPR NA entered into Financial Transmission Rights ("FTR") and a three year fixed for floating Locational Marginal Price (LMP) swap.

The trading derivative financial instruments are derivatives contracted for economic hedging that are not eligible for hedge accounting.

Fair value of derivative financial instruments is based, mainly, on quotes indicated by external entities, which are compared in each date of report to fair values available in common financial information platforms. These entities use discounted cash flows techniques usually accepted and data from public markets. The only exceptions are the CIRS in USD/EUR with EDP SA, which fair values are determined by the Financial Department of EDP, using the same above-mentioned discounted cash flows techniques and data. As such, according to IFRS13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 40) and no changes of level were made during this period.

As of 31 December 2021, the fair value and maturity of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE			NOTIONAL (THOUSAND UNITS)			
	ASSETS	LIABILITIES	UNITS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
NET INVESTMENT HEDGE							
Cross currency rate swaps	13,851	-84,028	EUR	890,293	763,447	-	1,653,740
Currency forwards	2,289	-29,004	EUR	976,870	-	-	976,870
	16,140	-113,032		1,867,163	763,447	-	2,630,610
CASH FLOW HEDGE							
Power price swaps	11,852	-1,031,455	MWh	9,184	14,712	12,964	36,860
Interest rate swaps	17,561	-17,072	EUR	55,934	154,805	232,786	443,525
Currency forwards	21,917	-727	EUR	483,600	391,643	-	875,243

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THOUSAND EUROS	FAIR VALUE			NOTIONAL (THOUSAND UNITS)			
	ASSETS	LIABILITIES	UNITS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
	51,330	-1,049,254					
TRADING							
Power price swaps	24,305	-53,131	MWh	3,086	2,430	908	6,424
Interest rate swaps	-	-1,085	EUR	675	2,960	9,563	13,198
Cross currency rate swaps	8,125	-1,117	EUR	131,707	136,591	-	268,298
Currency forwards	11,981	-8,581	EUR	1,911,976	7,366	-	1,919,342
	44,411	-63,914					
	111,881	-1,226,200					

The changes in the fair value of hedging instruments and risks being hedged are as follows:

			31 DEC 2022 CHANGES IN FAIR VALUE		31 DEC 2021 CHANGES IN FAIR VALUE	
THOUSAND EUROS	HEDGING INSTRUMENT	HEDGED ITEM	INSTRUMENT	RISK	INSTRUMENT	RISK
Net Investment hedge	Cross currency rate swaps	Subsidiary accounts in USD, RON, BRL, GBP, CAD and COP	-91,970	77,881	-121,686	121,533
Net Investment hedge	Currency forward	Subsidiary accounts in USD	-34,765	9,174	-26,715	-
Fair Value hedge	Currency forward	Subsidiary accounts in PLN	-2,038	-2,038	-6,499	-6,499
Cash-flow hedge	Interest rate swap	Interest rate	77,539	-	23,052	-
Cash-flow hedge	Power price swaps	Power price	-517,166	-	-997,097	-
Cash-flow hedge	Currency forward	Exchange rate	-21,783	-	7,337	-
			-590,183	-85,017	-1,121,608	115,034

Fair value of derivative financial instruments is based on listed market prices, whenever available, or on valuations determined through valuation models that use variables observable on the market. These valuation models are based on generally accepted discounted cash flow techniques and option valuation models generally accepted, using market data obtained through financial information platforms. Therefore, according to IFRS13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 40) and no changes of level were made during this period.

During 2022 and 2021 the following market inputs were considered for the fair value calculation:

INSTRUMENT	MARKET INPUT
Cross currency interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Libor 3M, ROBOR 3M, daily brazilian CDI, CAD-BA-CDOR 3M, Wibor 3M, Wibor 6M and CO IBR index; and exchange rates: EUR/BRL, EUR/PLN, EUR/CAD, EUR/GBP, EUR/RON EUR/COP and EUR/USD.
Interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Wibor 6M, Libor 1M, Libor 3M and CAD-BA-CDOR 3M.
Foreign exchange forwards	Fair value indexed to the following exchange rates: EUR/USD, EUR/PLN, EUR/GBP, USD/PLN, USD/HUF, EUR/HUF, USD/CAD, EUR/CAD, BRL/CNY, BRL/EUR, BRL/USD, COP/USD, SGD/USD, EUR/SGD, EUR/TWD, JPY/EUR, EUR/KRW and USD/VND.
Power price swaps	Fair value indexed to the price of electricity.

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The movements in cash flow hedge reserve have been as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Balance at the beginning of the year	-754,884	-23,251
Fair value changes	-366,010	-740,954
Transfers to results	6,323	3,329
Effect of derivatives in the equity consolidated companies	82,639	-5,375
Effect of the sale with loss of control of EDPR subsidiaries	-20,209	11,369
Balance at the end of the year	-1,052,141	-754,884

The gains and losses on the financial instruments portfolio booked in the income statement are as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Net investment hedge - ineffectiveness	-39,680	-153
Cash-flow hedge		
Transfer to results from hedging of financial liabilities	2,829	2,130
Transfer to results from hedging of commodity prices	-9,153	-5,459
Non eligible for hedge accounting derivatives	104,371	59,607
	58,367	56,125

The amount from transfers to results from hedging of commodity prices is registered in Revenues while the remaining gains and losses are registered in Financial income and Financial expense, respectively (see note 14).

The effective interest rates for derivative financial instruments associated with financing operations during 2022, were as follows:

		EDPR GROUP	
	CURRENCY	PAYS	RECEIVES
INTEREST RATE CONTRACTS			
Interest rate swaps	EUR	[1.59% - 3.67%]	[-2.70% - -2.48%]
Interest rate swaps	PLN	[2.48% - 4.17%]	[-7.15% - 7.05%]
Interest rate swaps	USD	[1.08% - 1.86%]	[-4.73% - -3.75%]
Interest rate swaps	CAD	[2.10% - 2.75%]	[-4.88% - -4.20%]
CURRENCY AND INTEREST RATE CONTRACTS			
CIRS (currency interest rate swaps)	EUR/USD	[1.08% - 5.78%]	[-0.29% - 4.73%]
CIRS (currency interest rate swaps)	EUR/CAD	[4.41% - 5.16%]	[1.56% - 2.20%]
CIRS (currency interest rate swaps)	EUR/COP	[4.13%]	[2.13%]
CIRS (currency interest rate swaps)	EUR/GBP	[1.35% - 1.92%]	[-0.00%]
CIRS (currency interest rate swaps)	EUR/BRL	[5.95%]	[-0.44%]
CIRS (currency interest rate swaps)	USD/BRL	[1.37% - 2.02%]	[1.40% - 2.71%]

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The effective interest rates for derivative financial instruments associated with financing operations during 2021, were as follows:

		EDPR GROUP	
	CURRENCY	PAYS	RECEIVES
INTEREST RATE CONTRACTS			
Interest rate swaps	EUR	[0.26% - 3.67%]	[0.55% - 0.58%]
Interest rate swaps	PLN	[2.48% - 2.78%]	[-0.25%]
Interest rate swaps	USD	[1.08% - 4.14%]	[-3.5% - -0.09%]
Interest rate swaps	CAD	[2.10% - 2.75%]	[-0.58% - -0.51%]
CURRENCY AND INTEREST RATE CONTRACTS			
CIRS (currency interest rate swaps)	EUR/USD	[0.47% - 1.08%]	[-0.54% - -0.29%]
CIRS (currency interest rate swaps)	EUR/CAD	[0.27% - 0.75%]	[-0.59% - -0.54%]
CIRS (currency interest rate swaps)	EUR/COP	[3.20% - 3.83%]	[-0.58%]
CIRS (currency interest rate swaps)	EUR/GBP	[1.25% - 1.36%]	[0.00%]
CIRS (currency interest rate swaps)	EUR/BRL	[0.03% - 5.95%]	[-0.58% - -0.44%]
CIRS (currency interest rate swaps)	EUR/RON	[3.11%]	[-0.57%]

38. Commitments

As at 31 December 2022 and 2021, the financial commitments not included in the statement of financial position in respect of financial and operational guarantees provided, are analysed as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
GUARANTEES OF OPERATIONAL NATURE		
EDP Renováveis, S.A.	1,625,852	1,357,766
EDPR NA	1,973,492	919,746
EDPR EU	16,628	6,088
EDPR LATAM	86,373	5,180
EDPR APAC	15,166	-
Total	3,717,511	2,288,780

The above operating guarantees, which are not included in the consolidated statement of financial position or in the Notes, as at 31 December 2022 and 2021, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees. The significant variation with respect to 2021 is fully in line with the evolution of the business and increasing activity of the EDPR Group during 2022. Concepts covered by PPA guarantees depends on the status of the project and typically cover related risks of development and construction, correct operation and maintenance of the projects and compliance with payment obligations. These guarantees amount to 1,037,351 thousand Euros as at 31 December 2022 of which 341,085 thousand Euros refer to guarantees granted by EDP to EDPR companies and 87,826 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures (867,280 thousand Euros as at 31 December 2021, of which 324,869 thousand Euros refer to guarantees granted by EDP to EDPR companies and 105,987 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures).

Additionally to the above guarantees, an amount of 30,450 thousand Euros refer to guarantees of operational nature related to the Spanish, Polish, Italian and Brazilian companies that were sold as at 31 December 2022 (see note 6) although EDPR assumes temporarily the responsibility under such guarantees until these are effectively replaced. An amount of 152,770 thousand Euros refer to guarantees of financial nature related to Brazilian companies that were also sold, although EDPR only assumed responsibility under such guarantees until 30 January 2023, when this has been effectively replaced.

Refer to note 39 for guarantees granted by EDP Group companies to EDPR Group companies.

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Refer to note 20 for guarantees granted by EDP Group and EDPR' Group to joint venture companies.

There are additional financial and operating guarantees granted by EDPR Group that have underlying liabilities already reflected in its Consolidated Statement of Financial Position and/or disclosed in the Notes.

EDPR does not expect any significant liability arising from the above commitments related to financial and operational guarantees provided.

The EDPR Group future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations by maturity date are as follows:

				31 DEC 2022	
				CAPITAL OUTSTANDING BY MATURITY	
THOUSAND EUROS	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	66,340	9,994	18,429	7,935	29,982
Purchase obligations	5,361,294	3,678,743	1,089,012	126,215	467,324
	5,427,634	3,688,737	1,107,441	134,150	497,306

				31 DEC 2021	
				CAPITAL OUTSTANDING BY MATURITY	
THOUSAND EUROS	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	32,159	4,549	8,228	2,934	16,448
Purchase obligations	4,948,975	3,081,552	1,358,104	101,874	407,445
	4,981,134	3,086,101	1,366,332	104,808	423,893

The significant variation in commitments with respect to 2021 is fully in line with the evolution of the business and increasing activity of the EDPR Group.

According with IFRS 16 EDPR Group presents the information related to lease contracts in the caption Right-of-use assets (see note 17).

Purchase obligations include debts related with long-term agreements of property, plant and equipment and operational and maintenance contracts product and services supply related to the Group operational activity. When prices are defined under forward contracts, these are used in estimating the amounts of the contractual commitments.

Some of the disposal of non-controlling interests transactions retaining control carried out in previous years incorporate contingent assets and liabilities according to the terms of the corresponding agreements.

39. Related parties

The Members of the Board of Directors of the Company and its delegated Committees do not own directly or indirectly any shares from EDPR, as of 31 December 2022 or 31 December 2021.

According to Article nr 229 of "Ley de Sociedades de Capital" (Spanish Companies Law), the members of the Board of Directors of EDP Renováveis have not communicated, or the parent company has knowledge, of any conflict of interests or incompatibility that could affect the performance of their duties.

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Remuneration of the members of the Board of Directors and Management Team

In accordance with the Company's by-laws, the remuneration of the members of the Board of Directors is proposed by the Appointments, Remunerations and Corporate Governance Committee to the Board of Directors on the basis of the overall amount of remuneration authorized by the General Meeting of Shareholders. The Board of Directors approves the distribution and the exact amount to be paid to each Director on the basis of this proposal. The average number of members of the Board of Directors during 2022 is 11 and as a 2021 is 11.

The remuneration paid to the members of the Board of Directors in 2022 and 2021 were as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
CEO	-	-
Board members	727	729
	727	729

The above amount refers to salaries, allowances and other remuneration as members of the Board of Directors and their membership/chairmanship of the Delegated Committees. Further, EDPR signed an Executive Management Services Agreement with EDP, under which EDP bears the cost for the services rendered by its Executive and Non-Executive Directors, which are Miguel Stilwell d'Andrade, Rui Teixeira, Miguel Setas, Vera de Morais Pinto Pereira Carneiro and Ana Paula Marques. This corporate governance practice of remuneration is in line with the model adopted by the EDP Group, in which the executive Directors of EDP do not receive any remuneration directly from the group companies on whose governing bodies they serve, but rather through EDP.

Under this contract, EDPR is due to pay an amount to EDP, for the services rendered by the Executive Managers and the Non-executive Managers. The amount due under said Agreement for the management services rendered by EDP in 2022 is 1,208 thousand Euros (831 thousand Euros in 2021), of which 979 thousand Euros refers to the management services rendered by the Executive Members and 195 thousand Euros to the management services rendered by the non-executive Members. Also this amount includes 34 thousand Euros related to retirement saving plans.

The retirement savings plan for the members of the Management Team that are also Officers, acts as an effective retirement supplement with a range between 3% to 6% of their annual salary. The percentage is defined according with the retirement savings plan applicable in their home country.

In the case of the COOs/CTO which are members of the Management Team (Duarte Bello- COO EU&LatAm; Bautista Rodríguez, -CTO&Business Offshore; Sandhya Ganapathy - COO NA; and Pedro Vasconcelos - COO APAC), the remuneration is as follows:

THOUSAND EUROS	31 DEC 2022	31 DEC 2021
Salaries and other allowances	2,808	2,467
Retirement saving plans	44	37
Life insurance premiums	16	5
	2,868	2,509

Additionally they received the following non-monetary benefits: retirement savings plan (as described above), company car and Health Insurance in the amount of 363 thousand Euros (268 thousand Euros in 2021).

Relevant balances and transactions with subsidiaries and associates of China Three Gorges Group

Within the context of the transactions with CTG related to the sale of 49% of EDPR Portugal, EDPR PT-PE, EDPR Italia and EDPR Polska equity shareholding to CTG Group, CTG has granted loans to the EDPR Group in the amount of 93,693 thousand Euros including accrued interests (17,392 thousand Euros as current and 76,301 thousand Euros as non-current) as at 31 December 2022. As at 31 December 2021, this balance amounted to 157,201 thousand Euros including accrued interests (39,734 thousand Euros as current and 117,467 thousand Euros as non-current). See note 35.

During the year ended 31 December 2022, EDPR sold the entire stake in the Spanish companies Eólica La Janda, S.L. and Parc Eòlic Serra Voltorera, S.L. to CTG. Total shares proceeds amounted to 207,018 thousand Euros (see note 6 and 9).

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Balances and transactions with EDP Group companies

In their ordinary course of business, EDPR Group companies establish commercial transactions and operations with other Group companies, whose terms reflect current market conditions.

As at 31 December 2022, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	100,978	100,978
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	140	140
Joint Ventures and Associated companies	521,584	148,361	669,945
EDP Serviço Universal, S.A.	-	26,860	26,860
EDP Finance B.V.	-	73,812	73,812
EDP Servicios Financieros España, S.A.	326,815	-	326,815
EDP España S.A.U.	-	41,947	41,947
Other EDP Group companies	-	5,322	5,322
	848,399	397,420	1,245,819

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	634,935	634,935
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	13,243	13,243
Joint Ventures and Associated companies	-	820	820
EDP Finance B.V.	4,213,354	37,693	4,251,047
EDP Servicios Financieros España, S.A.	544,832	3,493	548,325
EDP Global Solutions	-	1,861	1,861
Other EDP Group companies	-	16,951	16,951
	4,758,186	708,996	5,467,182

Assets mainly refer to:

- Debit balance of the Euro and US Dollar current accounts with EDP Servicios Financieros España, S.A. (see note 26) amounting to 326,815 thousand Euros as at 31 December 2022;
- Loans granted to companies consolidated by the equity method, mainly to Ocean Winds in the total amount of 511,374 thousand Euros.
- Others with Joint Ventures and Associated companies correspond mainly with the variable price related to the sale of the offshore business to Ocean Winds in the amount of 77,920 thousand Euros and derivatives contracted with Eólica de São Julião in the amount of 17,775 thousand Euros (see note 24 and 37);
- Commercial receivables related to the sale of energy in EDPR Portugal and EDPR Spain through EDP Serviço Universal, S.A. (which is a last resort retailer due to regulatory legislation) and EDP España S.A.U.;
- Derivatives contracted with EDP Energias de Portugal, S.A. and EDP Finance B.V. which market value as at 31 December 2022 amounts to 84,686 thousand Euros and 73,812 thousand Euros, respectively (see note 37);

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Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.A. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 4,212,912 thousand Euros (31 December 2021: 2,652,219 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 544,832 thousand Euros (445,499 thousand Euros as at 31 December 2021) (see note 31) including the cash-pooling in the amount of 311,807 thousand Euros as at 31 December 2022;

- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2022 amounts to 614,415 thousand Euros and with EDP Finance B.V. which market value as at 31 December 2022 amounts to 37,270 thousand Euros, mainly related to power price derivatives and Cross currency rate swaps (See note 37).

Transactions with related parties for the period ended 31 December 2022 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	56,488	296,834	-264,171	-233,580
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	16	-	-36,197	-1,134
Joint Ventures and Associated companies	50,497	16,388	-5,247	-2,761
EDP Serviço Universal, S.A.	255,983	-	-26	-
EDP Finance B.V.	20,234	97,679	-	-170,958
EDP Servicios Financieros España, S.A.	-	-	-	-31,767
EDP España S.A.U.	728,267	-	-8,523	-57
EDP Clientes S.A.	1,928	-	-359	-
EDP Trading Comercialização e Serviços de Energia	37,601	-	-1,002	-
Other EDP Group companies	187	-	-6,557	-
	1,151,201	410,901	-322,082	-440,257

Operating income mainly includes electricity sales to EDP Serviço Universal, S.A. which is a supplier of last resource in Portugal due to regulatory legislation, to EDP España S.A.U. as the commercial agent in Spain, to EDP Trading Comercialização e Serviços de Energia.

Operating income with EDP Energias de Portugal, S.A. are mainly related to derivative financial instruments and the debt received.

Financial expenses with EDP Finance B.V. and EDP Servicios Financieros España S.A., are related interests on the loans granted to EDP Renováveis S.A. and EDP Renováveis Servicios Financieros, S.A. referred above, and the income/expenses related to derivative instruments.

Financial Income is mainly explained by the derivative financial instruments of EDP Energias de Portugal, S.A. and EDP Finance B.V.

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As at 31 December 2021, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	56,451	56,451
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	39,044	39,044
Joint Ventures and Associated companies	209,488	174,458	383,946
EDP Serviço Universal, S.A.	-	32,690	32,690
EDP Servicios Financieros España, S.A.	-	418,805	418,805
EDP España S.A.U.	-	144,975	144,975
Other EDP Group companies	-	2,906	2,906
	209,488	869,329	1,078,817

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	576,117	576,117
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	13,294	13,294
Joint Ventures and Associated companies	-	3,335	3,335
EDP Finance B.V.	2,652,919	27,732	2,680,651
EDP Servicios Financieros España, S.A.	445,499	362	445,861
EDP Global Solutions	-	1,429	1,429
Other EDP Group companies	-	10,942	10,942
	3,098,418	633,211	3,731,629

Assets mainly refer to:

- Debit balance of the Euro and US Dollar current accounts with EDP Servicios Financieros España, S.A. (see note 26) amounting to 418,805 thousand Euros as at 31 December 2021;
- Loans granted to companies consolidated by the equity method and namely to Ocean Winds in the total amount of 198,213 thousand Euros and variable price related to the sale of the offshore business to Ocean Winds in the amount of 142,216 thousand Euros (see note 24);
- Commercial receivables related to the sale of energy in EDPR Portugal and EDPR Spain through EDP Serviço Universal, S.A. (which is a last resort retailer due to regulatory legislation) and EDP España S.A.U. respectively;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2021 amounts to 42,851 thousand Euros (see note 37);
- Estimated corporate income tax due by EDP Energias de Portugal, S.A. Sucursal en España in the amount of 38,611 thousand Euros (see note 24).

Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.L. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 2,652,219 thousand Euros (31 December 2020: 2,832,418 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 445,499 thousand Euros (the same amount at 31 December 2020). See note 31;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2021 amounts to 513,350 thousand Euros, mainly related to power price derivatives (see note 37).

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Transactions with related parties for the year ended 31 December 2021 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	550	36,636	-173,987	-55,616
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	-	-29,850	-1,289
Joint Ventures and Associated companies	37,889	7,599	-24,861	-9
EDP Serviço Universal, S.A.	259,593	-	-130	-
EDP Comercializadora, S.A.U,.	15	-	-	-
EDP Finance B.V.	-	-	-	-95,513
EDP Servicios Financieros España, S.A.	-	3	-	-13,980
EDP España S.A.U.	457,638	-	-4,603	-256
EDP Clientes S.A.	719	-	-540	-
Other EDP Group companies	8,175	-	-11,788	-
	764,579	44,238	-245,759	-166,663

As part of its operational activities, the EDP Renováveis Group must present guarantees in favor of certain suppliers and in connection with renewable energy contracts. As at 31 December 2022, EDP España and EDP Energías de Portugal Sucursal en España granted operational guarantees to suppliers in favour of EDP Renováveis S.A. and EDPR NA in the amount of 444,520 thousand Euros (520,475 thousand Euros as at 31 December 2021). The operational guarantees are issued following the commitments assumed by EDPR EU and EDPR NA in relation to Power Purchase Agreements (PPA), interconnection, permits and market participation.

Refer to note 20 for guarantees granted by EDP Group and EDPR Group to joint venture companies.

40. Fair value of financial assets and liabilities

Fair value of financial instruments is based, whenever available, on quoted market prices. Otherwise, fair value is determined through internal models, which are based on generally accepted cash flow discounting techniques and option valuation models or through quotations supplied by third parties.

Non-standard instruments may require alternative techniques, which consider their characteristics and the generally accepted market practices applicable to such instruments. These models are developed considering the market variables that affect the underlying instrument, namely yield curves, exchange rates and volatility factors.

Market data is obtained from generally accepted suppliers of financial data (Bloomberg and Reuters).

As at 31 December 2022 and 2021, the following table presents the interest rate curves of the major currencies to which the Group is exposed. These interest rates were used as the base for the fair value calculations made through internal models referred above:

	31 DEC 2022 CURRENCIES			31 DEC 2021 CURRENCIES	
	EUR	USD	SGD	EUR	USD
3 months	2.13%	4.77%	3.57%	-0.57%	0.21%
6 months	2.69%	5.07%	3.86%	-0.55%	0.38%
9 months	3.45%	5.16%	3.88%	-0.49%	0.42%
1 year	3.69%	5.07%	3.84%	-0.50%	0.58%
2 years	3.39%	4.71%	3.48%	-0.29%	0.91%
3 years	3.31%	4.34%	3.30%	-0.14%	1.14%

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	31 DEC 2022 CURRENCIES			31 DEC 2021 CURRENCIES	
	EUR	USD	SGD	EUR	USD
5 years	3.24%	4.02%	3.15%	0.02%	1.33%
7 years	3.20%	3.90%	3.10%	0.13%	1.44%
10 years	3.20%	3.84%	3.04%	0.30%	1.54%

Non-listed equity instruments, for which a reliable and consistent fair value estimate is not available either by internal models or external providers, are recognized at their historical cost.

Equity instruments at fair value and financial assets at fair value through profit or loss

Listed financial instruments are recognized at fair value based on market prices. The financial instruments for which reliable fair value estimates are not available, are recorded in the statement of financial position at their cost.

Cash and cash equivalents, trade receivables and suppliers

These financial instruments include mainly short-term financial assets and liabilities. Given their short-term nature at the reporting date, their book values are not significantly different from their fair values.

Financial debt

The fair value of the financial debt is estimated through internal models, which are based on generally accepted cash flow discounting techniques. At the reporting date, the carrying amount of floating rate loans is approximately their fair value. In case of fixed rate loans, mainly the intercompany loans granted by EDP Group, their fair value is obtained through internal models based on generally accepted discounting techniques.

Derivative financial instruments

All derivatives are accounted at their fair value. For those which are quoted in organized markets, the respective market price is used. For over-the-counter derivatives, fair value is estimated through the use of internal models based on cash flow discounting techniques and option valuation models generally accepted by the market, or by dealer price quotations.

CIRS with EDP – Energias de Portugal, S.A. (note 37)

With the purpose of hedging the foreign exchange risk resulting from the net investment in EDPR NA, the Group entered into CIRS in USD and EUR with EDP – Energias de Portugal, S.A.. These financial derivatives are presented in the statement of financial position at its fair value, which is estimated by discounting the projected USD and EUR cash flows. The discount rates and forward interest rates were based on the interest rate curves referred to above and the USD/EUR exchange rate is disclosed on note 29. See also note 35.

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The fair values of assets and liabilities as at 31 December 2022 and 2021 are analysed as follows:

	31 DECEMBER 2022			31 DECEMBER 2021		
THOUSAND EUROS	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE
FINANCIAL ASSETS						
Equity instruments at fair value	43,321	43,321	-	14,878	14,878	-
Debtors and other assets from commercial activities	605,693	605,693	-	498,234	498,234	-
Other debtors and other assets	1,656,881	1,656,881	-	1,546,725	1,546,725	-
Derivative financial instruments	300,859	300,859	-	111,881	111,881	-
Cash and cash equivalents	1,171,932	1,171,932	-	1,003,784	1,003,784	-
	3,778,686	3,778,686	-	3,175,502	3,175,502	-
FINANCIAL LIABILITIES						
Financial debt	6,159,954	5,486,817	673,137	4,040,949	4,042,432	1,483
Suppliers	2,838,483	2,838,483	-	1,699,692	1,699,692	-
Institutional partnerships in North America	2,212,162	2,212,162	-	2,259,741	2,259,741	-
Trade and other payables from commercial activities	713,310	713,310	-	623,786	623,786	-
Other liabilities and other payables	1,871,568	1,871,568	-	972,661	972,661	-
Derivative financial instruments	1,983,019	1,983,019	-	1,226,200	1,226,200	-
	15,778,496	15,105,359	673,137	12,049,229	12,050,712	1,483

The fair value levels used to valuate EDP Renováveis Group financial assets and liabilities are defined as follows:

- **Level 1 –** Quoted prices (unadjusted) in active market for identical assets and liabilities
- **Level 2 –** Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e., derived from prices)
- **Level 3** – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

	31 DECEMBER 2022			31 DECEMBER 2021		
THOUSAND EUROS	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS						
Equity instruments at fair value	32,876	-	10,445	-	-	14,878
Derivative financial instruments	-	300,859	-	-	111,881	-
	32,876	300,859	10,445	-	111,881	14,878
FINANCIAL LIABILITIES						
Liabilities arising from options with non-controlling interests	-	-	883	-	-	883
Derivative financial instruments	-	1,983,019	-	-	1,226,200	-
	-	1,983,019	883	-	1,226,200	883

The remaining assets and liabilities are valuated within Level 1 or correspond to assets and liabilities which fair value is the same as its carrying amount. In 2022, there are no transfers between levels.

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The movement in 2022 and 2021 of the financial assets and liabilities within Level 3 are analysed was as follows:

		TRADE AND OTHER PAYABLES
Balance at the beginning of the year	883	883
Gains / (Losses) in other comprehensive income	-	-
Increases/Purchases	-	-
Disposals	-	-
Others	-	-
Balance at the end of the year	883	883

The Trade and other payables within level 3 are related to Liabilities with non-controlling interests.

The movements in 2022 and 2021 of the derivative financial instruments are presented in note 37.

41. Relevant subsequent events

EDPR secures its first PPA in Greece

EDPR is pleased to announce that it has secured a long-term Power Purchase Agreement ("PPA") with MYTILINEOS - Energy & Metals, one of the largest industrial and energy companies in Greece, to sell the green energy produced by a 78 MW wind portfolio.

This deal marks EDPR's first PPA in Greece and it will be covered by a portfolio that consists of 3 wind projects that are expected to enter into operation between the end of 2024 and 2025, more precisely:

- 2 projects, with 23 MW and 35 MW respectively, located in Voiotia, Greece;
- 1 project with 21 MW located in Achaia, Greece.

With this new portfolio, EDPR has now 11.2 GW secured out of the 20 GW target additions for 2021-25 announced in EDPR Capital Markets Day in February 2021. Additionally, this transaction enables EDPR to achieve more than 3.6 GW of the 6.7 GW target for renewable capacity additions in Europe during 2021-25.

EDPR's success in securing new PPAs reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonization of the economy.

42. Business Combination

Business Combination closed during the year ended 31 December 2022

Sunseap

EDPR entered in November 2021 into an agreement with BPIN Investment Company Limited (owner of 47% issued shares at the moment of entering into the agreement) , Mr. Frank Phuan and Mr. Lawrence Wu (as the "Founder Shareholders") (owners of 14% issued shares at the moment of entering into the agreement), and the additional selling shareholders (owners of 36% issued shares at the moment of entering into the agreement) for the acquisition of up to 91.4% of the shares of Sunseap Group Pte.Ltd which holds a sizeable portfolio including of close to 10 GW of renewable projects at different stages of development. The agreement also includes the acquisition of the subscription rights granted to some shareholders and employees of the company by EDPR and the new issuance of those shares to be paid by EDPR, the total percentage acquired of 91.4% is inclusive of such shares. At that moment, the completion of this transaction was subject to customary conditions precedent. With this transaction, completed in 24 February 2022 once the aforementioned customary conditions precedent were fulfilled, EDPR acquired 91.4% of the mentioned Group for a total consideration of 659,658 thousand Euros (including the put option present value). This transaction is considered under the scope of IFRS 3 – Business combinations.

EDPR signed the corresponding shareholders agreements which include put and call options agreements for the remaining percentage of the shares of the Sunseap Group with the minority shareholders. As a consequence, EDPR has call options to acquire the remaining stake of the capital of the Sunseap Group and the sellers have put options to sell their shares. EDPR have applied the anticipated-acquisition method (see note 2.A and 6).The exercise price for these options has been determined in an amount equal to 56,442 thousand Euros (see note 35).

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Upon completion of the agreement, Sunseap Group Pte.Ltd performed a capital increase which was subscribed solely by EDP Renováveis, S.A and lead to EDP Renováveis, S.A holding 92.28% of the total stake of the acquired company, the amount of the capital increase is not considered within the consideration transferred for the business combination.

The Group used the financial statements as at 28 February 2022 of the company acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus, this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 108,763 thousand Euros and with a Net profit in the approximate amount of 224 thousand Euros, referring to the ten-month period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 121,430 thousand Euros and with a Net loss for the period in the approximate amount of 7,623 thousand Euros , referring to the twelve-month period ended at 31 December 2022.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash-flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar PV projects in EDR's portfolio. These internal assumptions used in the preparation of the cashflows of the portfolio have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital within a range of 6.3%-10.8% (blended), that has been calculated by the firm, reflecting the risks of the specific countries and adjusted for the profile of each project. Such valuation has determined a fair value of the net assets acquired in the amount of 296,173 thousand Euros.

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	409,589	110,932	520,521
Right-of-use assets	39,000	-	39,000
Intangible assets	422	113,295	113,717
Goodwill	2,159	-2,159	-
Investments in joint ventures and associates	9,111	14,842	23,954
Equity instruments at fair value	24	-	24
Deferred tax assets	9,908	-	9,908
Other Non-Current Assets	11,136	-	11,136
Total Non-Current Assets	481,348	236,910	718,259
Inventories	6,945	-	6,945
Debtors and other assets from commercial activities	70,534	-	70,534
Other debtors and other assets	49,532	-	49,532
Current tax assets	6,867	-	6,867
Cash and cash equivalents	127,576	-	127,576
Total Current Assets	261,455	-	261,455
Total Assets	742,803	236,910	979,713

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THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
LIABILITIES			
Medium / Long term financial debt	233,746	-	233,746
Provisions	6,162	-	6,162
Deferred tax liabilities	1,836	38,836	40,673
Other liabilities and other payables	115,021	-	115,021
Total Non-Current Liabilities	356,766	38,836	395,603
Short term financial debt	30,425	-	30,425
Trade and other payables from commercial activities	70,845	-	70,845
Current tax liabilities	823	-	823
Other current liabilities	147,858	-	147,858
Total Current Liabilities	249,951	-	249,951
Total Liabilities	606,707	38,836	645,554
Total Net assets acquired at fair value			334,160
- Non-controlling interests			-37,986
Total Net assets acquired at fair value			296,173
- Total consideration for the acquisition of the shares			-659,658
		Goodwill	363,485

The aforementioned Sunseap's group valuation has determined a fair value for Property, plant and equipment in the amount of 520,521 thousand Euros, generating a fair value adjustment of 110,932 thousand Euros corresponding to the permits, licences and concessions (PLCs) and an associated deferred tax liability in the amount of 21,472 thousand Euros (see note 16 and 21). Furthermore, the valuation has determined a fair value for Intangible assets in the amount of 113,717 thousand Euros, generating a fair value adjustment of 113,295 thousand Euros corresponding to the power purchase agreements and feed-in-tariffs of the whole portfolio and an associated deferred tax liability in the amount of 17,378 thousand Euros.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted as a goodwill recognition in the amount of 363,485 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned provisional goodwill recognition resulting from the purchase price allocation, is mainly attributable to EDPR's establishment in the APAC platform within the context of EDP Business plan 2021-25, allowing EDPR to establish a portfolio for the APAC region of close to 10 GW of solar projects, of which 563 MW operating and under construction, and an experienced team of more than 600 employees spread across 9 markets, providing a growth platform for the region.

Xuan Thien

EDPR, through its wholly owned Vietnamese subsidiary Sunseap Commercial & Industrial Assets (Vietnam) Co., Ltd. entered in 2022 into an agreement with Xuan Thien Group for the acquisition of 99.99% of the shares of Xuan Thien Ninh Thuan JSC and Xuan Thien Thuan Vac JSC, each of one holding a PV project totalling 200 MWac (255MWdc) (see note 6). At that moment, the completion of this transaction was subject to customary conditions precedent. With this transaction, completed in 7 September 2022 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 99,99% of the shareholding of the mentioned companies for a total consideration of 198,832 thousand Euros. Of the total consideration, 157,544 thousand Euros have been paid as of 31 December 2022, and an amount of 41,288 thousand Euros is accrued under the caption Other liabilities and other payables - Current (see note 35) correspond to the retentions that, in accordance with the sale purchase agreement, will be paid when certain milestones related to financing, module damages repairs and land use rights are fulfilled. This transaction is considered under the scope of IFRS 3 - Business combinations.

The Group used the financial statements as at 7 September 2022 of the companies acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full

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consolidation method. Thus, this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 9,319 thousand Euros and with a Net profit in the approximate amount of 1,819 thousand Euros, referring to the four months period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 33,225 thousand Euros and with a Net profit for the period in the approximate amount of 8.985 thousand Euros referring to the twelve-month period ended at 31 December 2022.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash-flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main assumptions of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar assets in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the portfolio have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital of 10.3%, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the projects.

Such valuation has determined a fair value of the net assets acquired in the amount of 181,061 thousand Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	171,487	26,754	198,241
Intangible assets	-	85,476	85,476
Deferred tax assets	-	238	238
Total Non-Current Assets	171,487	112,468	283,956
Debtors and other assets from commercial activities	14,562	-	14,562
Other debtors and other assets	3,500	-16	3,484
Cash and cash equivalents	314	-	314
Total Current Assets	18,376	-16	18,360
Total Assets	189,864	112,452	302,316
LIABILITIES			
Medium / Long term financial debt	102,425	-	102,425
Provisions	2,303	-	2,303
Deferred tax liabilities	-	8,497	8,497
Other liabilities and other payables	-	3,155	3,155
Total Non-Current Liabilities	104,728	965	116,380
Short term financial debt	352	-	352
Other current liabilities	4,521	-	4,521
Total Current Liabilities	4,874	-	4,874
Total Liabilities	109,602	11,652	121,254
Total Net assets acquired at fair value			181,061
- Total considerationfor the acquisition of the shares			-202,298
		Goodwill	21,236

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The aforementioned Xuan Thien's projects valuation has determined a fair value for Property, plant and equipment in the amount of 198,241 thousand Euros, generating a fair value adjustment of 26,754 thousand Euros corresponding to the permits, licences and concessions (PLCs) and an associated deferred tax liability in the amount of 2,026 thousand Euros (see note 16 and 21). Furthermore, the valuation has determined a fair value for Intangible assets in the amount of 85,476 thousand Euros, which equals the amount of the fair value adjustment corresponding to the power purchase agreements that these companies have in place and an associated deferred tax liability in the amount of 6,471 thousand Euros.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted in goodwill recognition in the amount of 21,236 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned provisional goodwill recognition resulting from the provisional purchase price allocation, which is identified according to what is indicated in note 2.A, is mainly attributable to EDPR doubling its operational capacity in Vietnam, strengthening its presence in the APAC region, a market where it entered in 2021 and has been since reinforced with the integration of Sunseap in February 2022.

Kronos Group

In the third quarter, EDPR entered into an agreement with Summercourt Capital GmbH (owner of 85% of the shares) and Bohne-Vermögensverwaltungs-GmbH (owner of 15% of the shares) to acquire a 66.80% stake of Kronos Solar Projects GmbH. which holds a solar generation portfolio of 9,4GW under development located in Germany, Netherlands, France and UK (see note 6). At that moment, the completion of this transaction was subject to customary conditions precedent. With this transaction, completed in 5 October 2022 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 66.80% of the mentioned companies for a total consideration of 663,030 thousand Euros of which an amount of 341,995 thousand Euros corresponds to the put options and an amount of 71,035 thousand Euros relates to the estimation for the success fee to be paid to the sellers (see note 35). This transaction is considered under the scope of IFRS 3 - Business combinations.

Upon completion of the agreement, Kronos Solar Projects GmbH performed a capital increase which was subscribed solely by EDP Renewables Europe, S.L.U. and lead to EDP Renewables Europe, S.L.U. holding 70% of the total stake of the acquired company, the amount of the capital increase is not considered within the consideration transferred for the business combination. Furthermore and within the context of this acquisition, and for the purpose of constructing and operating the projects, EDP Renewables Europe, S.L.U. and the sellers have incorporated the company Kronos Projektgesellschaft mbH with the same split in the shareholding (70%-30%).

EDPR signed the corresponding shareholders agreements which include put and call options agreements for the remaining percentage of the shares of the Kronos Group with the minority shareholders. As a consequence, EDPR has call options to acquire the remaining stake of the capital of the Kronos Group and the sellers have put options to sell their shares. EDPR have applied the anticipated-acquisition method (see note 2.A, 6 and 35).

The Group used the financial statements as at 30 September 2022 of the acquired companies, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method and equity method when applicable. Thus, this acquisition has contributed to the consolidated financial statements with no revenues since none of the projects of the portfolio are operating and no sales of projects have occurred during the period and with a Net loss in the approximate amount of 438 thousand Euros, referring to the four-month period ended at 31 December 2022. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with no revenues since none of the projects of the portfolio are operating and no sales of projects have occurred during the year and with a Net loss in the approximate amount of 1,176 thousand Euros , referring to the twelve-month period ended at 31 December 2022.

At the acquisition date, EDPR Group has determined internally the fair value of the assets acquired and liabilities assumed. Since the portfolio acquired is still in an early stage of development EDPR has not allocated any value to specific assets, hence the difference amounting to 651,657 thousand Euros between the consideration transferred and the net assets acquired has been allocated to provisional goodwill. Such assessment has determined a fair value of the net assets acquired in the amount of 11,373 thousand Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

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THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	4,871	-	4,871
Intangible assets	3,331	-	3,331
Other non-current assets	455	-	455
Total Non-Current Assets	8,656	-	8,656
Other debtors and other assets	1,591	-	1,591
Cash and cash equivalents	13,423		13,423
Total Current Assets	15,014	-	15,014
Total Assets	23,670	-	23,670
LIABILITIES			
Provisions	493	-	493
Deferred tax liabilities	151	-	151
Other liabilities and other payables	5	-	5
Total Non-Current Liabilities	649	-	649
Other current liabilities	11,560	-	11,560
Total Current Liabilities	11,560	-	11,560
Total Liabilities	12,209	-	12,209
Total Net assets acquired at fair value			11,461
- Non-controlling interest			88
Total Net assets acquired at fair value			11,373
- Total consideration for the acquisition of the shares			-663,030
		Goodwill	651,657

The aforementioned goodwill recognition resulting from the purchase price allocation, which is identified as provisional according to what is indicated in note 2.A, is mainly attributable to the opportunity of entrance in new regions for EDPR (namely Netherlands and Germany), which benefit from ambitious renewables targets given the increased importance of security of supply and energy independence coupled with government initiatives such as the "Easter Package" in Germany that stands out with ambitious renewables capacity targets, with 360 GW of renewable installed capacity until 2030. In that sense almost 50% of the acquired solar development portfolio is located in Germany. Another element to consider within the goodwill is the well-proven know-how and track record of Kronos's team with 1,4 GW developed through 80 successfully installed projects in 9 countries. Finally, this acquisition is considered to be highly complementary with EDPR geographical current set up, not only allowing the entrance in Germany and Netherlands, but also scaling presence in France and the UK with a fully solar focused business.

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Longroad

EDPR, through its majority controlled US subsidiary, EDPR NA Distributed Generation, LLC, entered into an agreement in April 2022 to acquire 100% of the equity interests in ninety one (91) distinct limited liability companies and limited partnerships owning an aggregate nameplate capacity of 99.3 MWdc of operating solar plants located throughout the US. The acquisition of these companies has been structured in 8 different transactions ("tranches") which are independent from each other. However, given that the seller is the same, the assets have same nature and risks and are all located in the same geography, the Group has opted to present all these transactions aggregated in the same note, grouping the assets and liabilities acquired depending on whether the transaction has generated goodwill or badwill. At that moment, the completion of this transaction was subject to certain conditions precedent. The conditions precedent, which were specific for each acquired company, necessitated multiple closings of discrete asset groups in separate tranches. The closing tranches served to organize companies based up common attributes and/or common conditions precedent such as acquired companies with loan repayments, sale leaseback financed companies, and companies with common off-takers.

With the aforementioned conditions precedent fulfilled, EDPR acquired the aforementioned 100% equity interests in 84 companies in four tranches, each of which is considered under the scope of IFRS 3 - Business combinations, for the following cash consideration:

CLOSING DATE	CLOSING DATE	PROJECTS ACQUIRED	PURCHASE PRICE	CAPACITY (MW DC)
THOUSAND			EUR	MW DC
Renewable Venture Solar Fund V GP, LLC	19 April 2022	7	16,659	6.46
Longroad Solar Portfolio IV, LLc	9 August 2022	3	248	1.82
Longroad Solar WF Portfolio, LLc	9 August 2022	6	3,522	10.65
SunE Solar VI, LLC	9 August 2022	2	2,623	1.22
Longroad XII Holdings, LLC	3 October 2022	7	38,257	24.19
MMA Renewable Venture Solar Fund III, LLC	3 October 2022	18	22,867	16.93
Longroad DG Portolio I, LLC	9 December 2022	11	3,661	5.94
Longroad Fund III Holdings, LLC	9 December 2022	30	45,155	32.09
		84	132,992	99.3

The Group used the financial statements as at each respective closing date to determine pre-acquisition results and, consequently, the companies and their operations have been consolidated since that date. The profit and loss and statement of cash flows reflect the activity of these project companies from the respective date of closing presented in the table above through 31 December 2022.

If these acquisitions had occurred at the beginning of 2022, these would have contributed to the consolidated financial statements with Revenues, mainly from energy and environmental attribute (REC) sales, in the approximate amount of 14,244 thousand Euros (15,000 thousand USD) and with Net income for the period in the approximate amount of 2,279 thousand Euros (2,400 thousand USD), referring to the twelve-month period ended at 31 December 2022.

At the acquisition dates for each respective tranche, the Group has determined the fair values of the assets acquired and liabilities assumed, based on valuations performed by a third party. The valuation methodology utilized was a discounted cashflow approach, where cash flows for each project were forecasted for the remaining life of the assets. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data of the assets provided by the seller. The after tax cash flows were then discounted at the weighted average cost of capital of 8.25% reflecting the risk of the debt and equity financing components adjusted for the contracted profile of each project. Lastly to the aggregate value of the portfolio, adjustments were made for one-off items, other balance sheet assets or liabilities and synergies, to reach the final equity valuation.

Such valuation has determined a fair value of the net assets acquired in the amount of 77,372 thousand Euros. Inputs and assumptions included in the valuation models relied upon the use of significant estimates including market energy pricing curves, federal income tax rates and other present value factors.

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Fair values of identifiable assets and liabilities at the acquisition dates for tranches resulting in a provisional goodwill from the transaction are presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	41,506	-	41,506
Intangible assets	-	11,570	11,570
Other non-current assets	489	-	489
Total Non-Current Assets	41,995	11,570	53,565
Debtors and other assets from commercial activities	629	-	629
Other debtors and other assets	2,682	-	2,682
Cash and cash equivalents	129	-	129
Total Current Assets	3,440	-	3,440
Total Assets	43,435	11,570	57,005
LIABILITIES			
Provisions	4,416	-3,702	714
Deferred tax liabilities	-	-	-
Institutional partnerships in USA wind farms	2,821	-212	2,609
Total Non-Current Liabilities	7,237	-3,914	3,323
Other current liabilities	37	-	37
Total Current Liabilities	37	-	37
Total Liabilities	7,274	-3,914	3,360
Total Net assets acquired at fair value			53,645
- Total consideration transferred for the acquisition of the shares			-61,372
		Goodwilll	7,727

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	29,273	-	29,273
Intangible assets	-	9,097	9,097
Other non-current assets	2,170	-	2,170
Total Non-Current Assets	31,443	9,097	40,540
Debtors and other assets from commercial activities	596	-	596
Other debtors and other assets	750	-	750
Cash and cash equivalents	1,662	-	1,662
Total Current Assets	3,008	-	3,008
Total Assets	34,451	9,097	43,548

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THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
LIABILITIES			
Provisions	1,639	-1,280	359
Deferred tax liabilities	-	-	-
Institutional partnerships in USA wind farms	22,070	-2,900	19,170
Total Non-Current Liabilities	23,709	-4,180	19,529
Other current liabilities	292	-	292
Total Current Liabilities	292	-	292
Total Liabilities	24,001	-4,180	19,821
Total Net 'assets acquired at fair value			23,727
- Total consideration transferred for the acquisition of the shares			-22,804
		Badwillll	923

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted as a provisional goodwill recognition in the amount of 7,727 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares of the projects Longroad Solar Portfolio IV, LLC, Longroad XII Holdings, LLC, MMA Renewable Ventures Solar Fund III, LLC, Longroad DG Portfolio I, LLC, and Longroad Fund III Holdings, LLC (see note19).

Other purchase price allocations resulted in a provisional badwill recognition. The acquisitions of Renewable Ventures Solar Fund V GP, LLC, Longroad Solar WF Portfolio, LLC, and SunE Solar VI, LLC contributed badwill amounted to 932 thousand Euros (see note 9).

The aforementioned provisional goodwill resulting from the purchase price allocation is mainly attributable to the acquisition of above-market power purchase agreements. The aforementioned valuations have determined a fair value for Intangible assets 20,667 thousand Euros.

In addition to the above, as at 31 December 2022, the last tranche of the transaction recently closed and a purchase price allocation has not yet been finalized for Longroad DG Portfolio I, LLC (DG1) and Longroad Fund III Holdings, LLC (Fund III). The book values of these projects at acquisition date amounted to net assets of 27,578 thousand Euros. The provisional goodwill recognized for these transactions has been 21,238 thousand Euros (see note 19).

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Business Combination closed during the year ended 31 December 2021

Distributed Generation

EDPR, through its wholly owned US subsidiary, EDP Renewables North America LLC, entered into an agreement in January 2021 to acquire 85% of C2 Omega LLC (C2). C2 is a US based Distributive Solar Generation Company with 89 MWs of operating and near completion capacity with a near-term pipeline of approximately 120 MWs through 16 states. At that moment, the completion of this transaction was subject to customary conditions precedent.

With the aforementioned customary conditions precedent fulfilled on March 1, 2021, EDPR acquired the aforementioned 85% interest in C2 for 46,530 thousand euros (55,032 thousand USD). This transaction is considered under the scope of IFRS 3 - Business combinations.

Within this transaction, EDPR has gained control over the company C2, with the then unrelated former owners have retained 15% of the ownership. The former sole owners are currently employees of EDPR. EDPR has an option to purchase the remaining 15% after February 2025 at an amount that is the present value of cash flows determined in a pre-defined model. If this call option is not executed by EDPR, then the former owners may put the 15% to EDPR after February 2026 using the present value of cash flows from the same pre-defined model, but with a discount rate 100 basis points higher than what was used in the value of EDPR's call option one year prior.

The Group used the financial statements as at 28 February 2021 of the companies acquired, to determine pre-acquisition results and, consequently, the companies have been consolidated from that date. The profit and loss and statement of cash flows reflect the activity of C2 and its subsidiaries from March 1, 2021 through December 31, 2021.

If this acquisition had occurred at the beginning of 2021, it would have contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 13,000 thousand Euros and with a Net loss for the period in the approximate amount of 2,400 thousand Euros, referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, based on a valuation performed by a third party. The valuation methodology utilized was a discounted cashflow approach, where cash flows for each project were forecasted for the remaining life of the assets. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data of the assets provided by the seller. The after tax cash flows were then discounted at the weighted average cost of capital of 7% reflecting the risk of the debt and equity financing components adjusted for the contracted profile of each project. Lastly to the aggregate value of the portfolio, adjustments were made for one-off items, other balance sheet assets or liabilities and synergies, to reach the final equity valuation.

Such valuation has determined a fair value of the net assets acquired in the amount of 44,955 thousands of Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	134,949	447	135,396
Other non-current assets	14,101	-	14,101
Total Non-Current Assets	149,050	447	149,497
Debtors and other assets from commercial activities	4,233	-2,308	1.925
Other debtors and other assets	3,208	-	3,208
Cash and cash equivalents	1,767	-	1,767
Total Current Assets	9,208	-2,308	6,900
Total Assets	158,258	-1,861	156,397
LIABILITIES			

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THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
Medium / Long term financial debt	79,509	-3,294	76,215
Institutional partnerships in US wind farms	7,216	4,259	11,475
Other non-current liabilities	8,308	-	8,308
Total Non-Current Liabilities	95,033	965	95,998
Short term financial debt	175	-	175
Other current liabilities	11,243	-	11,243
Total Current Liabilities	11,418	-	11,418
Total Liabilities	106,451	965	107,416
Total Net assets at fair value			48,981
- Non-controlling interests	7,253	-3,227	4,026
Total Net assets acquired at fair value			44,955
- Total consideration transferred for the acquisition of the shares			-46,530
Goodwill			1,575

The aforementioned C2's valuation has determined a fair value for Property, plant and equipment in the amount of 135,396 thousand Euros, generating a fair value adjustment of 447 thousand Euros (see note 16). 106,190 thousand Euros of this amount is attributable to operating assets and 29,206 thousand Euros is attributable to assets in the development pipeline.

The noncontrolling interest value of 4,026 thousand Euros was determined in two pieces: 1) 4 years of cash flows attributable to the former owners up until EDPR's call option date and 2) the value of the option to purchase the former owner's residual 15% interest.

The fair values of financial debt and Partnerships in US wind farms was derived by taking the forecasted payment streams under those instruments using the market interest rates and returns for those instruments at the acquisition date.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted in goodwill recognition in the amount of 1,575 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill resulting from the purchase price allocation is mainly attributable to EDPR using C2 as an entry to the distributive generation market.

Vento Ludens

EDPR entered in July 2021 into an agreement with Vento Ludens Holdings GmbH for the acquisition of 100% of the shares in the UK company Vento Ludens Limited which in turn owns a stake of 79% of the shares in the company Muirake Wind Farm Limited and 100% of the shares in the company Lurg Hill Wind Farm Limited (see note 6). The agreement did not entail any conditions precedent therefore signing and closing was simultaneous.

With this transaction, completed in 20 July 2021, EDPR has acquired a portfolio that consists of 79% of a 5MW operating wind farm comissioned in 2012 with a 20-year Feed in Tariff in Scotland, 100% of 226MW of wind projects located in Scotland and Wales and 100% 44MW of photovoltaic projects located in Ireland for a total consideration of 14,673 thousand Euros (12,698 thousand GBP) that includes a contingent consideration of 1,016 thousand Euros and shareholder loans in the amount of 4,256 thousand Euros. This transaction is considered under the scope of IFRS 3 - Business combinations.

The Group used the financial statements as at 31 July 2021 of the companies acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 558 thousand Euros and with a Net loss in the approximate amount of 153 thousand Euros, referring to the five-month period ended at 31 December 2021. If this acquisition had occurred in the beginning of the exercise, it would

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have contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 2,313 thousand Euros and with a Net loss for the period in the approximate amount of 1,697 thousand Euros, referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar wind farms and solar PV projects in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the wind farm have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the portfolio.

Such valuation has determined a fair value of the net assets acquired in the amount of 9,873 thousands Euros. Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	7,564	13,201	20,765
Other non-current assets	126	-	126
Total Non-Current Assets	7,690	13,201	20,891
Cash and cash equivalents	1,130	-	1,130
Other current assets	304	-	304
Total Current Assets	1,434	-	1,434
Total Assets	9,124	13,201	22,325
LIABILITIES			
Deferred tax liabilities	-	3,300	3,300
Other non-current liabilities	7,832	-	7,832
Total Non-Current Liabilities	7,832	3,300	11,132
Other current liabilities	969	-	969
Total Current Liabilities	969	-	969
Total Liabilities	8,801	3,300	12,101
Total Net assets at fair value			10,224
- Non-controlling interests	-73	424	351
Total Net assets acquired at fair value			9,873
- Total consideration transferred for the acquisition of the shares			-10,417
Goodwill			544

The aforementioned Vento Ludens portfolio valuation has determined a fair value for Property, plant and equipment in the amount of 20,765 thousand Euros, generating a fair value adjustment of 13,201 thousand Euros and a corresponding deferred tax liability in the amount of 3,300 thousand Euros (see note 16 and 21). Further, the determination of the Non-controlling interests of the company Muirake Wind Farm Limited at fair value has resulted in a total amount of 351 thousand Euros at acquisition date.

The purchase price allocation exercise carried out in accordance with IFRS 3R, which is identified as provisional according to what is indicated in note 2.A, resulted in a goodwill recognition in the amount of 544 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

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The aforementioned goodwill resulting from the purchase price allocation is mainly attributable to EDPR using Vento Ludens portfolio to establish its presence in the UK onshore market with a sizeable and technologically diversified portfolio at different stages of development.

Aria del Vento

EDPR entered in December 2018 into an agreement with Siemens Gamesa Renewable Energy Italy, S.p.A. for the acquisition of the Italian project Aria del Vento. At that moment, the completion of this transaction was subject to customary conditions precedent.The agreement entailed as one of these conditions precedent to closing that Siemens Gamesa Renewable Energy Italy, S.p.A. contributed the project to a company that would then be acquired by EDPR.

With this transaction, completed in June 2021 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 100% of the shareholding of the company Parco Eolico Aria del Vento, S.r.l. (see note 6) which owns a wind farm project with a installed capacity of MW 16 which is operational since 2020, for a total consideration of 26,001 thousand Euros.

The Group used the financial statements as at 30 June 2021 of the company acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 3,319 thousand Euros and with a Net profit in the approximate amount of 2,822 thousand Euros, referring to the six-month period ended at 31 December 2021.

As the wind farm project was transferred to the company acquired at closing of the transaction, there is no further profit and loss results previously.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar wind farms in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the wind farm have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the project.

Such valuation has determined a fair value of the net assets acquired in the amount of 33,832 thousands Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	21,651	13,993	35,644
Goodwill	5,216	-5,216	-
Other non-current assets	836	-	836
Total Non-Current Assets	27,703	8,777	36,480
Cash and cash equivalents	586	-	586
Other current assets	1,907	-	1,907
Total Current Assets	2,493	-	2,493
Total Assets	30,196	8,777	38,973
LIABILITIES			
Deferred tax liabilities	-	3,358	3,358
Total Non-Current Liabilities	-	3,358	3,358

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THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
Other current liabilities	1,783	-	1,783
Total Current Liabilities	1,783	-	1,783
Total Liabilities	1,783	3,358	5,141
Total Net assets acquired at fair value			33,832
- Total consideration transferred for the acquisition of the shares			-26,001
Gain on acquisition			-7,831

The aforementioned Aria del Vento's valuation has determined a fair value for Property, plant and equipment in the amount of 35,644 thousand Euros, generating a fair value adjustment of 13,933 thousand Euros and a corresponding deferred tax liability in the amount of 3,358 thousand Euros (see note 16 and 21).

The purchase price allocation exercise carried out in accordance with IFRS 3R, which is identified as provisional according to what is indicated in note 2.A, resulted in a gain recognition in the amount of 7,831 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares. The gain resulting from the purchase price allocation has been registered in the Other income caption of the consolidated financial statements (see note 9).

The aforementioned gain recognition is mainly attributable to the price of the transaction that was agreed back in 2018, before the construction of the wind farm, and the renewable energy market have changed significantly since then, to awarded tariff which is the result of a regulatory policy designed to support the development of renewable energy sources by providing a guaranteed price for producers and to the valuation carried out by the independent expert.

Trung Son

EDPR entered in April 2021 into an agreement with Trina Solar Investment Pte, Ltd. for the acquisition of 100% of the shares of the holding company called Trina Solar Investment First Pte. Ltd. owning the 100% of the company LYS Energy Investment Pte. Ltd. which in turn owns the 100% of the company holding the 28 MWac (35 MWdc) operational solar PV project called Trung Son Energy Development Joint Stock Company (see note 6). At that moment, the completion of this transaction was subject to customary conditions precedent. With this transaction, completed in 29 June 2021 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 100% of the above portfolio for a total consideration of 29,568 thousand Euros (35,179 thousand USD) of which an amount of 16,381 thousand Euros (19,174 thousand USD) refers to shareholders loans. This transaction is considered under the scope of IFRS 3 - Business combinations.

The Group used the financial statements as at 30 June 2021 of the company acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus, this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 1,246 thousand Euros and with a Net loss in the approximate amount of 283 thousand Euros, referring to the six-month period ended at 31 December 2021. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 3,047 thousand Euros and with a Net profit for the period in the approximate amount of 555 thousand Euros , referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar PV projects in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the solar PV project have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the project.

Such valuation has determined a fair value of the net assets acquired in the amount of 10,844 thousands Euros.

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Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	19,724	5,631	25,355
Other non-current assets	2,073	-	2,073
Total Non-Current Assets	21,797	5,631	27,428
Cash and cash equivalents	1,459	-	1,459
Other current assets	15,381	-	15,381
Total Current Assets	16,840	-	16,840
Total Assets	38,637	5,631	44,268
LIABILITIES			
Deferred tax liabilities	-	1,126	1,126
Other non-current liabilities	31,222	-	31,222
Total Non-Current Liabilities	31,222	1,126	32,348
Other current liabilities	1,076	-	1,076
Total Current Liabilities	1,076	-	1,076
Total Liabilities	32,298	1,126	33,424
Total Net assets acquired at fair value			10,844
- Total consideration transferred for the acquisition of the shares			-13,187
		Goodwill	2,343

The aforementioned Trung Son's portfolio valuation has determined a fair value for Property, plant and equipment in the amount of 25,355 thousand Euros, generating a fair value adjustment of 5,631 thousand Euros and a corresponding deferred tax liability in the amount of 1,126 thousand Euros (see note 16 and 21).

The purchase price allocation exercise carried out in accordance with IFRS 3R resulted in a goodwill recognition in the amount of 2,343 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill recognition resulting from the purchase price allocation, which is identified as provisional according to what is indicated in note 2.A, is mainly attributable to EDPR using Trung Son's portfolio to establish its presence in Singapore and Vietnam and represents a first step towards the establishment of EDPR's presence in the Asia Pacific region.

At the acquisition date, certain contingent liabilities have been identified, therefore additional provisions have been recognized in the amount of 1,100 thousand Euros.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted as follows:

- Goodwill recognition in the amount of 148,341 thousand Euros (see note 20) as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares. This amount includes the previous Goodwill recognized in the book value at acquisition date amounting to 112,279 thousand Euros and an additional amount of 36,062 thousand Euros, of which an amount of 4,641 thousand Euros refers to associate companies consolidated by the equity method, thus presented in the caption Investments in joint ventures and associates caption (see note 20); and
- Gain in the step acquisition of CEASA in the amount of 1,887 thousand Euros as a consequence of the remeasurement at fair value of the investment previously held, being registered the corresponding difference between the fair value and the book value in the Other income caption of the consolidated financial statements (see note 9).

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The aforementioned goodwill resulting from the purchase price allocation, is mainly attributable to the high-quality of the portfolio with strong wind resource (29% average load factor) and with a low risk profile, of which 87% of the capacity is regulated, with an average age of 13 years (~7 years of remaining regulated life) considering that the portfolio also counts with an attractive potential for future extensions/repowering given the aforementioned profile, as well as to the benefits and synergies that are expected to arise as a result of its integration into EDPR Group.

All the business combinations made in 2021, can be considered as final figures in 2022.

43. Environment issues

Expenses of environmental nature are the expenses that were identified and incurred to avoid, reduce or repair damages of an environmental nature that result from the Group's normal activity.

These expenses are booked in the income statement of the year, except if they qualify to be recognised as an asset, according to IAS 16.

During the year, the environmental expenses recognised in the income statement in the amount of 7,734 thousand Euros (31 December 2021: 4,564 thousand Euros) refer to costs with the environmental management plan.

Investments of an environmental nature booked as Property, plant and equipment and intangible assets during 2021 amount to 13,968 thousand Euros (31 December 2021: 19,351 thousand Euros).

As referred in accounting policy 2.P, the Group has established provisions for dismantling and decommissioning of property, plant and equipment when a legal or contractual obligation exists to dismantle and decommission those assets at the end of their useful lives. Consequently, the Group has booked provisions for property, plant and equipment related to electricity wind and solar generation for the responsibilities of restoring sites and land to its original condition, in the amount of 264,756 thousand Euros as at 31 December 2021 (31 December 2021: 313,594 thousand Euros) (see note 32).

44. Operating segments report

The Group generates energy from renewable resources and has, since 1 January 2022, four reportable segments which are the Group's business platforms, Europe, North America, Latam and Apac. The strategic business units have operations in different geographic zones and are managed separately because their characteristics are quite different. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The accounting policies of the reportable segments are the same as described in note 2. Information regarding the results of each reportable segment is included in Annex 1. Performance is based on segment operating profit measures, as included in the internal management reports that are reviewed by the Management. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

A business segment is an identifiable component of the Group, aimed at providing a single product or service, or a group of related products or services, and it is subject to risks and returns that can be distinguished from those of other business segments.

The Group generates energy from renewable sources in several locations and its activity is managed based on the following business segments:

- Europe: refers to companies that operate in Spain, Portugal, Belgium, France, Italy, Germany, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to companies that operate in United States of America, Canada and Mexico;
- LATAM: refers to companies that operate in Brasil, Chile and Colombia;
- APAC: refers to companies that operate in Korea, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan.

As at 31 December 2021, business segments were the following:

- Europe: refers to EDPR EU Group companies operating in Spain, Portugal, Belgium, France, Italy, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;

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- North America: refers to EDPR North America, EDPR Canada and EDPR Mexico Group companies that operate in United States of America, Canada and Mexico, respectively;
- Brazil: refers to EDPR Brasil Group companies that operate in this country.

Segment definition

The amounts reported in each business segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter, including the intra-segment eliminations, without any inter-segment allocation adjustment.

The financial information disclosed by each business segment is determined based on the amounts booked directly in the subsidiaries that compose the segment, including the intra-segment eliminations, without any inter-segment allocation adjustment.

45. Audit and non-audit fees

PricewaterhouseCoopers (PwC) was reappointed in the Shareholder's Meeting held on April 12th 2021 as the external auditor of the EDPR Group for years 2021, 2022 and 2023. Fees for professional services provided by this company and the other related entities and persons in accordance with Law 22/2015 of 20 July, for the year ended in 31 December 2022 and 2021 are as follows:

					31 DECEMBER 2022
THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM	APAC	TOTAL
Audit and statutory audit of accounts	1,603	1,795	368	994	4,760
Other non-audit services	218	12	38	-	268
Total	1,821	1,807	406	994	5,028

The amount of Other non-audit services in Europe includes, among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustainability included in the EDPR Group's annual report, which are invoiced to a European company. This amount also includes the limited review as of June 30, 2022 of the EDPR Consolidated Financial Statements and other reviews for Group consolidation purposes which are considered non-audit services according to the respective local regulation.

Total amount for Europe includes 857 thousand Euros of services provided by PricewaterhouseCoopers Auditores S.L. from which 676 thousand Euros refer to audit services and 181 thousand Euros refer to non-audit services.

The above fees exclude the fees for the companies that were sold during 2022 amounting 147 thousand Euros (see note 6).

The PwC fees for 2021 are as follows:

					31 DECEMBER 2021
THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	OTHER	TOTAL
Audit and statutory audit of accounts	1,540	1,379	189	84	3,192
Other non-audit services	166	11	6	-	183
Total	1,706	1,390	195	84	3,375

Total amount for Europe includes 786 thousand Euros of services provided by PricewaterhouseCoopers Auditores S.L. from which 624 thousand Euros refer to audit services and 150 thousand Euros refer to non-audit services.

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ANNEX I

The Subsidiary Companies consolidated under the full consolidated method, as at 31 December 2022 and 2021, are as follows, where "% of capital" represents the direct stake held by the immediate parent company/ies and "% of voting rights" represents the indirect stake held by the Group's parent holding company (EDP Renováveis S.A.):

			2022		2021	
COMPANY	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
GROUP'S PARENT HOLDING COMPANY AND RELATED ACTIVITIES						
EDP RENOVÁVEIS, S.A. (GROUP'S PARENT HOLDING COMPANY)	OVIEDO	PWC	100.00%	100.00%	100.00%	100.00%
EDP RENOVÁVEIS SERVICIOS FINANCIEROS, S.A.	OVIEDO	PWC	100.00%	100.00%	100.00%	100.00%
EUROPE GEOGRAPHY / PLATFORM						
SPAIN						
EDP Renewables Europe, S.L.U. (Europe Parent Company)	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
EDP Renovables España, S.L.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
Acampo Arias, S.L.	Zaragoza	PwC	95.00%	95.00%	95.00%	95.00%
Aplicaciones Industriales de Energías Limpias, S.L.	Zaragoza	n.a.	61.50%	61.50%	61.50%	61.50%
Canerde, S.L.	Madrid	n.a.	80.00%	80.00%	80.00%	80.00%
Compañía Eólica Aragonesa, S.A.	Zaragoza	PwC	100.00%	100.00%	100.00%	100.00%
Desarrollos Eólicos de Teruel, S.L.	Zaragoza	n.a.	51.00%	51.00%	51.00%	51.00%
Desarrollos Renovables de Allande, S.L.U.	Madrid	n.a.	100.00%	100.00%	0.00%	0.00%
Desarrollos Renovables de la Frontera, S.L.U.	Jerez de la Frontera	n.a.	100.00%	100.00%	0.00%	0.00%
Desarrollos Renovables de Teruel, S.L.	Teruel	n.a.	51.00%	51.00%	100.00%	100.00%
EDPR México, S.L.U.	Oviedo	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Terral S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Yield, S.A.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
Eólica Arlanzón, S.A.	Madrid	PwC	85.00%	85.00%	85.00%	85.00%
Eólica Campollano, S.A.	Madrid	PwC	75.00%	75.00%	75.00%	75.00%
Eólica Fontesilva, S.L.U.	La Coruña	PwC	100.00%	100.00%	100.00%	100.00%
Eólica La Brújula, S.A.U.	Madrid	PwC	100.00%	100.00%	100.00%	100.00%
Eólica La Janda, S.L.U.	Madrid	PwC	0.00%	0.00%	100.00%	100.00%
IAM Caecius, S.L.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Iberia Aprovechamientos Eólicos, S.A.	Zaragoza	PwC	94.00%	94.00%	94.00%	94.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Northeolic Monte Buño, S.L.	Cantabria	PwC	0.00%	0.00%	75.00%	75.00%
Palma Hive, S.L.	Madrid	n.a.	100.00%	100.00%	0.00%	0.00%
Parc Eòlic Serra Voltorera, S.L.U.	Barcelona	PwC	0.00%	0.00%	100.00%	100.00%
Parque Eólico Altos del Voltoya, S.A.	Madrid	PwC	92.50%	92.50%	92.50%	92.50%
Parque Eólico de Abrazadilla, S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Parque Eólico La Sotonera, S.L.	Zaragoza	PwC	69.84%	69.84%	69.84%	69.84%
Parque Eólico Los Cantales, S.L.U.	Zaragoza	PwC	100.00%	100.00%	100.00%	100.00%
Parque Eólico Santa Quiteria, S.L.	Zaragoza	PwC	100.00%	83.96%	100.00%	83.96%
Pedregal Hive, S.L.	Madrid	n.a.	100.00%	100.00%	0.00%	0.00%
Renovables Castilla La Mancha, S.A.	Madrid	PwC	90.00%	90.00%	90.00%	90.00%
Rocio Hive, S.L.	Madrid	n.a.	100.00%	100.00%	0.00%	0.00%
Site Sunwind Energy, S.L.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Tébar Eólica, S.A.U.	Madrid	PwC	100.00%	100.00%	100.00%	100.00%
Viesgo Europa, S.L.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
Viesgo Mantenimiento, S.L.U.	Cantabria	PwC	100.00%	100.00%	100.00%	100.00%
Viesgo Renovables, S.L.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
Portugal						
EDP Renováveis Portugal, S.A.	Porto	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables SGPS, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
EDPR PT – Parques Eólicos, S.A.	Porto	PwC	51.00%	51.00%	51.00%	51.00%
EDPR PT – Promoção e Operação, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Cross Solutions, S.A.	Porto	PwC	100.00%	100.00%	0.00%	0.00%
Eólica da Coutada, S.A.	Soutelo de Aguiar	PwC	100.00%	51.00%	100.00%	51.00%
Eólica da Coutada II, S.A.	Porto	PwC	100.00%	100.00%	0.00%	0.00%
Eólica da Serra das Alturas, S.A.	Boticas	PwC	50.10%	25.55%	50.10%	25.55%
Eólica da Terra do Mato, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Eólica das Serras das Beiras, S.A.	Piódão – Arganil	PwC	100.00%	51.00%	100.00%	51.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Eólica de Alagoa, S.A.	Arcos de Valdevez	PwC	60.00%	30.60%	60.00%	30.60%
Eólica de Montenegrelo, S.A.	Vila Pouca de Aguiar	PwC	50.10%	25.55%	50.10%	25.55%
Eólica do Alto da Lagoa, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Alto da Teixosa, S.A.	Alhões	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Alto do Mourisco, S.A.	Cerdedo	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Espigão, S.A.	Vila Nova CMV	PwC	100.00%	51.00%	100.00%	51.00%
Eólica dos Altos de Salgueiros-Guilhado, S.A.	Vila Pouca de Aguiar	PwC	100.00%	51.00%	100.00%	51.00%
Eoliser - Serviços de Gestão para Parques Eólicos, Lda.	Lisboa	n.a.	0.00%	0.00%	100.00%	100.00%
Fotovoltaica Flutuante do Grande Lago, S.A.	Porto	PwC	100.00%	100.00%	0.00%	0.00%
Fotovoltaica Lote A, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
IE2 Portugal, SGPS, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Malhadizes - Energia Eólica, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Parque Eólico do Barlavento, S.A.	Porto	PwC	89.98%	89.98%	89.98%	89.98%
S.E.E. - Sul Energía Eólica, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
France						
EDPR France Holding, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Eoles Montjean, S.A.S.	Paris	n.a.	100.00%	100.00%	0.00%	0.00%
Le Chemin de la Corvée, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Monts de la Madeleine Energie, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Monts du Forez Energie, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Parc Éolien d'Entrains-sur-Nohain, S.A.S.	Paris	PwC	90.00%	90.00%	90.00%	90.00%
Parc Eolien de Dionay, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Transition Euroise Roman II, S.A.S.	Paris	n.a.	85.00%	85.00%	85.00%	85.00%
Vanosc Energie, S.A.S.	Paris	n.a.	100.00%	100.00%	100.00%	100.00%
Kronos Solar France, S.A.S. (1)	Boulogn-Billancourt	n.a.	100.00%	100.00%	0.00%	0.00%
Fransol 11, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Fransol 12, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 13, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 14, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 15, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 16, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 17, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 18, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 19, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 20, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 21, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 22, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 23, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 24, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 25, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 26, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 27, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 28, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 29, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 30, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 31, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 32, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 33, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 34, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 35, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Fransol 36, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 37, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 38, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 39, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 40, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 41, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 42, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 43, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 44, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 45, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 46, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 47, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 48, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 49, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Fransol 50, S.A.S. (1)	Boulogne-Billancourt	n.a.	100.00%	85.00%	0.00%	0.00%
Kronos IB Vogt 15, S.A.S. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronos IB Vogt 16, S.A.S. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronos IB Vogt 18, S.A.S. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronos IB Vogt 19, S.A.S. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronos IB Vogt 20, S.A.S. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronos IB Vogt 22, S.A.S. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronos IB Vogt 25, S.A.S. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronosol 11, S.A.R.L. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronosol 12, S.A.R.L. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronosol 13, S.A.R.L. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronosol 14, S.A.R.L. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Kronosol 15, S.A.R.L. (1)	Saint-Louis	n.a.	100.00%	85.00%	0.00%	0.00%
Poland						
EDP Renewables Polska, Sp. z o.o.	Warsaw	PwC	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
EDP Renewables Polska HoldCo, S.A.	Warsaw	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables Polska Solar, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
Budzyn, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00 %	51.00%
Elektrownia Kamienica, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
Elektrownia Wiatrowa Kresy I, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00 %	51.00%
EW Dobrzyca, sp. z o.o.	Poznań	PwC	100.00%	100.00 %	100.00 %	100.00%
Farma Fotowoltaiczna Budzyn, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	0.00%	0.00%
Farma Fotowoltaiczna Dobrzyca, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	0.00%	0.00%
Farma Fotowoltaiczna Koden, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
Farma Fotowoltaiczna Radziejów, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	0.00%	0.00%
Farma Fotowoltaiczna Tomaszów, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	0.00%	0.00%
Farma Fotowoltaiczna Ujazd, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	0.00%	0.00%
Farma Fotowoltaiczna Warta, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	0.00%	0.00%
Farma Fotowoltaiczna Wielkopolska, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	0.00%	0.00%
Farma Wiatrowa Starozreby, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
FW Warta, Sp. z o.o.	Poznań	PwC	100.00%	100.00 %	100.00 %	100.00%
Gudziki Wind Farm, sp. z o.o.	Warsaw	n.a.	100.00%	51.00%	100.00 %	51.00%
Karpacka Mala Energetyka, Sp. z o.o.	Warsaw	n.a.	100%*	100%*	85.00%	85.00%
Korsze Wind Farm, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00 %	51.00%
Masovia Wind Farm I, Sp. z o.o.	Warsaw	PwC	100.00%	100.00 %	100.00 %	100.00%
Miramit Investments, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
Molen Wind II, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00 %	51.00%
Neo Solar Chotków, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
Neo Solar Farm, Sp. z o.o.	Warsaw	PwC	100.00%	100.00 %	100.00 %	100.00%
Neo Solar Przykona II, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%

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R.Wind, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
Radziejów Wind Farm, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00 %	51.00%
Rampton, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
Relax Wind Park I, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00 %	51.00%
Relax Wind Park III, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00 %	51.00%
Ujazd, Sp. z o.o.	Poznań	PwC	100.00%	100.00 %	100.00 %	100.00%
WF Energy III, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00 %	100.00 %	100.00%
Wind Field Wielkopolska, Sp. z o.o.	Poznań	PwC	100.00%	100.00 %	100.00 %	100.00%
Winfan, Sp. z o.o.	Warsaw	n.a.	0.00%	0.00%	100.00 %	100.00%
EWP European Wind Power Krasin, Sp. z o.o.	Warsaw	PwC	0.00%	0.00%	100.00 %	100.00%
Nowa Energia 1, Sp. z o.o.	Warsaw	PwC	0.00%	0.00%	100.00 %	100.00%
Lichnowy Windfarm, Sp. z o.o.	Warsaw	PwC	0.00%	0.00%	100.00 %	100.00%
Kowalewo Wind, Sp. z o.o.	Warsaw	PwC	0.00%	0.00%	100.00 %	100.00%
Farma Wiatrowa Bogoria, Sp. z o.o.	Warsaw	PwC	0.00%	0.00%	100.00 %	100.00%
Romania						
EDPR România, S.R.L.	Bucarest	PwC	100.00%	100.00 %	100.00 %	100.00%
Beta Wind, S.R.L.	Bucarest	n.a.	100.00%	100.00 %	100.00 %	100.00%
Energopark, S.R.L.	Bucarest	n.a.	100.00%	100.00 %	100.00 %	100.00%
Fravezac, S.R.L.	Bucarest	n.a.	100.00%	100.00 %	0.00%	0.00%
International Solar Energy, S.R.L.	Bucarest	n.a.	100.00%	100.00 %	100.00 %	100.00%
Solar Phoenix, S.R.L.	Bucarest	n.a.	100.00%	100.00 %	100.00 %	100.00%
United Kingdom						
Altnabreac Wind Farm Limited	Edinburgh	PwC	100.00%	100.00 %	100.00 %	100.00%
Ben Sca Wind Farm Limited	Edinburgh	PwC	100.00%	100.00 %	100.00 %	100.00%
Drummarnock Wind Farm Limited	Edinburgh	PwC	100.00%	100.00 %	100.00 %	100.00%

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Lurg Hill Wind Farm Ltd	Edinburgh	n.a.	100.00%	100.00 %	100.00 %	100.00%
Moorshield Wind Farm Limited	Edinburgh	PwC	100.00%	100.00 %	100.00 %	100.00%
Muirake Wind Farm Ltd	Edinburgh	PwC	79.00%	79.00%	79.00%	79.00%
Vento Ludens Ltd	Edinburgh	PwC	100.00%	100.00 %	100.00 %	100.00%
Wind 2 Project 1 Limited	Edinburgh	PwC	100.00%	100.00 %	100.00 %	100.00%
KS SPV 36 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 46 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 65 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 69 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 70 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 71 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 72 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 73 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 74 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 75 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 76 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 77 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 78 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 79 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
KS SPV 80 Limited (1)	Newmarket	Ensors	100.00%	100.00 %	0.00%	0.00%
Italy						
EDP Renewables Italia, S.r.l.	Milan	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables Italia Holding, S.r.l.	Milan	PwC	100.00%	100.00 %	100.00 %	100.00%
AW 2, S.r.l.	Milan	PwC	75.00%	75.00%	75.00%	75.00%
C & C Tre Energy S.r.l.	Milan	PwC	100.00%	100.00 %	100.00 %	100.00%
Custolito, S.r.l.	Milan	n.a.	100.00%	100.00 %	100.00 %	100.00%

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EDPR Basilicata, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Centro Italia PV, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Puglia Due, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Puglia Uno, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Sardegna, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Sicilia Due, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Sicilia PV, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sicilia Uno, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Sicilia Wind, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sud Italia, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Villa Galla, S.r.l.	Milan	PwC	100.00%	51.00%	100.00%	51.00%
Energia Emissioni Zero 4, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Giglio, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Re Plus, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
Sarve, S.r.l.	Milan	PwC	100.00%	100.00%	51.00%	51.00%
Solar Italy I, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
Solar Italy II, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
Solar Italy IV, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
T Power, S.p.A.	Cesena	Baker Tilly Revisa	100.00%	100.00%	100.00%	100.00%
Tivano, S.r.l.	Milan	PwC	75.00%	75.00%	75.00%	75.00%
VRG Wind 153, S.r.l.	Milan	PwC	100%**	100%**	80.00%	80.00%
Wind Energy San Giorgio, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Aria del Vento	Milan	PwC	0.00%	0.00%	100.00%	100.00%
Breva Wind, S.r.l.	Milan	PwC	0.00%	0.00%	100.00%	100.00%
Conza Energia, S.r.l.	Milan	PwC	0.00%	0.00%	100.00%	100.00%
Lucus Power, S.r.l.	Milan	PwC	0.00%	0.00%	100.00%	100.00%
San Mauro, S.r.l.	Milan	PwC	0.00%	0.00%	75.00%	75.00%

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TACA Wind, S.r.l.	Milan	PwC	0.00%	0.00%	100.00 %	100.00%
WinCap, S.r.l.	Milan	PwC	0.00%	0.00%	100.00 %	100.00%
Greece						
Aeolos Evias Energiaki, M.A.E.	Athens	n.a.	100.00%	100.00 %	0.00%	0.00%
Aioliki Oitis Energiaki E.P.E.	Athens	n.a.	100.00%	100.00 %	100.00 %	100.00%
Aioliko Parko Fthiotidos Erimia E.P.E.	Athens	PwC	100.00%	100.00 %	100.00 %	100.00%
EDPR Hellas 1 M.A.E.	Athens	PwC	100.00%	100.00 %	100.00 %	100.00%
EDPR Hellas 2 M.A.E.	Athens	PwC	100.00%	100.00 %	100.00 %	100.00%
Energiaki Arvanikou E.P.E.	Athens	PwC	100.00%	100.00 %	100.00 %	100.00%
Kadmeios Anemos Energiaki A.E.	Athens	n.a.	100.00%	100.00 %	100.00 %	100.00%
Voiotikos Anemos Energiaki A.E.	Athens	n.a.	100.00%	100.00 %	100.00 %	100.00%
Wind Park Aerorrachi M.A.E.	Athens	PwC	100.00%	100.00 %	100.00 %	100.00%
Wind Shape E.P.E.	Athens	n.a.	100.00%	100.00 %	100.00 %	100.00%
Belgium						
EDP Renewables Belgium, S.A.	Brussels	PwC	100.00%	100.00 %	100.00 %	100.00%
The Netherlands						
EDPR International Investments, B.V.	Amsterdam	PwC	100.00%	100.00 %	100.00 %	100.00%
Kronos Solar Projects NL, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL3, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL6, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL8, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL10, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL12, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL13, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL14, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL16, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%

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KS NL17, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL20, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL23, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL24, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL25, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL27, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL28, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL29, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL30, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL31, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL32, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL33, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL34, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL35, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL36, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL37, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL38, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL39, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL40, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL41, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL42, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL43, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL44, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%
KS NL45, B.V. (1)	Arnhem	n.a.	100.00%	100.00 %	0.00%	0.00%

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KS NL46, B.V. (1)	Arnhem	n.a.	100.00%	100.00%	0.00%	0.00%
KS NL47, B.V. (1)	Arnhem	n.a.	100.00%	100.00%	0.00%	0.00%
KS NL48, B.V. (1)	Arnhem	n.a.	100.00%	100.00%	0.00%	0.00%
KS NL49, B.V. (1)	Arnhem	n.a.	100.00%	100.00%	0.00%	0.00%
KS NL50, B.V. (1)	Arnhem	n.a.	100.00%	100.00%	0.00%	0.00%
Hungary						
EDP Renewables Hungary	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Investment Hungary, Kft.	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
Napenergia, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
Nyírség Watt, Kft.	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
Sunglare Capture, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
Sunglare Expert, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
Sunlight Solar, Kft.	Budapest	PwC	85.00%	85.00%	85.00%	85.00%
Szabadsolar, Kft.	Budapest	PwC	100.00%	100.00%	0.00%	0.00%
Germany						
EDP Renewables Germany GmbH	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
Kronos Projektgesellschaft mbH	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
Kronos Solar Projects GmbH	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
Kronos Solar Projects France UG (1)	Munich	n.a.	85.00%	85.00%	0.00%	0.00%
KSD 11 UG (1)	Bütow	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 12 UG (1)	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 13 UG (1)	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 14 UG (1)	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 15 UG (1)	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 16 UG (1)	Munich	n.a.	100.00%	100.00%	0.00%	0.00%
KSD 17 UG (1)	Munich	n.a.	100.00%	100.00%	0.00%	0.00%

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KSD 18 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 19 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 21 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 22 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 23 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 24 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 25 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 26 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 27 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 28 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 29 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 30 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 31 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 32 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 33 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 34 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 35 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 36 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 37 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 38 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 39 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
KSD 40 UG (1)	Munich	n.a.	100.00%	100.00 %	0.00%	0.00%
NORTH AMERICA GEOGRAPHY / PLATFORM						
Mexico						
EDPR Servicios de México, S. de R.L. de C.V.	Ciudad de México	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Eólica de Coahuila, S.A. de C.V.	Ciudad de México	PwC	51.00%	51.00%	51.00%	51.00%
Parque Solar Los Cuervos, S. de R.L. de C.V.	Ciudad de México	n.a.	100.00%	100.00%	100.00%	100.00%
Vientos de Coahuila, S.A. de C.V.	Ciudad de México	n.a.	100.00%	100.00%	100.00%	100.00%
USA						
EDP Renewables North America LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
10 Point Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
17th Star Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
2007 Vento I LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2007 Vento II LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2008 Vento III LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2009 Vento V LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2011 Vento IX LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2011 Vento X LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2014 Sol I LLC	Delaware	PwC	100.00%	50.00%	100.00%	50.00%
2014 Vento XI LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2014 Vento XII LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2015 Vento XIII LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2015 Vento XIV LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2016 Vento XV LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2016 Vento XVI LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2017 Sol II LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2018 Vento XVIII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2019 Vento XXI LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2020 Vento XXII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2021 DG Agora Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022		2021	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
2021 DG Agora Sol I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG Agora Ventures I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG Apollo Sol II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG Apollo Ventures II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG CA Agora Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG CA Agora Sol I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG CA Agora Ventures I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG CA Apollo Sol II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 DG CA Apollo Ventures II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
2021 Vento XXIII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
2022 SOL VI LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
2022 SOL VII LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Alabama Ledge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Alabama Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Amsterdam 3 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Antelope Ridge Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Arbuckle Mountain Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Arkwright Summit Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Arlington Wind Power Project LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Aroostook Wind Energy LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Ashford Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Athena-Weston Wind Power Project II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Athena-Weston Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Avondale Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
AZ Solar LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Azalea Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Bar Harbor Community Solar LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Bayou Bend Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
BC2 Maple Ridge Holdings LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
BC2 Maple Ridge Wind LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
Bear Peak Beccaria LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Bear Peak Brady LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Bear Peak East Carroll LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Bear Peak Glen Hope LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Bear Peak Jennerstown LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Bear Peak Juniata LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Bear Peak Paint II LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Bear Peak Richmond LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Big River Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Big River Wind Power Project LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Black Prairie Solar Park II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Black Prairie Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Black Prairie Storage II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Black Prairie Storage LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Black Prairie Wind Farm II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Black Prairie Wind Farm III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Black Prairie Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blackford County Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blackford County Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blackstone Wind Farm II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blackstone Wind Farm III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blackstone Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022		2021	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Blackstone Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blackstone Wind Farm V LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blissville Road LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Blue Canyon Windpower II LLC	Texas	PwC	100.00%	100.00 %	100.00 %	100.00%
Blue Canyon Windpower III LLC	Texas	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Canyon Windpower IV LLC	Texas	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Canyon Windpower V LLC	Texas	PwC	100.00%	51.00%	100.00 %	51.00%
Blue Canyon Windpower VI LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
Blue Canyon Windpower VII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Harvest Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot I LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot IX LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot V LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot VI LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot VII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot VIII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Blue Marmot XI LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Bluebird Prairie Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Bright Stalk Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Broadlands Wind Farm II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Broadlands Wind Farm III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Buffalo Bluff Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
C2 Alpha Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 Bristol I LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 Bristol II LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 CA 2016 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 CA WMS Redlands #1693 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 CB 2017 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 Centrica MT LLC	Delaware	PwC	100.00%	85.00%	100.00 %	85.00%
C2 CI Holdings 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 CT Fund 1 Holding LLC	Delaware	PwC	100.00%	85.00%	100.00 %	85.00%
C2 Energy Development LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 Franklin LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 Gamma Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 IL WMS Bloomington #3459 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 IL WMS Skokie #1998 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 MA 2016 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 MA Adams I Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 MA Adams I LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 MA Adams II LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 MA DEPCOM 2017 LLC	Delaware	PwC	100.00%	85.00%	100.00 %	85.00%
C2 MA DEPCOM Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 MA Dudley II LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 MA FKW Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
C2 MA Kelly Way Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
C2 MA Lakeville Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA Lakeville LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA Lakeville Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA Managing Member II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA New Salem LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA Owner LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA Swansea Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MA Swansea LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 MN Hopkins LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Morin LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 NC Kitty Hawk LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 NJ Andover I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 NY Brookhaven LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 NY Sentinel Heights Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 OH New Lebanon LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 OH Otsego I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 OH Otsego II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Omega Holding Company LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 RI Hopkinton LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Scripps 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Scripps 3 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Scripps 4 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 SH 2019 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Starratt Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
C2 Starratt Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM 2020 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 10 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 1512 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 1549 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 2112 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3360 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3465 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3799 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3833 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 3861 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 4 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 4451 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 5 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 5768 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 6 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 7 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 8 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona 9 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Arizona Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 1789 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
C2 WM California 1988 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 2039 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 4202 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 4317 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 5884 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California 5890 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM California Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Chester Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM DSA Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Greenwood Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1404 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1489 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1548 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1553 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1761 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1848 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 1933 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 2215 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 2491 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 253 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 5442 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 612 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Illinois 891 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
C2 WM Illinois Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Indian Land Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Lake Wylie Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Laurens Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Louisiana 309 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Louisiana 539 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Louisiana 87 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Louisiana Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Maryland 1715 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Maryland 2436 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Maryland Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1807 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1844 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1869 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 1977 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 2195 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey 3795 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM New Jersey Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Phase 1 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Phase 3 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Phase 3 Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Pickens Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
C2 WM Powdersville Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Regent Dev Holdings 2020 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 WM Simpsonville Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2 Woodbury Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
C2-REA Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Gettysburg Solar Farm LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Marinwood Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Olde Thompson Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Syracuse Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
CA Tours Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Camden PV PSEG Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Camden PV Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Cameron Solar LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Casa Grande Carmel Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Castle Valley Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cattlemen Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cattlemen Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Chateaugay River Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cielo Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Citizens Dickenson Solar LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Citizens Westmoreland Solar LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Clinton County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cloud County Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Clover Creek Solar Project II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Clover Creek Solar Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Coldwater Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Coos Curry Wind Power Project LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Cortland-Virgil Road Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Creed Road Solar 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Crescent Bar Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Crooked Lake Solar II LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Crooked Lake Solar LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Cropsey Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Crossing Trails Wind Power Project II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Crossing Trails Wind Power Project LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Cypress Knee Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Dairy Hills Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
DC Green Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
DC- JD Portfolio - Barrel Roof	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
DC- JD Portfolio - Flat Roof	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
DC- JD Portfolio - Green Roof	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
DC- JD Portfolio - Parking Deck	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
DC Michigan Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
DC PD Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Diamond Power Partners LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Drake Peak Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Dry Creek Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Duff Solar Park II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Duff Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Eagle Creek Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
East Klickitat Wind Power Project LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
East River Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Eastmill Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR CA Solar Park II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR CA Solar Park III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR CA Solar Park IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR CA Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR CA Solar Park V LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR CA Solar Park VI LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR NA DG Holding LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR NA DG MN SLP LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
EDPR NA DG MN YMCA LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
EDPR NA Distributed Generation LLC	Delaware	PwC	85.00%	85.00%	85.00%	85.00%
EDPR NA Greenfield Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR NA Shelby Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Northeast Allen Solar Park II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Northeast Allen Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Northeast Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR RS LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Scarlet I LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR Scarlet II BESS LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR Scarlet II LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR Scarlet III LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR Solar Ventures I LLC	Delaware	n.a.	50.00%	50.00%	50.00%	50.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
EDPR Solar Ventures II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Solar Ventures III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Solar Ventures IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Solar Ventures V LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Solar Ventures VI LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR Solar Ventures VII LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR South Table LLC	Nebraska	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Vento I Holding LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Vento II Holding LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR Vento III Holding LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
EDPR Vento IV Holding LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
EDPR WF LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures X LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XI LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR Wind Ventures XII LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR Wind Ventures XIII LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR Wind Ventures XIV LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
EDPR Wind Ventures XIX LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XVI LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XVII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XVIII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XX LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XXI LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XXII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDPR Wind Ventures XXIII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
EDPRNA Bar Harbor Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG California Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG CI Sponsor 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG CT Fund 1 MM LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Distributed Sun Holding LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Energy Holdings Inc.	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Georgia Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Illinois Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Indiana Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Lessee Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG MA Managing Member LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Maryland Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Michigan Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Mississippi Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Missouri Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG New York Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG O&M Services LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Ohio Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Pennsylvania Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG PR Radar LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Rho LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
EDPRNA DG Solar Portfolio IV LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Solar WF Portfolio LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Texas Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Virginia Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG Wisconsin Development LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG WM 2020 Parent LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM DSA Sponsor LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Illinois 1998 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
EDPRNA DG WM Illinois 3459 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
EDPRNA DG XII Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG York County Sun LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Edwardsport Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Esker Solar Park II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Esker Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Estill Solar I LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
Five-Spot LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Ford Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Franklin Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
FRV CSU Power II LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
FRV SI Transport Solar LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Generate USF Fairburn LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Generate USF Las Vegas LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Generate USF Loveland LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Generate USF Manassas LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Generate USF McClellan LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Generate USF N Las Vegas LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Generate USF Phoenix LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
German Community Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Gilpatrick Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Goldfinger Ventures III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Green Country Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Green Power Offsets LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Greenbow Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Gulf Coast Windpower Management Company LLC	Delaware	n.a.	75.00%	75.00%	75.00%	75.00%
Hampton Solar II LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
HB Steel Community Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Headwaters Wind Farm II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Headwaters Wind Farm III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Headwaters Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Headwaters Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00 %	51.00%
Helena Harbor Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Hickory Solar LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Hidalgo Wind Farm II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Hidalgo Wind Farm LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
High Prairie Wind Farm II LLC	Delaware	PwC	100.00%	51.00%	100.00 %	51.00%
High Trail Wind Farm LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
Holly Hill Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Chocolate Bayou I LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Midwest IX LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Northwest I LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Northwest IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Northwest VII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Northwest X LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Northwest XI LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Panhandle I LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Southwest I LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Southwest II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Southwest III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Southwest IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Energy Valley I LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind Freeport Windpower I LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Horizon Wind MREC Iowa Partners LLC	Delaware	n.a.	75.00%	75.00%	75.00%	75.00%
Horizon Wind Ventures I LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Horizon Wind Ventures III LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
Horizon Wind Ventures IX LLC	Delaware	n.a.	51.00%	51.00%	51.00%	51.00%
Horizon Wyoming Transmission LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Horse Mountain Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Indiana Crossroads Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Indiana Crossroads Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Indiana Crossroads Wind Ventures LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Iron Valley Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Jericho Rise Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Juniper Wind Power Partners LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Leprechaun Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lexington Chenoa Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lexington Chenoa Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lime Hollow Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Little Brook Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Loblolly Hill Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Loki Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Loma de la Gloria Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Lone Valley Solar Park I LLC	Delaware	PwC	100.00%	50.00%	100.00%	50.00%
Lone Valley Solar Park II LLC	Delaware	PwC	100.00%	50.00%	100.00%	50.00%
Long Hollow Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Longroad ASD1 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad CPA CDC1 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad CPA CSU3 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad CPA CSU4 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad DG Portfolio I LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad Fund III Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad SD LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Longroad SIT1 Hoboken LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad Solar Fund III LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad ST6 Stockton LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad WF7 Cheshire LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad WGNJ1 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Longroad WGNJ2 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Lost Lakes Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Lotus Blocker LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Lotus DevCo I LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Lotus DevCo II LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Lowland Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Loyal Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Machias Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Madison Windpower LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
Marathon Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Marble River LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Martinsdale Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
McLean Solar 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
McLean Solar 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
ME Dover Foxcroft Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
ME Ellsworth Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
ME New Vineyard Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
ME Rocky Hill Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
ME Sandy Hill Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Meadow Lake Wind Farm II LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
Meadow Lake Wind Farm III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Meadow Lake Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Meadow Lake Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Meadow Lake Wind Farm VIII LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Mesquite Wind LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
MidCoast C2 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Mineral Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Misenheimer Solar LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
MMA Belmar Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA BWS Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA CCC Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA DAS Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA Fresno Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA GDC Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA Happy Valley Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA LHIW Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA MDS Power I LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA MDS Power II LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA MDS Power IV LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA Mission Bay Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA Renewable Ventures Solar Fund III LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA Rita Power LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA RMS Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA Solar Fund III GP Sub	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA SROSA Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MMA WBF Power LP (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MN CSG 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Mohave Power Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Mohave Power LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Moonshine Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Morgan Road Solar East LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Morgan Road Solar West LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
MT Plentywood Solar I LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
MT Plentywood Solar II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NC Loy Farm Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
ND Crystal Solar I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
New Road Power LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
New Scotland 5 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
New Trail Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
NH Hinsdale Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Nine Kings Transco LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
North Coast Highway Solar 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
North Coast Highway Solar 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
North Slope Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Norton Solar I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Norton Solar II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Number Nine Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
NV Solar Sparks LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY Broadway SAS LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY CSG 2 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY CSG 2 Sponsor LLC	Delaware	PwC	100.00%	85.00%	100.00%	85.00%
NY Gomer SAS LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY Hemlock Hills Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY Highland SAS LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY Mines Press Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY Morgan Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
NY OG 1 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Old Trail Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Omega CSG 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
OPQ Property LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Pacific Southwest Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm II LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Paulding Wind Farm III LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Paulding Wind Farm VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Pearl River Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Penn Yan Solar I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Peterson Power Partners LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Pioneer Prairie Wind Farm I LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Piscataquis Valley Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Pleasantville Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Plum Nellie Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Poplar Camp Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Post Oak Wind LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Potsdam Community Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Prospector Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Quilt Block Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Ragsdale Solar II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Ragsdale Solar LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Rail Splitter Wind Farm II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Rail Splitter Wind Farm LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
Randolph Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
RE Scarlet LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
REA-C2 2016 Lessee LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Reloj del Sol Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Renewable Ventures Solar Fund V GP LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Renewable Ventures Solar Fund V LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Renewable Ventures V Equity Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Renewable Ventures V GP Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Renville County Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
RevEnergy C2 Franklin LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
RI Abrava Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
RI- Moo Cow	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
RI Quarry Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
RI Sposato Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
RI Stainless LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Rio Blanco Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Rising Tree Wind Farm II LLC	Delaware	PwC	100.00%	51.00%	100.00 %	51.00%
Rising Tree Wind Farm III LLC	Delaware	PwC	100.00%	51.00%	100.00 %	51.00%
Rising Tree Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00 %	51.00%
Riverstart Solar Park II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Riverstart Solar Park III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Riverstart Solar Park IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Riverstart Solar Park V LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022		2021	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Riverstart Solar Park VI LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Rock Dane Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Rolling Upland Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Rose Run Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Rosewater Ventures LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Route 13 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Route 149 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
RS Holyoke 3 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
RSBF Jeffco II LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
RTSW Solar Park II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
RTSW Solar Park III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
RTSW Solar Park IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
RTSW Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
RTSW Solar Park V LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
RTSW Solar Park VI LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Rush County Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
RV CSU Power LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Rye Patch Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Saddleback Wind Power Project LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Sagebrush Power Partners LLC	Delaware	PwC	100.00%	100.00 %	100.00 %	100.00%
Sailor Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Salt Lick Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
San Clemente Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Sandrini LandCo LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Sardinia Windpower LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%

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Sawmill Junction Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
SC Beaufort Jasper Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
SC Heathwood Hall Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
SC Southern Wesleyan Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Sedge Meadow Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Shields Drive LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Shullsburg Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Shy Place Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
Signal Hill Wind Power Project LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Simpson Ridge Wind Farm II LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Simpson Ridge Wind Farm III LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Simpson Ridge Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Simpson Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Simpson Ridge Wind Farm V LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
SLX Project 1080 LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Smart Sunscribe LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Solar Ventures Purchasing LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Soteria Solar Services LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Spruce Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Stinson Mills Wind Farm LLC	Delaware	n.a.	100.00%	100.00 %	100.00 %	100.00%
Strawberry Solar Farm LLC	Delaware	n.a.	100.00%	85.00%	100.00 %	85.00%
Sugar Plum Solar Park LLC	Delaware	n.a.	100.00%	100.00 %	0.00%	0.00%
SunE Bristow MS LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE CPA CDC2 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE CPA CSU5 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE CPA CTS1 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
SunE Fairfield SSD LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE H3 Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE Lakeland Center LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS Clarksburg LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS FSK LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS Gardens LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS Lakelands LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS Montgomery LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS Parkland LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS Quince Orchard LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE MCPS Shriver LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE Multnomah JBY LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE Multnomah JJC LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE NC Progress1 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE NLB-2 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE PD Oak LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE PD Sycamore LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE PD Willow LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE PNMC Roof LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE Solar IV LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE Solar VI LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE Solar XII LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE SR1 Arvada5 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE SR1 NREL LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE SR1 Rifle PS LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE U6 Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE W12DG-A LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE W12DG-B LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE W12DG-C LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE W12DG-D LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE WF3 KHL A Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE WF3 KHL B Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE WF3-BART Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE WF3-Broomfield Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE WF3-ST Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE WF3-WG Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE WMT PR2 LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SunE H4 Holdings LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
SunE Solar III LLC (2)	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Sustaining Power Solutions LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Sweet Acres Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Sweet Stream Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Telocaset Wind Power Partners LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Tillman Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Tillman Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
TillmaN Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road II Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road III Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Timber Road Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Top Crop I Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Top Crop II Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Trolley Barn Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Tug Hill Windpower LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Tumbleweed Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Turtle Creek Wind Farm LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Twin Groves I Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Twin Groves II Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Upper Road LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
VA- Green Acres	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
VT Stone Valley LLC	Delaware	n.a.	100.00%	85.00%	100.00%	85.00%
Waverly Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Waverly Wind Farm LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Western Trail Wind Project I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wheat Field Holding LLC	Delaware	PwC	51.00%	51.00%	51.00%	51.00%
Wheat Field Wind Power Project LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
Whiskey Ridge Power Partners LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Whistling Wind WI Energy Center LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
White Stone Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Whitestone Wind Purchasing LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wildcat Creek Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wilson Creek Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wind Turbine Prometheus LP	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wolf Run Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Wrangler Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
WTP Management Company LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Meadow Lake Solar Park LLC	Delaware	n.a.	0.00%	0.00%	100.00%	100.00%
ME Punky Meadows Solar LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
NJ GSEB Fal Solar LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
Parkman Solar DG LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
RI- Comolli	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
RSBF E470 I LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
Waterville Solar LLC	Delaware	n.a.	0.00%	0.00%	100.00%	85.00%
Canada						
EDP Renewables Canada Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Bridge Solar Park GP Ltd	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Bridge Solar Park Limited Partnership	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Bromhead Solar Park GP Ltd	British Columbia	n.a.	100.00%	100.00 %	100.00 %	100.00%
Bromhead Solar Park Limited Partnership	Saskatchewan	n.a.	100.00%	100.00 %	100.00 %	100.00%
Edgeware BESS Project GP Ltd.	British Columbia	n.a.	100.00%	100.00 %	0.00%	0.00%
Edgeware BESS Project LP	Ontário	n.a.	100.00%	100.00 %	0.00%	0.00%
EDP Renewables Canada Management Services Ltd	British Columbia	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDP Renewables Sask SE GP Ltd	British Columbia	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDP Renewables Sask SE Limited Partnership	Ontário	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDP Renewables SH II Project GP Ltd	British Columbia	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDP Renewables SH II Project Limited Partnership	Alberta	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDP Renewables SH Project GP Ltd.	British Columbia	n.a.	100.00%	100.00 %	100.00 %	100.00%
EDP Renewables SH Project Limited Partnership	Alberta	n.a.	100.00%	100.00 %	100.00 %	100.00%
Halbrite Solar Park GP Ltd	British Columbia	n.a.	100.00%	100.00 %	100.00 %	100.00%
Halbrite Solar Park Limited Partnership	Saskatchewan	n.a.	100.00%	100.00 %	100.00 %	100.00%
Kennedy Wind Farm GP Ltd	British Columbia	n.a.	100.00%	100.00 %	100.00 %	100.00%
Kennedy Wind Farm Limited Partnership	Saskatchewan	n.a.	100.00%	100.00 %	100.00 %	100.00%
Nation Rise Wind Farm GP Inc.	British Columbia	PwC	100.00%	100.00 %	100.00 %	100.00%
Nation Rise Wind Farm Limited Partnership	Ontário	n.a.	49.99%	49.99%	49.99%	49.99%
SBWF GP Inc.	British Columbia	n.a.	51.00%	51.00%	51.00%	51.00%
Sounding Creek Solar Park GP Ltd.	British Columbia	n.a.	100.00%	100.00 %	0.00%	0.00%
Sounding Creek Solar Park LP	Alberta	n.a.	100.00%	100.00 %	0.00%	0.00%
South Branch Wind Farm II GP Inc.	British Columbia	n.a.	100.00%	100.00 %	100.00 %	100.00%
South Branch Wind Farm II Limited Partnership	Ontário	n.a.	100.00%	100.00 %	100.00 %	100.00%
South Dundas Windfarm Limited Partnership	Ontário	PwC	51.00%	51.00%	51.00%	51.00%
SOUTH AMERICA GEOGRAPHY / PLATFORM:						
Brazil						

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COMPANY	HEAD OFFICE	AUDITOR	2022		2021	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
EDP Renováveis Brasil, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Amanhecer I, S.A.	São Paulo	n.a.	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Amanhecer II, S.A.	São Paulo	n.a.	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Amanhecer III, S.A.	São Paulo	n.a.	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Amanhecer IV, S.A.	São Paulo	n.a.	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Amanhecer V, S.A.	São Paulo	n.a.	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Amanhecer VI, S.A.	São Paulo	n.a.	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Amanhecer VII, S.A.	São Paulo	n.a.	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Asas de Zabelê I, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Asas de Zabelê II, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Asas de Zabelê III, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Asas de Zabelê IV, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Asas de Zabelê V, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Asas de Zabelê VI, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Asas de Zabelê VII, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Aventura I, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão I, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão II, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão III, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão IV, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Barra I, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra II, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra III, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra IV, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra IX, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra V, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Central Eólica Barra VI, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra VII, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra VIII, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra X, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Barra XI, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Boqueirão I, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Boqueirão II, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Borborema I, S.A.	São Paulo	PwC	100.00%	100.00 %	0.00%	0.00%
Central Eólica Borborema II, S.A.	São Paulo	PwC	100.00%	100.00 %	0.00%	0.00%
Central Eólica Borborema III, S.A.	São Paulo	PwC	100.00%	100.00 %	0.00%	0.00%
Central Eólica Borborema IV, S.A.	São Paulo	PwC	100.00%	100.00 %	0.00%	0.00%
Central Eólica Catanduba I, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Catanduba II, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Itaúna I, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica Itaúna II, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica JAU, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Jerusalém I, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Jerusalém II, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Jerusalém III, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Jerusalém IV, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Jerusalém V, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Jerusalém VI, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Monte Verde I, S.A.	Lagoa Nova	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Monte Verde II, S.A.	Lagoa Nova	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Monte Verde III, S.A.	Lagoa Nova	PwC	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022		2021	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Central Eólica Monte Verde IV, S.A.	Lagoa Nova	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Monte Verde V, S.A.	Lagoa Nova	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica Monte Verde VI, S.A.	Lagoa Nova	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Eólica São Domingos I, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica São Domingos II, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Eólica São Domingos III, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Geradora Fotovoltaica Monte Verde Solar I, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Geradora Fotovoltaica Monte Verde Solar II, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Geradora Fotovoltaica Monte Verde Solar III, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Geradora Fotovoltaica Monte Verde Solar IV, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Geradora Fotovoltaica Monte Verde Solar V, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Geradora Fotovoltaica Monte Verde Solar VI, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Geradora Fotovoltaica Monte Verde Solar VII, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Nacional de Energia Eólica, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Solar Barra I, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Barra II, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Barra III, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Barra IV, S.A.	Rio Grande do Norte	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Lagoa I, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Lagoa II, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Novo Oriente I, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Novo Oriente II, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Novo Oriente III, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Novo Oriente IV, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Novo Oriente V, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Central Solar Novo Oriente VI, S.A.	São Paulo	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Pereira Barreto I, S.A.	Pereira Barreto	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Pereira Barreto II, S.A.	Pereira Barreto	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Pereira Barreto III, S.A.	Pereira Barreto	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Pereira Barreto IV, S.A.	Pereira Barreto	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Pereira Barreto V, S.A.	Pereira Barreto	PwC	100.00%	100.00 %	100.00 %	100.00%
Central Solar Presidente JK I, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK II, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK III, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK IV, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK IX, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK V, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK VI, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK VII, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK VIII, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK X, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK XI, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Presidente JK XII, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Zebu I, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Zebu II, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Zebu III, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Zebu IV, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Zebu IX, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%
Central Solar Zebu V, S.A.	São Paulo	n.a.	100.00%	100.00 %	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Central Solar Zebu VI, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Solar Zebu VII, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Solar Zebu VIII, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Elebrás Projetos, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Jerusalém Holding, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Monte Verde Holding, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Aventura Holding, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Aventura II, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Aventura III, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Aventura IV, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica Aventura V, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica SRMN I, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica SRMN II, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica SRMN III, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica SRMN IV, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Central Eólica SRMN V, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
SRMN Holding, S.A.	São Paulo	PwC	0.00%	0.00%	100.00%	100.00%
Colombia						
Elipse Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Eolos Energía, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Kappa Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Omega Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	0.00%	0.00%
Solar Power Solutions, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Vientos del Norte, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Chile						

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
EDP Renewables Chile, SpA	Santiago	PwC	100.00%	100.00 %	100.00 %	100.00%
Los Llanos Solar, SpA	Santiago	n.a.	100.00%	100.00 %	100.00 %	100.00%
Parque Eólico Punta de Talca, SpA	Santiago	PwC	100.00%	100.00 %	100.00 %	100.00%
Parque Eólico San Andrés, SpA	Santiago	n.a.	100.00%	100.00 %	100.00 %	100.00%
Parque Eólico Victoria, SpA	Santiago	n.a.	100.00%	100.00 %	100.00 %	100.00%
ASIA GEOGRAPHY / PLATFORM:						
South Korea						
OMA Haedori Co., Ltd.	Goheung-gun	n.a.	75.00%	75.00%	60.00%	60.00%
EDPR Korea, Ltd.	Yeosu	n.a.	100.00%	100.00 %	0.00%	0.00%
Vietnam						
EDP Renewables Vietnam Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00 %	100.00 %	100.00%
Trung Son Energy Development LLC	Khanh Hoa Province	PwC	100.00%	100.00 %	100.00 %	100.00%
Bien Dong Energy Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
CMX RE Sunseap Vietnam Solar Power Co., Ltd. (3)	Ninh Thuan Province	PwC	55.00%	55.00%	0.00%	0.00%
DKT Energy Investment Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
H2A Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2HA Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2HD Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2HO Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2HU Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2K Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2ML Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2O Ben Luc Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2S Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2T Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
H2TR Solar Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022		2021	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
H2VP Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
Hao Thanh Dat Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
Incom International Investment and Development Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
Kim Cuong Energy Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
Long Dai Phat Investment Co., Ltd.	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Phu An Energy Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
Quang Lam Printing Import Export Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
SSKT Beta Energy Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
STP5 Energy Production Trading Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
STP6 Energy Trading Technical Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
STP7 Energy Development Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
STP8 Energy Investment Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sun Times 1 Energy Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sun Times 3 Energy Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sun Times 4 Energy Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sun Times 5 Energy Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sun Times 6 Energy Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sun Times 7 Energy Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Commercial & Industrial Assets (Vietnam) Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap KTG Energy Investment Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Sun Times Solar Investment Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Thiet Thanh Cong Investment Co., Ltd.	Long An Province	PwC	100.00%	100.00 %	0.00%	0.00%
Uper Renewable Energy Vietnam Co., Ltd. (3)	Ho Chi Minh City	PwC	100.00%	100.00 %	0.00%	0.00%
Xuan Thien Ninh Thuan Co., Ltd.	Ninh Thuan Province	PwC	100.00%	100.00 %	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022		2021	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Xuan Thien Thuan Bac Co., Ltd.	Ninh Thuan Province	PwC	100.00%	100.00 %	0.00%	0.00%
Singapore						
Trung Son SG Pte. Ltd.	Singapore	PwC	100.00%	100.00 %	100.00 %	100.00%
LYS Energy Investment Pte. Ltd.	Singapore	PwC	100.00%	100.00 %	100.00 %	100.00%
EDPR Sunseap Korea Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Data4Eco Holdings Pte. Ltd. (3)	Singapore	PwC	60.00%	60.00%	0.00%	0.00%
Solar PV Exchange Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Solarland Alpha Assets Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Solarland Alpha Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
SolarNova 4 Beta Assets Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
SolarNova 4 Beta Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
SolarNova Phase 1 Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Australia Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Batam Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap China Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap CMX RE Solar Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Commercial & Industrial Assets (S.E.A.) Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Commercial Assets Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Commercial Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Delta Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Energy Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Energy Ventures Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Engineering Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Gamma Assets Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Gamma Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00 %	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022		2021	
			% OF CAPITAL	% OF VOTING RIGHTS	% OF CAPITAL	% OF VOTING RIGHTS
Sunseap Group Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Indonesia Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap International Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Japan Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Leasing Alpha Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Leasing Beta Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Leasing Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Links Daklong Pte. Ltd. (3)	Singapore	PwC	95.00%	95.00%	0.00%	0.00%
Sunseap Links Pte. Ltd. (3)	Singapore	PwC	80.00%	80.00%	0.00%	0.00%
Sunseap Philippines Solar Holdings Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap SolarNova Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Solutions Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Taiwan Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Vietnam Beta Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Vietnam Gamma Pte. Ltd.	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Vietnam Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Sunseap Vpower Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Uper Renewable Energy (Singapore) Pte. Ltd. (3)	Singapore	PwC	100.00%	100.00%	0.00%	0.00%
Australia						
Sunseap (Australia) Investments Pty. Ltd. (3)	Balwyn, Victoria	n.a.	100.00%	100.00%	0.00%	0.00%
Sunseap (Australia) Pty. Ltd. (3)	Balwyn, Victoria	n.a.	100.00%	100.00%	0.00%	0.00%
Sunseap Assets (Australia) Pty. Ltd. (3)	Balwyn, Victoria	n.a.	100.00%	100.00%	0.00%	0.00%
Cambodia						
Sunseap Solar Cambodia Co., Ltd. (3)	Phnom Penh City	n.a.	100.00%	100.00%	0.00%	0.00%
China						
Changzhou Jingyi New Energy Technology Co., Ltd. (3)	Changzhou City	n.a.	100.00%	100.00%	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Chongqing Xingzhi New Energy Technology Co., Ltd.	Chongqing City	n.a.	100.00%	100.00 %	0.00%	0.00%
Hefei Yiman New Energy Technology Co., Ltd. (3)	Hefei City	n.a.	100.00%	100.00 %	0.00%	0.00%
Dongguan Jiehuang New Energy Technology Co., Ltd.	Dongguan City	n.a.	100.00%	100.00 %	0.00%	0.00%
Dongying Daoli New Energy Co., Ltd. (3)	Dongying City	n.a.	100.00%	100.00 %	0.00%	0.00%
Foshan YingYuan New Energy Technology Co., Ltd. (3)	Foshan City	n.a.	100.00%	100.00 %	0.00%	0.00%
Heze Dechen New Energy Co., Ltd.	Heze City	n.a.	100.00%	100.00 %	0.00%	0.00%
Hubei Jianghui New Energy Co., Ltd.	Jingzhou City	n.a.	100.00%	100.00 %	0.00%	0.00%
Jinan Xingsheng Energy Co., Ltd. (3)	Jinan City	n.a.	100.00%	100.00 %	0.00%	0.00%
Jining Yihang New Energy Technology Co., Ltd. (3)	Jining City	n.a.	100.00%	100.00 %	0.00%	0.00%
Liyang Yushun Power New Energy Co., Ltd. (3)	Liyang City	n.a.	100.00%	100.00 %	0.00%	0.00%
Nantong Eaton Guoyun Photovoltaic New Energy Co., Ltd. (3)	Nantong City	n.a.	95.00%	95.00%	0.00%	0.00%
Ningbo Jiangbei Baoyi LP (3)	Ningbo city	PwC	60.00%	60.00%	0.00%	0.00%
Qingdao Xingqi Energy Co., Ltd.	Qingdao	n.a.	100.00%	100.00 %	0.00%	0.00%
Qinghe County Xinou Funeng New Energy Technology Co., Ltd.	Xingtai City	n.a.	100.00%	100.00 %	0.00%	0.00%
Rongcheng Xingyi New Energy Technology Co., Ltd.	Weihai City	PwC	100.00%	100.00 %	0.00%	0.00%
Shanghai Jingwen Equity Investment Center LP (3)	Shanghai	PwC	90.22%	90.22%	0.00%	0.00%
Shanghai Yihuang New Energy Technology Co., Ltd. (3)	Shanghai	n.a.	100.00%	100.00 %	0.00%	0.00%
Shanghai Yikuang New Technology Co., Ltd. (3)	Shanghai	n.a.	100.00%	100.00 %	0.00%	0.00%
State Cloud Sunseap Equity Investment Partnership LP (3)	Jinan City	PwC	80.33%	80.20%	0.00%	0.00%
Sunseap China Energy (Qingdao) Co., Ltd.	Qingdao	n.a.	100.00%	100.00 %	0.00%	0.00%
Sunseap China Energy (Shanghai) Ltd. (3)	Shanghai	PwC	100.00%	100.00 %	0.00%	0.00%
Suzhou Haoruitian Power New Energy Co., Ltd.	Kunshan City	n.a.	100.00%	100.00 %	0.00%	0.00%
Suzhou Liansong New Energy Technology Co., Ltd.	Suzhou City	n.a.	100.00%	100.00 %	0.00%	0.00%
Suzhou Xingdao New Energy Technology Co., Ltd. (3)	Suzhou City	n.a.	100.00%	100.00 %	0.00%	0.00%
Suzhou Xingyi Energy Engineering Co., Ltd.	Suzhou City	n.a.	100.00%	100.00 %	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Tianjin Baoyi New Energy Technology Co., Ltd. (3)	Tianjin City	n.a.	100.00%	100.00 %	0.00%	0.00%
Tianjin Xingrun Energy Development Co., Ltd.	Tianjin City	n.a.	100.00%	100.00 %	0.00%	0.00%
Tianjin Xingsheng Energy Development Co., Ltd.	Tianjin City	n.a.	100.00%	100.00 %	0.00%	0.00%
Tianjin Yuntong New Energy Technology Co., Ltd. (3)	Tianjin City	n.a.	100.00%	100.00 %	0.00%	0.00%
Weihai Deao New Energy Technology Co., Ltd.	Weihai City	n.a.	100.00%	100.00 %	0.00%	0.00%
Wenzhou Xingyi New Energy Technology Co., Ltd. (3)	Wenzhou City	n.a.	100.00%	100.00 %	0.00%	0.00%
Wuhan Panshuo Energy Technology Co., Ltd.	Wuhan City	n.a.	100.00%	100.00 %	0.00%	0.00%
Wuxi Lingzhong New Energy Technology Co., Ltd.	Wuxi City	n.a.	100.00%	100.00 %	0.00%	0.00%
Yancheng Baoyi New Energy Technology Co., Ltd. (3)	Yancheng City	n.a.	100.00%	100.00 %	0.00%	0.00%
Yancheng Qingneng Power Technology Co., Ltd.	Yancheng City	n.a.	100.00%	100.00 %	0.00%	0.00%
Yuzhou Yixing Energy Technology Co., Ltd. (3)	Yuzhou City	n.a.	100.00%	100.00 %	0.00%	0.00%
Zhenjiang Ruichengda New Energy Co., Ltd.	Zhenjiang City	n.a.	100.00%	100.00 %	0.00%	0.00%
Indonesia						
PT Right People Renewable Energy	Jakarta	KAP Agus Ubaidillah & Rekan	100.00%	100.00 %	0.00%	0.00%
PT Sunseap Batam Energy (3)	Kota Batam	n.a.	99.00%	99.00%	0.00%	0.00%
PT Sunseap Commercial Industrial Indonesia Asset (3)	Jakarta	n.a.	99.00%	99.00%	0.00%	0.00%
Japan						
RE Capital Co., Ltd. (3)	Tokyo	n.a.	100.00%	100.00 %	0.00%	0.00%
Malaysia						
Sunseap Energy (Malaysia) Sdn. Bhd. (3)	Kuala Lumpur	NHT	100.00%	100.00 %	0.00%	0.00%
Taiwan						
Hoya Energy Ltd. (3)	Taipei City	PwC	100.00%	100.00 %	0.00%	0.00%
Pacific Sunseap Energy Ltd. (3)	Taipei City	PwC	65.00%	65.00%	0.00%	0.00%
Shuangjian Photoelectric Ltd. (3)	Taipei City	PwC	70.00%	70.00%	0.00%	0.00%
Sunseap Advance Green Technology Ltd. (3)	Taipei City	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Advance International Ltd. (3)	Taipei City	PwC	100.00%	100.00 %	0.00%	0.00%
Sunseap Taiwan Solar Holdings Ltd. (3)	Taipei City	PwC	100.00%	100.00 %	0.00%	0.00%

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COMPANY	HEAD OFFICE	AUDITOR	2022 % OF CAPITAL	2022 % OF VOTING RIGHTS	2021 % OF CAPITAL	2021 % OF VOTING RIGHTS
Top Green Energy Ltd. (3)	Taipei City	PwC	100.00%	65.00%	0.00%	0.00%
Thailand						
Sunseap Energy (Thailand) Co., Ltd. (3)	Bangkok	Thai Info Ltd	95.50%	95.50%	0.00%	0.00%
Thai-Sunseap Asset Co. Ltd. (3)	Bangkok	Pechrungroj Office Co., Ltd	100.00%	67.00%	0.00%	0.00%
Thai-Sunseap Co., Ltd. (3)	Bangkok	Pechrungroj Office Co., Ltd	67.00%	67.00%	0.00%	0.00%
Thai-Sunseap Energy Solutions Co. Ltd. (3)	Bangkok	Pechrungroj Office Co., Ltd	100.00%	67.00%	0.00%	0.00%

(1) Companies acquired in the Kronos Business Combination transaction (see note 42)

(2) Companies acquired in the Longroad Business Combination transaction (see note 42)

(3) Companies acquired in Sunseap Business Combination transaction (see note 42)

The main financial indicators of the jointly controlled companies included in the consolidation under the equity method as at 31 December 2022, are as follows:

COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Desarrollos Energéticos Canarios, S.A.	€ 15,025	Las Palmas	n.a.	49.90%	49.90%
Desarrollos Energéticos del Val, S.L.	€ 137,070	Soria	n.a.	25.00%	25.00%
Evolución 2000, S.L.	€ 117,994	Albacete	PwC	49.15%	49.15%
OW Offshore, S.L.	€ 57,519,614	Madrid	PwC	50.00%	50.00%
Sistemas Eólicos Tres Cruces, S.L.	€ 50,000	Soria	n.a.	25.00%	25.00%
Evoikos Voreas A.E.	€ 126,000	Athens	n.a.	51.00%	51.00%
Sofrano A.E.	€ 830,000	Athens	n.a.	51.00%	51.00%
Centrale Eolienne D'Occey, S.A.S.	€ 284,844	Paris	n.a.	51.00%	51.00%
Lomartico Investments, Sp. z o.o.	€ 1,066	Warsaw	n.a.	50.00%	50.00%
Medsteville Investments, Sp. z o.o.	€ 1,066	Warsaw	n.a.	50.00%	50.00%
Ondentille Investments, Sp. z o.o.	€ 1,066	Warsaw	n.a.	50.00%	50.00%
Kronos IBV UK GmbH (1)	€ 25,000	Berlin	n.a.	50.00%	50.00%
KSD 20 UG (1)	€ 1,000	Munich	n.a.	50.00%	50.00%
2017 Vento XVII LLC	€ 457,105,962	Delaware	PwC	20.00%	20.00%
2018 Vento XIX LLC	€ 436,471,238	Delaware	PwC	20.00%	20.00%
2019 Vento XX LLC	€ 540,192,107	Delaware	PwC	20.00%	20.00%
Flat Rock Windpower LLC	€ 514,100,517	Delaware	KPMG	50.00%	50.00%
Flat Rock Windpower II LLC	€ 202,349,774	Delaware	KPMG	50.00%	50.00%
Goldfinger Ventures II LLC	€ 158,862,680	Delaware	PwC	50.00%	50.00%
Goldfinger Ventures LLC	€ 123,728,648	Delaware	PwC	50.00%	50.00%
Nine Kings Wind Farm LLC	€ 0	Delaware	n.a.	50.00%	50.00%
Riverstart Development LLC	€ 0	Delaware	n.a.	20.00%	20.00%
Riverstart Ventures LLC	€ 175,144,763	Delaware	PwC	20.00%	20.00%
Solar Ventures Acquisition LLC	€ 0	Delaware	n.a.	50.00%	50.00%

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Sunseap Asset (Cambodia) Co., Ltd. (3)	€ 2,760,000	Phnom Penh City	n.a.	51.00%	51.00%
Sunseap Energy (Cambodia) Co., Ltd. (3)	€ 365,000	Phnom Penh City	n.a.	49.00%	49.00%
Cenergi Sunseap Energy Solutions Sdn. Bhd. (3)	€ 2,131,119	Kuala Lumpur	n.a.	40.00%	40.00%
Powersource Sunseap Corp. (3)	€ 0	Makati City	n.a.	40.00%	40.00%
Powersource Sunseap Solar Solution Corp. (3)	€ 0	Makati City	n.a.	40.00%	40.00%
RL Sunseap Energy Sdn. Bhd.	€ 532,780	Sarawak	n.a.	49.00%	49.00%
Sunseap LCS Energy Sdn. Bhd. (3)	€ 21,311	Kuala Lumpur	n.a.	49.00%	49.00%
Sunseap Solutions Taiwan Ltd. (3)	€ 924,126	Taipei City	n.a.	49.00%	49.00%

(1) Companies acquired in the Kronos Business Combination transaction (see note 42)

(3) Companies acquired in Sunseap Business Combination transaction (see note 42)

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The main financial indicators of the jointly controlled companies included in the consolidation under the equity method as at 31 December 2021, are as follows:

COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Desarrollos Energéticos Canarios, S.A.	€ 15,025	Las Palmas	n.a.	49.90%	49.90%
Desarrollos Energéticos del Val, S.L.	€ 137,070	Soria	n.a.	25.00%	25.00%
Evolución 2000, S.L.	€ 117,994	Albacete	PwC	49.15%	49.15%
OW Offshore, S.L.	€ 57,519,614	Madrid	PwC	50.00%	50.00%
Sistemas Eólicos Tres Cruces, S.L.	€ 50,000	Soria	n.a.	25.00%	25.00%
Evoikos Voreas A.E.	€ 66,000	Athens	n.a.	51.00%	51.00%
Sofrano A.E.E	€ 700,000	Athens	n.a.	51.00%	51.00%
Moray West Holdings Limited	€ 1,190	London	PwC	33.40%	64.20%
2017 Vento XVII LLC	€ 155,759,988	Delaware	PwC	20.00%	20.00%
2018 Vento XIX LLC	€ 75,647,503	Delaware	PwC	20.00%	20.00%
2019 Vento XX LLC	€ 206,666,495	Delaware	PwC	20.00%	20.00%
Flat Rock Windpower LLC	€ 484,142,337	Delaware	KPMG	50.00%	50.00%
Flat Rock Windpower II LLC	€ 190,558,245	Delaware	KPMG	50.00%	50.00%
Goldfinger Ventures II LLC	€ 162,629,437	Delaware	PwC	50.00%	50.00%
Goldfinger Ventures LLC	€ 124,067,123	Delaware	PwC	50.00%	50.00%
Nine Kings Wind Farm LLC	€ 0	Delaware	n.a.	50.00%	50.00%
Riverstart Development LLC	€ 0	Delaware	n.a.	20.00%	20.00%
Riverstart Ventures LLC	€ 130,231,676	Delaware	PwC	20.00%	20.00%
Solar Ventures Acquisition LLC	€ 0	Delaware	n.a.	50.00%	50.00%

The Associated Companies included in the consolidation under the equity method as at 31 December 2022, are as follows:

COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Biomasas del Pirineo, S.A.	€ 454,896	Huesca	n.a.	30.00%	30.00%
Desarrollos Eólicos de Canarias, S.A.	€ 1,817,130	Gran Canaria	PwC	44.75%	44.75%
Eos Pax IIa, S.L.	€ 6,010	Coruña	Deloitte	48.50%	48.50%
Geólica Magallón, S.L.	€ 2,040,000	Zaragoza	PwC	36.23%	36.23%
Parque Eólico Belmonte, S.A.	€ 120,400	Madrid	KPMG	29.90%	29.90%
Parque Eólico Sierra del Madero, S.A.	€ 7,193,970	Madrid	KPMG	42.00%	42.00%
San Juan de Bargas Eólica, S.L.	€ 2,000,000	Zaragoza	PwC	47.01%	47.01%
Solar Siglo XXI, S.A.	€ 80,000	Ciudad Real	n.a.	25.00%	25.00%
Unión de Generadores de Energía, S.L.	€ 23,044	Zaragoza	PwC	50.00%	50.00%
Eólica de São Julião, Lda.	€ 500,000	Lourinhã	n.a.	45.00%	45.00%
Hytlantic, S.A.	€ 50,000	Sines	n.a.	28.50%	28.50%
Blue Canyon Windpower LLC	€ 59,864,082	Texas	PWC	25.00%	25.00%
Charge+ Pte. Ltd. (3)	€ 5,216,668	Singapore	n.a.	26.25%	26.25%
Todae Solar Pty. Ltd. (3)	€ 0	Rosebery, NSW	n.a.	49.00%	49.00%

(3) Companies acquired in Sunseap Business Combination transaction (see note 42)

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The Associated Companies included in the consolidation under the equity method as at 31 December 2021, are as follows:

COMPANY	SHARE CAPITAL	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Biomasas del Pirineo, S.A.	€ 454,896	Huesca	n.a.	30.00%	30.00%
Blue Canyon Windpower LLC	€ 63,851,000	Texas	PwC	25.00%	25.00%
Desarrollos Eólicos de Canarias, S.A.	€ 1,817,130	Gran Canaria	PwC	44.75%	44.75%
Eólica de São Julião, Lda.	€ 500,000	Lourinhã	n.a.	45.00%	45.00%
Eos Pax Ila, S.L.	€ 6,010	Coruña	Deloitte	48.50%	48.50%
Geólica Magallón, S.L.	€ 2,040,000	Zaragoza	PwC	36.24%	36.24%
Parque Eólico Belmonte, S.A.	€ 120,400	Madrid	KPMG	29.90%	29.90%
Parque Eólico Sierra del Madero, S.A.	€ 7,193,970	Madrid	KPMG	42.00%	42.00%
San Juan de Bargas Eólica, S.L.	€ 5,000,000	Zaragoza	PwC	47.01%	47.01%
Solar Siglo XXI, S.A.	€ 80,000	Ciudad Real	n.a.	25.00%	25.00%
Solar Works! B.V.	€ 5,976,514	Rotterdam	RSM Global	20.19%	20.19%
Unión de Generadores de Energía, S.L.	€ 23,044	Zaragoza	PwC	50.00%	50.00%

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ANNEX II

Group Activity by Operating Segment

Operating Segment Information for the years ended 31 December 2022

THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM	APAC	SEGMENTS TOTAL
Revenues	1,279,292	718,298	52,821	84,516	2,134,928
Income from institutional partnerships in North America	-	233,505	-	-	233,505
	1,279,292	951,803	52,821	84,516	2,368,432
Other operating income	308,311	89,091	122,054	2,653	522,108
Supplies and services	-204,833	-202,395	-30,005	-29,900	-467,134
Personnel costs and Employee benefits expenses	-54,087	-124,436	-6,710	-21,127	-206,359
Other operating expenses	-129,693	-94,291	-10,061	-1,024	-235,070
	-80,303	-332,031	75,278	-49,399	-386,455
Joint ventures and associates	49,280	35,308	-	-354	84,234
Gross operating profit	1,248,270	655,080	128,099	34,763	2,066,212
Provisions	5,527	81	-	-	5,608
Amortisation and impairment	-245,835	-399,356	-63,129	-21,723	-730,043
Operating profit	1.007,961	255,805	64,970	13,040	1,341,777
Assets	6.901,430	11,836,674	1,397,053	1,514,603	21,649,760
Liabilities	833,365	1,771,275	451,670	85,101	3,141,411
Operating Investment	736,466	1,850,471	708,436	126,204	3,421,577

Note: The Segment "Europe" includes: i) revenues in the amount of 228,293 thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,250,225 thousands of Euros.

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Reconciliation between the Segment Information and the Financial Statements:

THOUSAND EUROS	
Revenues of the Reported Segments	2,134,928
Revenues of Other Segments	-7,261
Elimination of intra-segment transactions	10,315
Revenues of the EDPR Group	2,137,981
Gross operating profit of the Reported Segments	2,066,212
Gross operating profit of Other Segments	319,378
Elimination of intra-segment transactions	-228,383
Gross operating profit of the EDPR Group	2,157,207
Operating profit of the Reported Segments	1,341,777
Operating profit of Other Segments	310,861
Elimination of intra-segment transactions	-241,133
Operating profit of the EDPR Group	1,411,505
Assets of the Reported Segments	21,649,760
Not Allocated Assets	5,447,142
Financial Assets	2,742,557
Tax assets	876,689
Debtors and other assets	1,827,896
Assets of Other Segments	11,512,060
Elimination of intra-segment transactions	-11,115,893
Assets of the EDPR Group	27,493,069
Investments in joint ventures and associates	1,157,249
Liabilities of the Reported Segments	3,141,411
Not Allocated Liabilities	11,592,798
Financial Liabilities	2,048,861
Institutional investors in wind farms in USA	2,212,162
Tax liabilities	766,403
Payables and other liablities	6,565,372
Liabilities of Other Segments	3,234,241
Elimination of intra-segment transactions	-1,046,047
Liabilities of the EDPR Group	16,922,404
Operating Investment of the Reported Segments	3,421,577
Operating Investment of Other Segments	31,967
Operating Investment of the EDPR Group	3,453,544

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THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	233,505	-	-	233,505
Other operating income	522,108	6,554	-2,637	526,026
Supplies and services	-467,134	-48,880	77,039	-438,974
Personnel costs and Employee benefits expenses	-206,359	-43,446	9,195	-240,611
Other operating expenses	-235,070	317,374	-322,292	-239,987
Provisions	5,608	-	-	5,608
Amortisation and impairment	-730,043	-8,517	-12,751	-751,311
Joint ventures and associates	84,121	95,148	-2	179,267

Operating Segment Information for the consolidated income statement and consolidated statement of financial position ended 31 December 2021 modified (*) considering Operating Segment approved in 2022. See note 2.A):

THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM	APAC	SEGMENTS TOTAL
Revenues	926,237	584,417	67,581	1,246	1,579,480
Income from institutional partnerships in North America	-	177,205	-	-	177,205
	926,237	761,622	67,581	1,246	1,756,685
Other operating income	350,068	270,218	702	-	620,988
Supplies and services	-188.897	-156,693	-20,759	-2.,239	-368,587
Personnel costs and Employee benefits expenses	-45,305	-89,437	-3,878	-248	-138,868
Other operating expenses	-101,150	-54,179	-5,517	-	-160,846
	14,717	-30,090	-29,452	-2,487	-47,313
Joint ventures and associates	8,822	15,151	-	-	-23,973
Gross operating profit	949,775	746,683	38,129	-1,241	1,733,345
Provisions	-798	-782	16	-	-1,564
Amortisation and impairment	-251,449	-335,108	-11,084	-394	-598,035
Operating profit	697,529	410,792	27,061	-1,635	1,133,747
Assets	6,023,039	9,694,220	942,599	36,583	16,696,440
Liabilities	688,155	1,260,641	85,613	4,129	2,038,538
Operating Investment	744,986	1,370,260	381,195	4.763	2,501,204

Note: The Segment "Europe" includes: i) revenues in the amount of 263,264 thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,228,498 thousands of Euros.

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Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	1,579,480
Revenues of Other Segments	9,673
Elimination of intra-segment transactions	-8,695
Revenues of the EDPR Group	1,580,458
Gross operating profit of the Reported Segments	1,733,345
Gross operating profit of Other Segments	61,290
Elimination of intra-segment transactions	-34,594
Gross operating profit of the EDPR Group	1,760,041
Operating profit of the Reported Segments	1,133,747
Operating profit of Other Segments	54,529
Elimination of intra-segment transactions	-37,088
Operating profit of the EDPR Group	1,151,188
Assets of the Reported Segments	16,696,440
Not Allocated Assets	4,557,615
Financial Assets	2,098,337
Tax assets	557,851
Debtors and other assets	1,901,427
Assets of Other Segments	8,817,625
Elimination of intra-segment transactions	-8,040,104
Assets of the EDPR Group	22,031,576
Investments in joint ventures and associates	988,522
Liabilities of the Reported Segments	2,038,538
Not Allocated Liabilities	9,479,364
Financial Liabilities	1,505,984
Institutional investors in wind farms in USA	2,259,741
Tax liabilities	600,705
Payables and other liablities	5,112,934
Liabilities of Other Segments	654,301
Elimination of intra-segment transactions	-315,535
Liabilities of the EDPR Group	11,856,669
Operating Investment of the Reported Segments	2,501,204
Operating Investment of Other Segments	20,817
Operating Investment of the EDPR Group	2,522,021

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THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	177,205	-	-	177,205
Other operating income	620,988	28,199	-13,456	635,731
Supplies and services	-368,587	-40,957	73,871	-335,674
Personnel costs and Employee benefits expenses	-138,868	-35,390	-0	-174,259
Other operating expenses	-160,846	82,315	-86,490	-165,021
Provisions	-1,564	-	-	-1,564
Amortisation and impairment	-598,035	-6,761	-2,494	-607,289
Joint ventures and associates	23,973	17,450	-239	41,184

Operating Segment Information for the consolidated income statement and consolidated statement of financial position ended 31 December 2021:

THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	SEGMENTS TOTAL
Revenues	926,237	584,417	67,580	1,578,234
Income from institutional partnerships in North America	-	177,205	-	177,205
	926,237	761,622	67,580	1,755,439
Other operating income	350,068	270,218	667	620,953
Supplies and services	-188,896	-156,699	-12,873	-358,468
Personnel costs and Employee benefits expenses	-45,305	-89,437	-2,397	-137,139
Other operating expenses	-101,150	-54,179	-4,253	-159,582
	14,717	-30,097	-18,856	-34,236
Joint ventures and associates	8,822	15,151	-	23,973
Gross operating profit	949,776	746,676	48,724	1,745,176
Provisions	-798	-782	16	-1,564
Amortisation and impairment	-251,449	-335,108	-11,040	-597,597
Operating profit	697,529	410,786	37,700	1,146,015
Assets	6,023,039	9,694,220	755,027	16,472,286
Liabilities	688,155	1,260,641	39,517	1,988,313
Operating Investment	744,986	1,370,260	329,778	2,445,024

Note: The Segment "Europe" includes: i) revenues in the amount of 263,264 thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,228,498 thousands of Euros.

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Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	1,578,234
Revenues of Other Segments	10,918
Elimination of intra-segment transactions	-8,694
Revenues of the EDPR Group	1,580,458
Gross operating profit of the Reported Segments	1,745,176
Gross operating profit of Other Segments	49,452
Elimination of intra-segment transactions	-34,587
Gross operating profit of the EDPR Group	1,760,041
Operating profit of the Reported Segments	1,146,015
Operating profit of Other Segments	42,254
Elimination of intra-segment transactions	-37,081
Operating profit of the EDPR Group	1,151,188
Assets of the Reported Segments	16,472,286
Not Allocated Assets	4,473,450
Financial Assets	2,090,731
Tax assets	553,893
Debtors and other assets	1,828,826
Assets of Other Segments	8,942,671
Elimination of intra-segment transactions	-7,856,831
Assets of the EDPR Group	22,031,576
Investments in joint ventures and associates	988,522
Liabilities of the Reported Segments	1,988,313
Not Allocated Liabilities	9,384,056
Financial Liabilities	1,505,984
Institutional investors in wind farms in USA	2,259,741
Tax liabilities	593,723
Payables and other liablities	5,024,608
Liabilities of Other Segments	799,990
Elimination of intra-segment transactions	-315,690
Liabilities of the EDPR Group	11,856,669
Operating Investment of the Reported Segments	2,445,024
Operating Investment of Other Segments	76,997
Operating Investment of the EDPR Group	2,522,021

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THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	177,205	-	-	177,205
Other operating income	620,988	28,199	-13,456	635,731
Supplies and services	-368,587	-40,957	73,871	-335,674
Personnel costs and Employee benefits expenses	-138,868	-35,390	-0	-174,259
Other operating expenses	-160,846	82,315	-86,490	-165,021
Provisions	-1,564	-	-	-1,564
Amortisation and impairment	-598,035	-6,761	-2,494	-607,289
Joint ventures and associates	23,973	17,450	-239	41,184

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Our action

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Chairperson letter

António Gomes Mota Chairman of the EDPR Board of Directors

Dear Stakeholder,

2022 has been an influential one for the global energy transition. We have experienced an undeniable acceleration of the energy transition with governments around the world increasing renewable energy targets, highlighted by the REPowerEU initiative and the Inflation Reduction Act (IRA). These legislative initiatives were in part introduced this year because of the Ukrainian war and the subsequent rise in gas and power prices, which further reinforced the need for a clean, affordable, and reliable energy. The focus has thus shifted to renewable as a way to reduce emissions, meet energy goals, and boost energy security. This shift in the energy market has been seen in the increase of both investments and installations of renewable energy sources. One thing is for sure, renewable energy is the answer.

EDPR is extremely well positioned to capture the growth of renewables due to its strong fundamentals. The company has an impressive track record, having been a leading pure renewables player for nearly 20 years. This experience, combined with a global footprint of 28 markets, and a management team with an average of 20 years of experience in the sector makes us a leading force in the energy transition. EDPR's people are also highly dedicated, committed and pride themselves on high quality work, further adding to its success. Finally, EDPR is continuously developing its capabilities in emerging technologies such as solar DG, solar and wind hybridization, storage, and hydrogen, ensuring it remains at the cutting edge of the renewables industry.

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EDPR achieved significant success during 2022. By the end of the year, EDPR had added 2.1 GW of renewable capacity on top of the 4.0 GW under construction to support future growth (which was more than double the Dec-21 levels). EDPR consolidated its global footprint by consolidating Sunseap into its portfolio and creating a platform in APAC, a new region for the company. Elsewhere, by acquiring Kronos, a solar development platform, EDPR increased its wind/solar balance and entered the key markets of Germany and The Netherlands. Asset rotation also contributed to EDPR's success with €424 million of gains from 5 transactions in 5 different markets. All in all, EDPR had a positive 2022 with an EBITDA of €2,157 million and a Recurring Net Profit of €671 million.

EDPR's governance model, which is aligned with best-practice and based on being lean and independent, supports the company's growth by focusing on the long-term sustainability of the company. The model also ensures that the stakeholders' interests are respected and protected, while reinforcing the fiduciary duties of the Board and the stewardship responsibility of a listed company. This is accomplished through a comprehensive approach to corporate governance, with a strong emphasis on corporate responsibility, transparency and accountability. This commitment to corporate governance is reaffirmed in the company's 2022 annual report and with measures like the creation at the end of this year, within the Board of Directors, of an autonomous committee on ESG that clearly highlights the central role of sustainability in the management of EDPR.

This year has been a great success for EDPR in terms of ESG accomplishments. It has revalidated its Top Employer Europe certificate for the fourth consecutive year and has extended it to Brazil for the first time. Additionally, EDPR North America has been named a Top Workplace in the US for the second consecutive year and has been honored with two Culture Excellence Awards for its diversity, equity, and inclusion practices as well as for being a woman-led company. Moreover, EDPR was awarded with the SkillsFuture Employer Award in Singapore, recognising its efforts in a people – centric approach. Finally, EDPR was included in the Bloomberg Gender – Equality Index for the third consecutive year, with an improved overall score compared to last year. All of this is a testament to EDPR's commitment to ESG initiatives.

On behalf of EDPR's Board of Directors, I would like to thank you all – our contractors, suppliers, clients, partners and shareholders – for your commitment, perseverance and trust in EDPR.

I would also like to take this opportunity to say a special thank you to our employees for their hard work, dedication and enthusiasm. You are the key to our success. Furthermore, I would like to extend my gratitude to the EDPR management team for their dedication to making EDPR the success that it is today. Your leadership and guidance have enabled us to reach new heights and accomplish great things.

I would like to close this message highlighting my excitement and hope for the future. We are confident that our new business plan for 2023-2026 will take advantage of the opportunities presented to us and build upon our current successes.

EDPR is extremely well positioned to capture this growth trend in renewables due to its strong fundamentals.

António Gomes Mota

PUBLIC

Message from the CEO

Miguel Stilwell D'Andrade CEO

Dear Shareholders and Stakeholders,

2022 was a pivotal year for the renewable energy industry.

The tragic conflict in Ukraine, the subsequent turmoil in the energy markets, supply chain disruption, inflation, and increasing interest rates have added huge additional operating complexity to our activity. However, 2022 was also the year in which the world has come together to recognize what EDP has believed for many years: Renewables play a key role in the global solution to energy independence and a sustainable world.

It has also been a year of significant action, as governments around the world promoted private and public investment into green energy. The European Commission launched REPowerEU, a plan to save energy, diversify energy suppliers and produce clean energy in Europe, increasing the headline 2030 target for renewables installed capacity from 40% to 45%. In the United States, the Inflation Reduction Act (IRA) defined a record-breaking range of incentives designed to catalyze private investment in clean energy, providing a stable and long-term framework that will support our investment in the region.

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All in all, renewables are expected to grow significantly from 3 TW global capacity in 2021 to 27 TW by 2050, driven by cost competitive technologies such as wind onshore and solar PV, and further enabled by leading solutions such as wind offshore, floating solar, wind and solar hybridization, storage and green hydrogen.

Despite this anticipated growth, there are still significant obstacles slowing down the deployment of renewables in the short-run, namely lengthy and complex permit and licensing procedures, interconnection bottlenecks and regulatory complexity and uncertainty (the later particularly in Europe). In the US, supply chain disruption remains a major bottleneck principally for the execution of solar projects.

While some challenges will likely carry over into 2023, the evolving trends and opportunities create strong tailwinds for the renewables industry. EDPR remains well positioned to capture the growth that the world needs to ensure access to clean, affordable, and reliable energy for all.

2022 execution

Growth

Accelerated and selective growth is a key principle behind our investment strategy, as we focus on securing new projects with long-term contracts under stable legal and regulatory frameworks. This strategy allowed EDPR to grow significantly in 2022, with an additional 2.1 GW installed capacity worldwide to reach 15 GW of secured capacity by the end of the year. Reflecting the ramp up of our investment plan, gross investments accounted for a record of 5.1 billion euros, almost doubling the previous year.

EDPR strengthened its presence across core and new markets with some important strategic moves. Following the completion of Sunseap's acquisition, we have reinforced our presence in Asia-Pacific – the region that accounts for more than half of the world's electricity demand – with a 75% increase in installed capacity, totaling 868 MWdc by year-end.

In Europe, we invested in Kronos, a solar developer company based in Germany, allowing us to enter Germany and the Netherlands, and expand our presence to 12 markets in Europe, which together represent more than 90% of the expected solar capacity additions in the European Union until 2030.

In Iberia, we commissioned our first hybrid solar and wind energy park in the region and secured a grid connection that will allow EDPR to build a 70 MW floating solar project in Alqueva hydro power plant in Portugal, where EDP already has one of Europe's largest floating solar parks. These pioneering projects are the first of their kind in the region, showcasing our commitment to invest in emerging technologies that accelerate decarbonization.

In the United States, we completed the construction of the largest solar park in Indiana and our first repowering project in Oklahoma, that will cumulatively power 130,000 homes annually for the next several decades. We started construction on 13 new projects, including our first solar park in Texas, to reach a record of more than 2 GWs of new capacity under construction.

In Latin America, we concluded the construction of one of our largest wind clusters in Brazil (580MW) and concluded the sale of 2 wind projects in that country with a total of 260MW, which reinforces the attractiveness of this strategic market. Moreover, we have recently started the construction of our first project in Chile, a 99 MW wind farm which we expect to complete during 2023.

As regards offshore wind, in 2022 alone EDPR increased its portfolio from 9.3 GW to 16.6 GW and reached multiple landmark objectives including the start of operations of Moray East (950 MW) and the start of construction of Moray West (850 MW), both bottom-fixed projects in the United Kingdom.

On floating offshore wind, Ocean Winds started construction of a farm in France and was awarded two additional projects of 2.3 GW in Scotland and a lease area to develop up to 2 GW on the West Coast of the United States.

These milestones showcase how EDPR continues to foster technological diversification. In this field, we have evolved our presence in storage, notably initiating construction of our first sizeable storage project in the US (40 MW), located in California. As for renewable hydrogen, an important energy vector that will play a key role in the energy transition, we are rapidly creating solid growth opportunities, currently leading 10 projects that account for almost 400 MW of electrolysis capacity and that have been selected for funding by the European Commission and the Spanish and Portuguese Governments.

Excellence

At EDPR, we will always strive to deliver competitive and high-quality projects by leveraging the vast experience and know-how of our teams and ensuring that our actions are in line with Environmental, Social and Governance ("ESG") best practice.

Our activities are rooted in our commitment to the 10 principles of the United Nations Global Compact, to build a more sustainable world, aligned with the values of respect for human rights, employment, environmental protection, and the fight against corruption.

EDPR became a signatory of the United Nations Sustainable Ocean Principles, highlighting the company's long-standing relationship to oceans and biodiversity, and our determination to protect them.

In line with our commitment to nurture an inclusive environment where all employees are equally empowered, EDPR signed the United Nations Women Empowerment Principles.

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I was pleased to see EDPR included in the Bloomberg Gender-Equality Index for the third consecutive year, improving its overall score compared to last year.

Finally, we approved our first Human and Labour Rights Policy. Given the increasing importance of this topic, this agreement was a relevant step that underlines our commitment to responsible operations throughout our value chain.

Value

Reflecting on the past year, I am proud to say that EDPR maintained a solid financial performance and growth.

Our company delivered EBITDA of 2,157 million euros, 23% higher than in the previous year, supported by our strong operational portfolio that keeps growing every day as well as our asset rotation program that continues to deliver value – in 2022, we have completed a total of 6 transactions in 6 markets, securing proceeds of 2.0 billion euros.

Despite numerous external factors adversely impacting our day-to-day operations, EDPR maintained a recurring Net Profit of 671 million euros, fairly aligned with last year, which proves the company's profitability resilience to adverse contexts.

Preparing the future

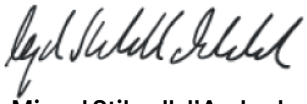
I am proud of the way that we, as a company, have successfully navigated the challenging environment of the past 12 months. The ability of our business and people across the world to adapt and deliver has never been more evident, and I am extremely grateful to our teams for all the hard work and dedication.

I would also like to thank all those who have followed and supported EDPR in 2022, notably our investors, customers, suppliers, regulators, partners, and local communities.

Looking ahead, I am confident that we will continue to drive the energy transition globally. The unveiling of a new business plan for 2023-2026 will contain more details on how we will achieve our objectives.

I look forward to continuing this collective journey in changing tomorrow now.

While some challenges will likely carry over into 2023, the evolving trends and opportunities create strong tailwinds for the renewables industry. EDPR remains well positioned to capture the growth that the world needs to ensure access to clean, affordable, and reliable energy for all.



Miguel Stilwell d'Andrade

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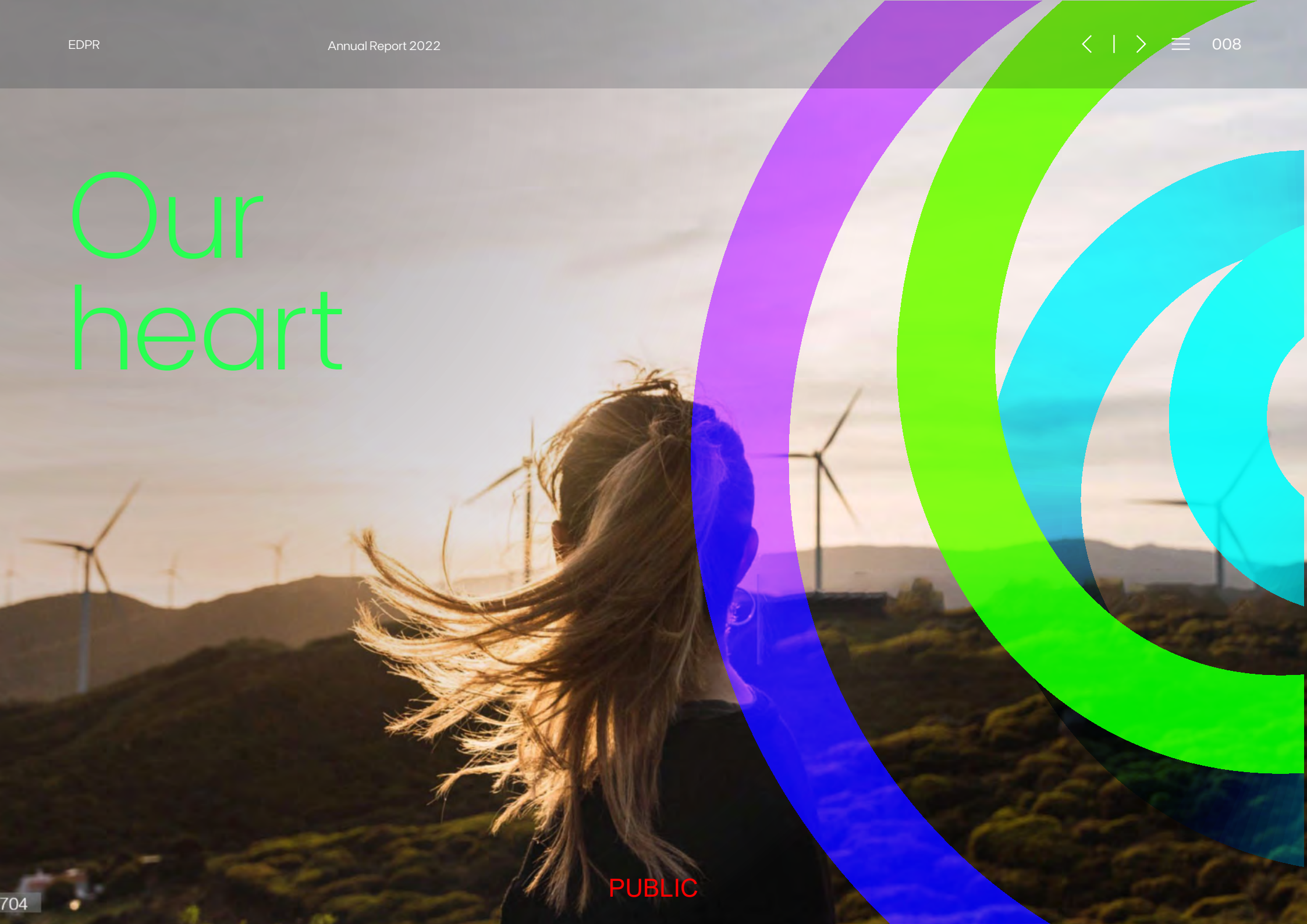
Our heart



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The Company

1

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Our values

Innovation

We want to create value in the various areas in which we operate.

Sustainability

We aim to improve the quality of life of current and future generations.

Humanization

We build genuine and trusting relationships with our employees, customers, partners, and local communities.

Our commitments

Results

Delivering on our commitments to shareholders; leading through the ability to anticipate and execute; demanding excellence.

Sustainability

Taking on environmental responsibilities; contributing to developing the regions where we operate;
Reducing gas emissions; actively championing energy efficiency

Customers

Staying focused on customers; making sure we listen to their concerns; responding simply and transparently; surprising them and anticipating their needs.

People

Combining an ethical and rigorous conduct with enthusiasm and initiative; encouraging teamwork; investing in competence and merit; promoting a balance between professional and personal life.

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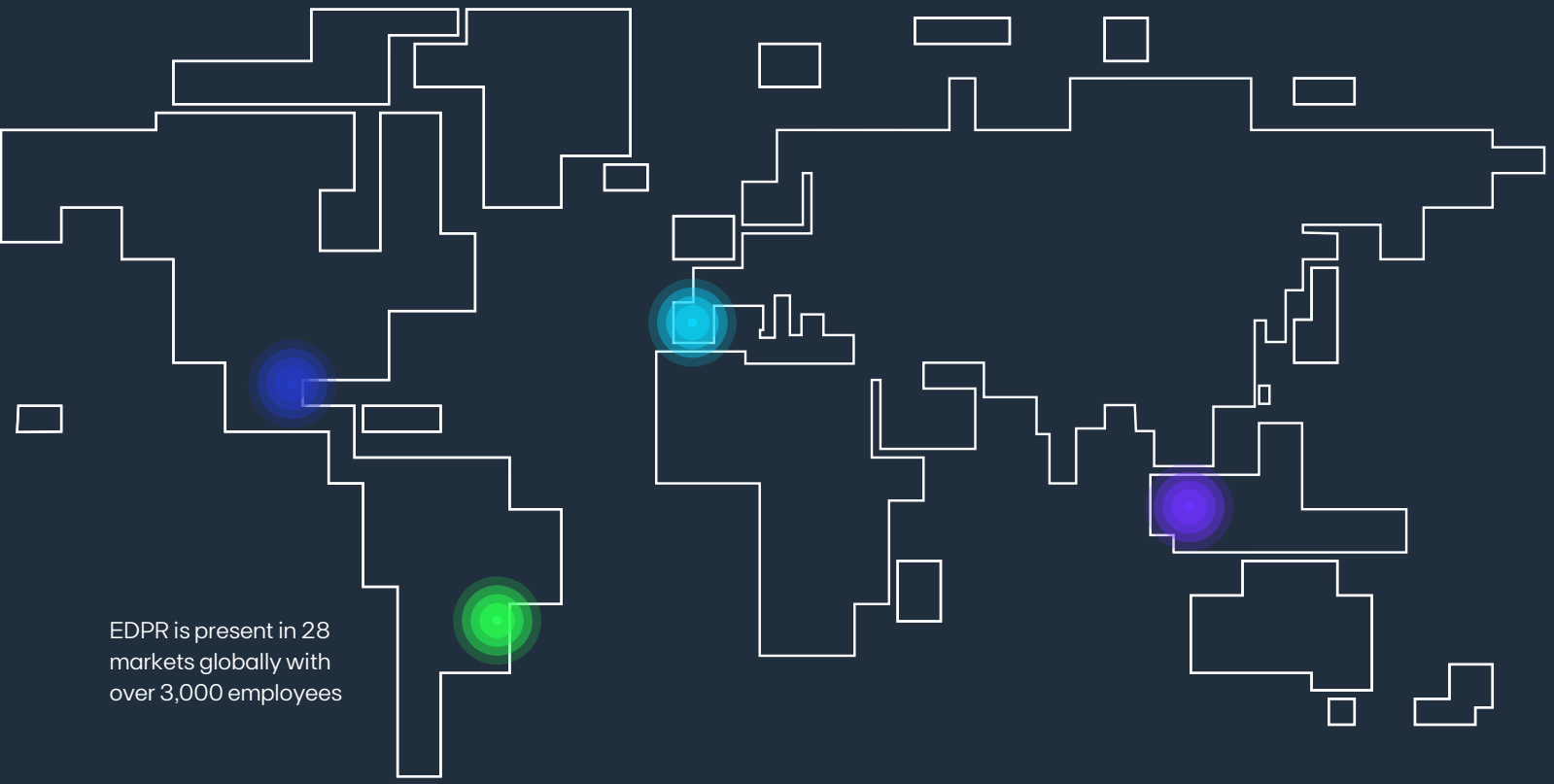

EDPR is present in 28 markets globally with over 3,000 employees

1.1.2.

EDPR in the world

14.7 GW
Total capacity

33.4 TWh
Total production

20 mt
CO_2 emissions avoided

Europe	1,291	5,334 MW 1.4 GW	11,778 GWh
Portugal		1,188 MW	2,715 GWh
Spain		2,322 MW	4,885 GWh
France		214 MW	411 GWh
Belgium		11 MW	24 GWh
Poland		733 MW	1,739 GWh
Romania		521 MW	1,163 GWh
Italy		295 MW	737 GWh
Greece		45 MW	93 GWh
U.K.		5 MW	10 GWh
Hungary			
Germany			
Netherlands			
South America	163	1,114 MW 1.1 GW	2,625 GWh 0.1 GW
Brazil		1,114 MW	2,625 GWh
Colombia			
Chile			
North America	1,094	7,242 MW 3.1 GW	18,362 GWh
USA		6,617 MW	17,029 GWh
Canada		130 MW	360 GWh
Mexico		496 MW	973GWh
APAC	538	726 MW 0.2 GW	636 GWh
Vietnam		405 MW	393 GWh
Singapore		230 MW	184 GWh
Rest of APAC		92 MW	59 GWh
Offshore *OW has a portofolio of 16.6 GW gross*		322 MW 0.7 GW	1.6 GW
Portugal		11 MW	
Rest of Europe		311 MW	
Total OW Gross		322 MW	1,462 MW gross

Number of employees · Capacity installed · Generation
Capacity secured to be installed until 2025 · Capacity secured to be installed post 2025

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1.1.3.

Business Description

1. Development

Site identification and grid connection
Search for sites with top-class wind conditions or irradiance resource and analyse grid connection feasibility.

Renewable resources analysis
Install meteorogical equipment to collect and study wind profile and solar radiance.

Obtain permits
Engage with local public authorities to secure environmental, construction, operating and other licences.

Design layout & equipment choice
Optimise the layout of the asset and select the best fit of equipment model based on the site characteristics.

Origination
Secure long term contracts for energy sale, guaranteeing stable and predictable cash-flows.

Project funding
Find appropriate financing for the project.

2. Construction

Procurement
Source major equipment and construction contracts globally.

Construction
Build access roads, prepare foundations, assemble wind turbines or solar panels, construct substation.

3. Operation

Start of operations & deliver clean energy
A better energy, a better future, a better world!

Ongoing maintenance service
Keep availability figures at the highest level possible and minimise failure rates.

Data analysis
Monitor real-time operational data, analyse performance and identify opportunities for improvement.

Risk & Energy management
Mitigate market exposure and manage energy sales.

4. Dismantling/Repowering

End of life
Once wind farms and solar plants reach the end of useful life (30-35 years), wind turbines and solar panels need to be assessed and replaced.

Efficiency
EDPR increases power generated by reducing the overall number of wind turbines and replacing them with more efficient machines.

To maximise the environmental positive impacts of wind and solar energy from a life cycle approach, EDPR has two main aspects in consideration when dismantling/repowering a site at the end of its useful life: land restoration and proper treatment of the waste generated.

- Even though EDPR works to minimise any impact on the land, the Company commits to clean up and rehabilitate the sites to return the area to its initial state.

- The main waste generated are turbines which are c.80%-90% recyclable, and EDPR participates in several initiatives to find a solution for the remaining percentage.

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1.1.4.

2022 Main Events

Jan

20 EDPR revalidates its Top Employer Europe certificate for the fourth consecutive year, and extends it to Brazil for the first time.

26 EDPR is included in the Bloomberg Gender-Equality Index for the third consecutive year, improving its overall score compared to last year.

Feb

24 EDPR completes Sunseap's acquisition, allowing the Company to establish a portfolio for the APAC region of close to 10 GW of solar projects.

27 EDPR is awarded lease area to develop up to 1.7 GW offshore wind project in the US through Ocean Winds, its 50:50 JV with ENGIE.

Mar

14 EDPR signs the UN's Women's Empowerment Principles, in line with its commitment to nurture an inclusive environment where all employees are equally empowered.

21 EDPR makes €500 thousand donation to help support Ukrainian refugees in Poland. The funds allowed to distribute food to those in need.

Apr

05 EDPR is awarded with grid connection in floating solar auction in Portugal.

28 EDPR completes Asset Rotation deal of a 149 MW wind portfolio in Poland for an EV of €0.3bn.

May

24 EDPR enters an industrial agreement with Lhyfe, a pure player in green hydrogen production, to jointly identify, develop, build and manage projects in this area.

Jun

08 EDPR becomes a signatory of the Sustainable Ocean Principles, highlighting its commitment to healthy and productive oceans.

27 EDPR concludes Asset rotation deal of a 181 MW wind portfolio in Spain for an EV of €328 million.

Jul

07 EDPR is awarded with CfD for its Moray West project in the UK through Ocean Winds.

Aug

01 EDPR secures PPA for 200 MW solar project in the US.

22 EDPR is awarded with 2 floating offshore wind projects in Scotland with 2.3 GW through Ocean Winds.

Sep

09 EDPR completes Asset Rotation deal of a 172 MW wind portfolio in Italy.

07 EDPR concludes solar PV deal in APAC totalling 200 MWac strengthening its position in the region.

Oct

25 EDPR created the Environmental, Social and Governance Committee, composed by independent members of the Board of Directors.

06 EDPR completes the acquisition of a solar development platform, entering in Germany and the Netherlands.

06 EDPR signs Asset Rotation deal for a 260 MW operating wind portfolio in Brazil.

Nov

22 EDPR is awarded with the SkillsFuture Employer Award in Singapore, being recognised for its efforts in a people-centric approach.

14 EDPR is named a Top Workplace in the US for the 2nd consecutive year, and is honoured with 2 Culture Excellence Awards for its diversity, equity, and inclusion practices and for being a woman-led company.

Dec

27 EDPR informs about Asset Rotation through Build & Transfer of 200 MW Solar Park in US.

15 EDPR is awarded lease area to develop up to 2 GW floating offshore wind project in the US West Coast through Ocean Winds.

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1.1.5.

Stakeholders Focus

Fostering strong relationships with communities, customers, authorities, and other groups of internal and external stakeholders helps companies to better understand and meet their needs and expectations.

Ever since it was founded, EDPR has been very aware of this. This is why it has been working hard to address societal issues and stakeholders' priorities, in order to create long-term value for the business and the stakeholders involved in the Company's mission.

Accordingly, and as stated in EDPR's Stakeholders Relations Policy, which is aligned with EDP Group's Policy, the Company aims to maintain an open and transparent dialog with its stakeholders in order to build and strengthen trust, promote information and knowledge sharing, anticipate challenges and identify cooperation opportunities.

EDPR seeks to achieve this through four major interaction commitments: comprehend, communicate, trust, and collaborate. These four pillars also form the basis of the Group's annual objectives regarding stakeholder relationship management and are consistent with those of EDP Group.

In this regard, monitoring stakeholder groups also helps in decision-making and in obtaining additional accurate information that allows the Company to meet its internal and external commitments.

Comprehend

INCLUDE, IDENTFY, PRIORITIZE

EDPR regularly identifies the stakeholders that influence the Company and works to analyse and understand their expectations and interests in the decisions that directly impact them.

Collaborate

INTEGRATE, SHARE, COOPERATE, REPORT

EDPR aims to collaborate with stakeholders by building strategic partnerships that aggregate and disperse knowledge, skills, and tools. These will promote the creation of shared value in a differentiating way.

Communicate

INFORM, LISTEN, RESPOND

Committed in promoting a two-way dialogue with stakeholders through information and consulting initiatives is a part of EDPR's objective. This can be attainable by listening, informing, and responding to stakeholders in a consistent, clear, rigorous and transparent manner, resulting in a strong meaningful and lasting relationship.

Trust

TRANSPARENCY, INTEGRITY, RESPECT, ETHICS

One of the Company's beliefs is the importance of a trustworthy relationship with the stakeholders in establishing stable, long-term relationships. These relationships with the stakeholders are based on values like transparency, integrity and mutual respect.

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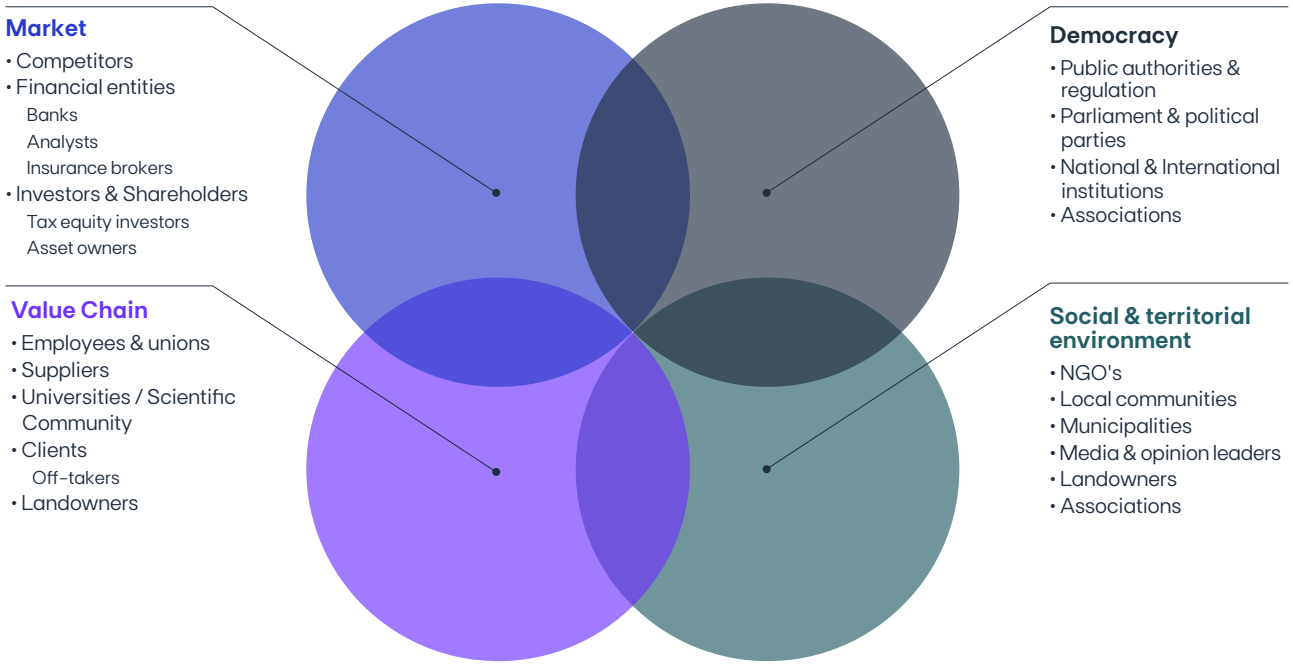
Stakeholder management approach

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.

EDPR's stakeholders are those organizations or individuals that influence or are influenced by the activities and services undertaken by the Company, and are organized into four categories: Institutional, Social & Territorial Environment, Value Chain, and Market.

EDPR's stakeholders in 2022 are shown in the following diagram:



Once its stakeholders are identified, EDPR must be capable of understanding how the Company's performance is perceived by each of them, as well as it must have the analytical capacity to be able to identify and manage expectations, needs and areas for improvement.

In order to achieve this, EDPR has drawn up a Global Stakeholders Model that considers different stages and levels of implementation depending on market maturity, which has already been deployed in the different markets.

This model consists of a cyclical methodology that combines quantitative and qualitative analyses. EDPR knows how important it is to listen to its stakeholders, and that quantitative studies are a very useful and effective tool in stakeholder relations. This kind of studies help the Company to understand stakeholders' opinions, concerns, and expectations. But EDPR goes beyond that by seeking to understand the precise reasons as to why those results were obtained in the first place. That is why the methodology applied by the Company is based on a hybrid model that combines quantitative data with qualitative interviews to fully understand the reasons behind the opinions of the stakeholders that were interviewed. This reinforces the overall credibility of the results and procedures.

2022 highlights

While 2022 was marked by the implementation of several action plans, it was also the year that EDPR internationalised a social impact program due to its initial success.

Launched in Spain, Keep it Local arose from quantitative research carried out in this market, when some groups of stakeholders expressed their concern about depopulation in rural areas. Having such a strong presence in these rural settings, EDPR realized that its business could contribute to helping people fight against a growing phenomenon observed not only in Spain but also in other markets: rural flight. With that in mind, the company created Keep it Local, a program that awards scholarships to train young people in Operation and Maintenance skills. Through this initiative, EDPR is helping to create employment in a promising sector like that of renewable energies, while giving people the chance to live and work in their hometowns.

The first round, which took place in Spain in 2021, turned out to be a success, with over 125 people applying for one of the 24 scholarships available. It was also a great success in terms of the results and satisfaction of the participants, and since the program ended, 50% of the participants are now working in the sector and living in their home-towns. Given these great results, EDPR decided to not only hold a second round in Spain in which it offered 30 scholarships, but to extend the program to other markets too. Brazil held two rounds of the program in 2022, one focused on wind energy and the other on solar energy, training a total of 46 people. The groundwork has also been laid to roll the program out in Italy, with the first round planned for the beginning of 2023.

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1.2. 2022 in review

1.2.1.

Key Metrics

Operational

14.7 GW
Installed capacity
EBITDA + Net Equity

98%
Technical availability
vs 96% in 2021

33.4 TWh
Generation
+10% YoY

30%
Load factor
+1pp vs 2021

2,121 MW
New additions
EBITDA + Net Equity

20 mt CO_2
Emissions avoided

Financial

€2,157 m
EBITDA
vs €1,760 m in 2021

€977 m
Operating cash-flow
+20% YoY

€3,446 m
CAPEX
vs €2,522 m in 2021

€4.9 Bn
Net debt
vs €2.9 Bn in 2021

€671 m
Recurring net profit
vs €655 m in 2021

€46 k/MW
Core OPEX/average MW
+16% YoY

ESG

3,086
Employees
33% female

96%
Employees trained
vs 98% in 2021

74%
Total waste recovered

c. 100%
Capacity certified[1]
ISO 14001 & ISO 45001

100%
Independent members of BoD committees

€2.4 m
In social impact programs
+42% YoY

[1] Calculation based on 2021YE installed capacity EBITDA. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2022 will be certified in 2023.

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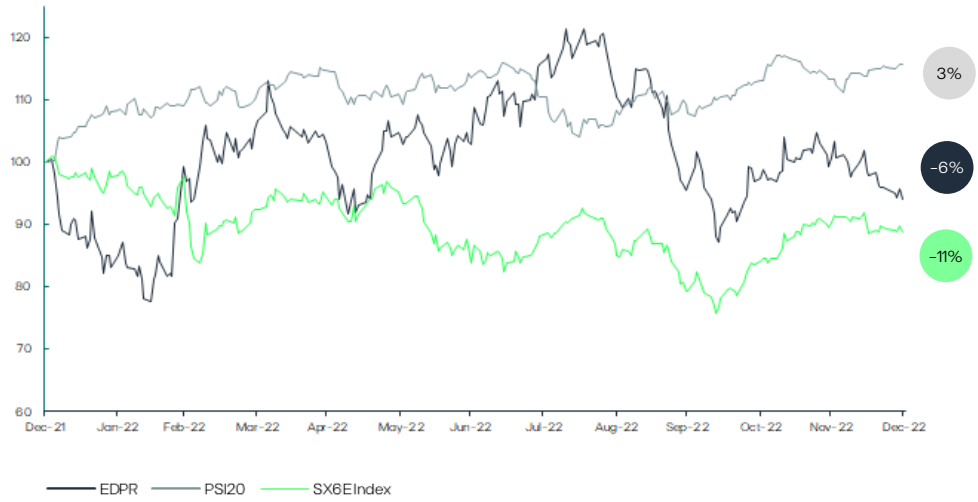
1.2.2 Share performance

EDPR has 960.6 million shares listed and admitted to trading in NYSE Euronext Lisbon, following the successful share capital increase concluded in April. On December 31st, 2022, EDPR had a market capitalisation of €19.8 billion, and equivalent to €20.58 per share. In 2022 total shareholder return was -6%, considering the dividend paid on April 29th of €0.09 per share.

Indexed EDPR Share Performance vs. PSI20 & SX6E



EDPR IN CAPITAL MARKETS	2022	2021	2020	2019
Opening Price (€)	21.90	22.80	10.42	7.78
Minimum Price (€)	17.00	16.17	8.82	7.72
Maximum Price (€)	26.55	25.69	23.00	10.50
Closing Price (€) (adjusted for dividend and splits)	20.58	21.90	22.80	10.42
Market Capitalisation (€ Millions)	19,768	21,036	19,889	9,089
Total Traded Volume: Listed & OTC (Millions)	712.6	1,016.10	381.9	162.7
of which in Euronext Lisbon (Millions)	379.3	552.2	48.0	36.2
Average Daily Volume (Millions)	2.77	3.95	1.49	0.64
Turnover (€ Millions)	13,989	20,079	4,966	1,503
Average Daily Turnover (€ Millions)	54.43	77.85	19.32	5.89
Rotation of Capital (% of Total Shares)	74%	106%	44%	19%
Rotation of Capital (% of Floating Shares)	296%	423%	195%	83%
Total Shareholder Return	-6%	-3%	120%	36%
Share Price Performance	-6%	-4%	119%	34%
PSI 20	3%	14%	-6%	10%
Dow Jones Eurostoxx Utilities	-11%	4%	10%	22%

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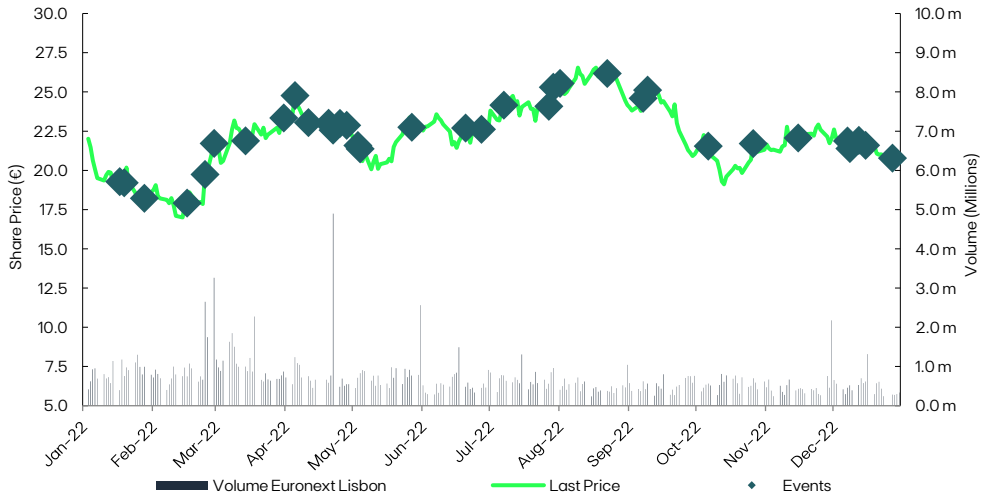
RELEVANT EVENTS		
1	17-Jan	EDPR informs about UKs ScotWind offshore wind auction
2	17-Jan	EDPR informs about changes in Corporate Bodies
3	19-Jan	EDPR informs about 2021 operating data
4	28-Jan	EDPR informs about conclusion of Asset rotation deal of a 221 MW wind portfolio
5	16-Feb	EDPR informs about FY 2021 Results
6	24-Feb	EDPR informs about completion of Sunseap acquisition in the APAC region
7	27-Feb	EDPR informs about the results of the NY bight offshore auction in the US
8	28-Feb	EDPR informs on the Notice of the General Shareholders Meeting of March 31, 2022
9	14-Mar	EDPR informs about notification of qualified shareholding of Blackrock
10	31-Mar	EDPR informs about resolutions of the Annual General Shareholders Meeting
11	31-Mar	EDPR informs about the payment of dividends of FY 2021
12	05-Apr	EDPR informs about grid connection in floating solar auction in Portugal
13	11-Apr	EDPR informs about PPAs secured for a 240 MW solar park in Texas
14	20-Apr	EDPR informs about PPA secured for a solar park in Brazil
15	22-Apr	EDPR informs about PPAs secured for a solar portfolio in the US
16	25-Apr	EDPR informs about notification of decrease of qualified shareholding of Blackrock
17	28-Apr	EDPR informs about conclusion of Asset rotation deal of a 149 MW wind portfolio in Poland
18	03-May	EDPR informs about changes in Corporate Bodies
19	04-May	EDPR informs about 1Q22 Results
20	27-May	EDPR informs about PPAs secured for a 124 MW wind project in Brazil
21	20-Jun	EDPR informs about representative for relations with the market
22	27-Jun	EDPR informs about conclusion of Asset rotation of a wind portfolio in Spain
23	07-Jul	EDPR informs about CfD awarded to offshore project in the UK
24	27-Jul	EDPR informs about 1H22 Results
25	29-Jul	EDPR informs about the acquisition of a solar development platform
26	29-Jul	EDPR informs about Asset rotation deal of a wind portfolio in Italy
27	01-Aug	EDPR informs about PPA secured for 200 MW solar project in the US
28	22-Aug	EDPR informs about allocation of offshore wind capacity in Scotland
29	07-Sep	EDPR informs about the conclusion of solar PV deal in APAC

RELEVANT EVENTS		
30	09-Sep	EDPR informs about closing of Asset rotation deal of a wind portfolio in Italy
31	06-Oct	EDPR informs about the closing of a deal to acquire a solar development platform
32	06-Oct	EDPR informs about Asset rotation deal of a wind portfolio in Brazil
33	26-Oct	EDPR presents 9M22 Results
34	15-Nov	EDPR informs about PPA secured for a 200 MW wind project in the US
35	07-Dec	EDPR informs about notification of qualified shareholding of Blackrock
36	08-Dec	EDPR informs about California offshore wind auction
37	12-Dec	EDPR informs about notification of qualified shareholding of Blackrock
38	15-Dec	EDPR informs about PPA secured for a solar project in the US
39	27-Dec	EDPR informs about Asset Rotation through Build & Transfer of 200 MW Solar Park in US



Source: BLOOMBERG / EDPR

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1.3. Organisation

1.3.1. Shareholder structure

EDPR shareholders are spread across more than 30 countries, being EDP the main shareholder.

Since the successful Share capital increase in April 2021, where 88,250,000 new shares were issued at a subscription price of seventeen euros per share for a share premium of twelve euros, EDPR total share capital is composed of 960,558,162 shares with a nominal value of five euros each, fully paid. All these shares are part of a single class and series and are admitted to trading on the Euronext Lisbon regulated market.

Major shareholders, the EDP Group

The majority of the Company's share capital is owned by EDP Group, holding 74.98% of the share capital and voting rights. EDP group is a global company operating in all parts of the energy industry chain, from generation to the distribution and supply of gas and electricity. Over the past four decades, the company has built a significant position in the global energy landscape, establishing a presence in 29 markets on 3 continents. With over 13,000 employees, EDP supplies electricity and/or gas to over 9 million customers and is a sustainability partner for its clients, offering products and services in solar energy, energy efficiency, electric mobility, among others.

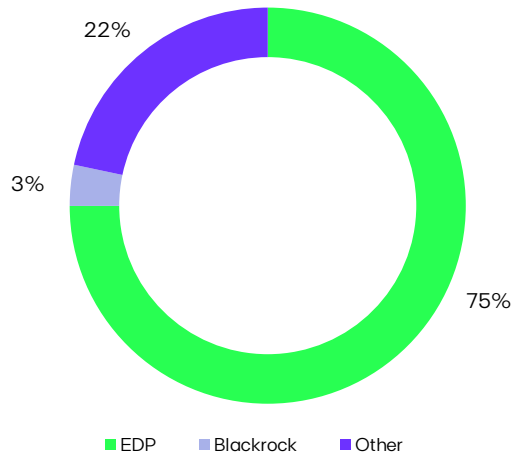
By the end of 2022, EDP had an installed capacity of 28.0 GW, generating 61.4 TWh of energy, of which 74% came from renewables. In this context, sustainability is part of the company's DNA, which is why the EDP Group has been a member of the Dow Jones Sustainability Index for more than 15 years.

Other qualified shareholders

Besides the qualified shareholding of EDP Group, Blackrock Inc. – a US global investment manager – communicated to CNMV the 12th of December 2022 an indirect qualified position, as collective investment institution, of 3.00% in EDPR share capital and voting rights.

As of December 31st, 2022, Blackrock Inc. owned 3.34% of EDPR share capital and voting rights.

EDPR shareholder structure



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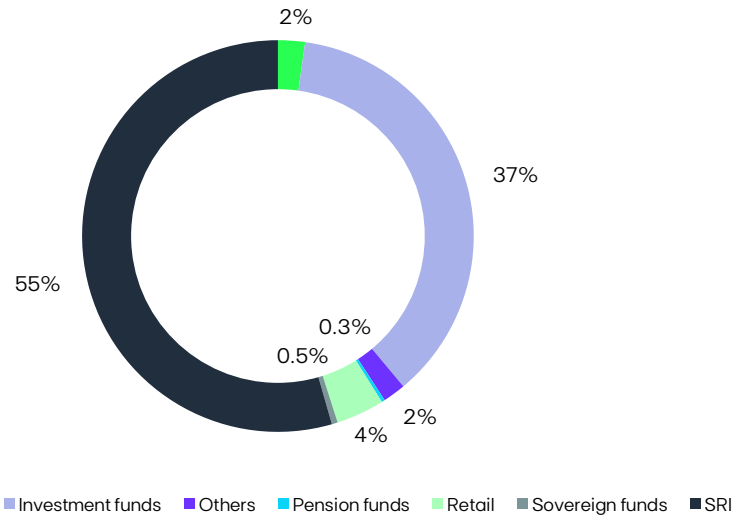
Broad base of investors

EDPR has an international base of investors. Excluding EDP Group, EDPR shareholders comprise close to 30,000 institutional and private investors spread worldwide.

Within institutional investors, which represent about 96% of shareholder base (ex-EDP Group), sustainable and responsible funds (SRI) are the major type of investor, followed by investment funds.

In this context, EDPR is a member of several financial indexes that aggregate top performing companies for sustainability.

Shareholders (Ex-EDP) by Type

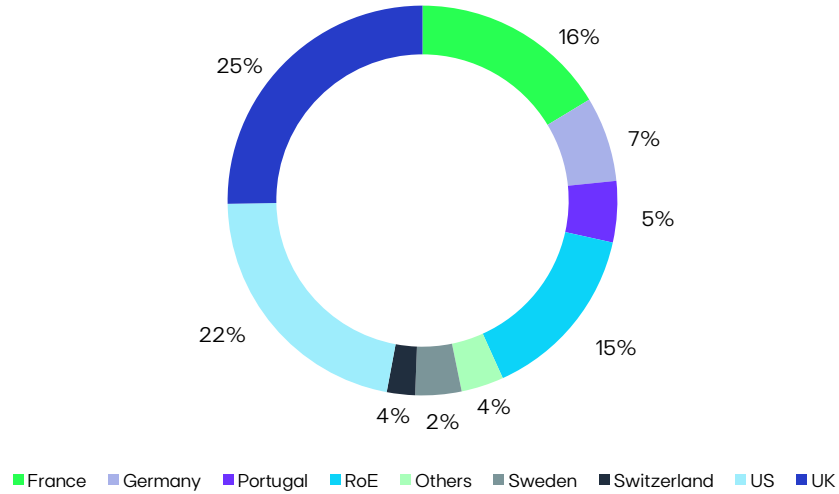


Worldwide shareholders

EDPR shareholders are spread across more than 35 countries.

The United Kingdom is the most representative country accounting for 25% of EDPR's shareholder base (ex-EDP Group), followed by the US, France, Germany, Portugal, Sweden and Switzerland. In the Rest of Europe, the most representative countries are Spain, Belgium, Norway and Austria.

Shareholders (EX-EDP) by Country



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1.3.2. Governance model

The organisation and functioning of EDPR's corporate governance model aim to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices.

Regulatory framework

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. The corporate organisation of EDPR is subject to its personal law and to the extent possible, to the recommendations contained in the Corporate Governance Code of the *Instituto Português de Corporate Governance* ("IPCG"). As such, the Company intends to comply with both legal systems but always considering that its personal law is the Spanish one and that in case of discrepancy the aim is to adopt the law that entails more protectionism for its shareholders.

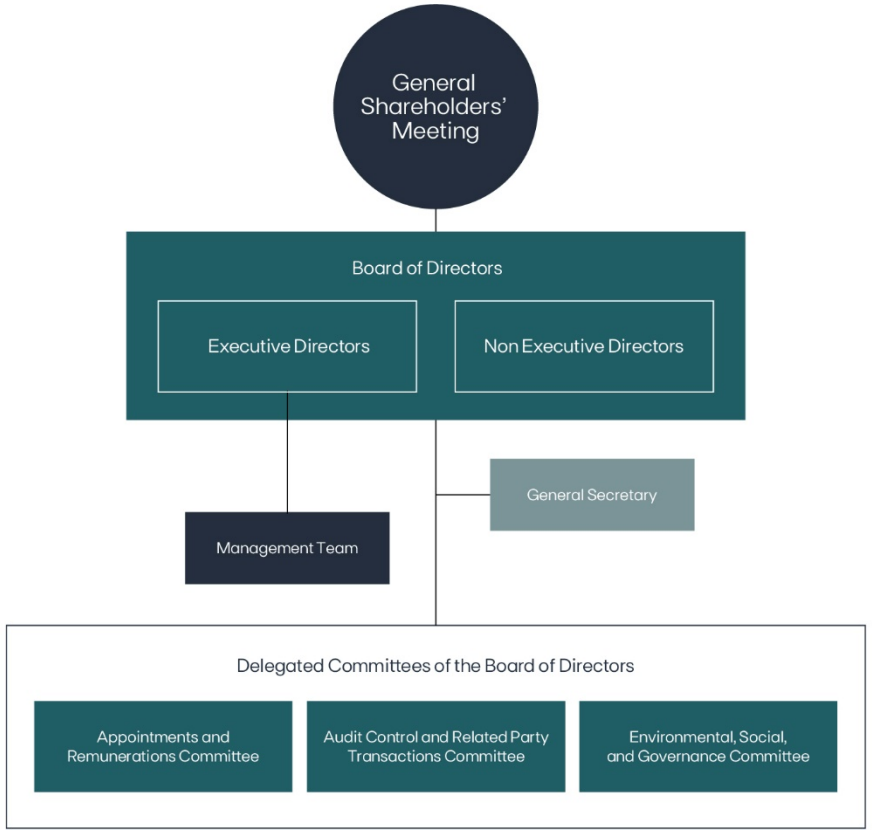
The Company's governance model is the one applicable under its personal law, and EDPR parallelly seeks to correspond it to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit, Control and Related Party Transactions Committee.

Governance structure

In line with the framework above referred, the Company's governance model comprises a General Shareholders' Meeting and a Board of Directors that represents and manages the Company. In addition, EDPR's Board of Directors has set up three Delegated Committees entirely composed by Members of the Board of Directors: the Audit, Control and Related-Party Transactions Committee; the Appointments and Remunerations Committee; and the Environmental, Social and Corporate Governance Committee. This structure and its functioning enables a fluent workflow between all levels of the governance model, as: i) each of the Delegated Committees shall report the decisions taken to the Board of Directors and ii) as the Committees' members are also members of the Board, all of them will also receive the complete information at Board of Directors in order to take the corresponding decisions; and all in all, thus ensuring in time and manner the access to all the information to the whole Board of Directors in order to appraise the performance, current situation and perspectives for the further development of the Company.

The experience gained operating the Company through this structure indicates that the governance model approved by EDPR shareholders, and adopted in EDPR, is the most appropriate in line with the corporate organisation of its activity, especially because it ensures the transparent and meticulous separation of duties, management, and the specialisation of supervision.

Governance Model



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Governing bodies

General Shareholders' Meeting

The General Shareholders' Meeting is the body in which the shareholders participate. It represents the Company with the full authority corresponding to its legal personality and has the power to deliberate, vote and adopt decisions, particularly on matters that the law and Articles of Association reserve for its decision and that must be submitted for its approval.

Board of Directors

The Board of Directors is the body that represents and administrates the Company under the broadest powers of management, supervision, and governance with no limitations other than the responsibilities expressly and exclusively granted to the jurisdiction of the General Shareholders' Meeting in the Company's Articles of Association, in the General Shareholders' Regulations or in the applicable law. EDPR's BoD shall consist of no less than five (5) and no more than seventeen (17) members (including a Chairperson), who are elected for 3 years period and that may be re-elected for equal periods. In the Shareholder's Meeting held on February 22nd, 2021, it was approved to adjust the total members of EDPR's BoD in twelve (12).

The commitment of EDPR with ESG best practices and with the continuous improvement of its corporate governance was again reflected in the composition considered for its governing bodies during 2022, which enabled an agile, independent and diverse corporate governance structure. EDPR's Board of Directors is composed by twelve (12) members of which 10 non-executive, and has an independent Chairperson. The presence of independent Directors and women is key for EDPR, representing 50% and 33% of the composition of the Board respectively. In addition, in line with EDPR's commitment with the best corporate governance practices, 100% of the members of the delegated Committees are independent.

On January 17th, 2022, EDPR received the resignation of Mrs. Joan Avalyn Dempsey as member of EDPR's BoD. On its meeting held on February 9th, 2022, the Appointments and Remunerations Committee analysed the criteria drivers to launch the recruitment process to cover this position, concluding that the most adequate profile should contribute to the diversity and independence of the Board, and be acquainted with the sector and American market, which would be a profile difficult to find before the next Shareholders' Meeting. In this context, the General Shareholders' Meetings held on March 31st, 2022 approved the continuation of the existing vacancy on the Board of Directors and expressly setting forth that the Board of Directors may fill it by co-option after that General Meeting had been held.

It was. on May 3rd, 2022 that following the proposal presented by the Appointments and Remunerations Committee, the BoD approved the appointment by co-option of Mrs. Kay McCall as an independent member to fill the vacancy. This appointment entered into effect on June 1st, 2022 and will be proposed for ratification to the next General Shareholders' Meeting.

Thus, the composition of EDPR's Board of Directors as of December 31st, 2022, is the following:

- António Gomes Mota, Chairperson and Independent Director;
- Miguel Stilwell d'Andrade, Executive Vice-Chairman and CEO;
- Rui Teixeira, Executive Director and CFO;
- Vera Pinto Pereira, Dominical Director;
- Ana Paula Marques, Dominical Director;
- Miguel Setas, Dominical Director;
- Manuel Menéndez, External Director;
- Acácio Piloto, Independent Director;
- Allan J. Katz, Independent Director;
- José Félix Morgado, Independent Director;
- Rosa García, Independent Director;
- Kay McCall, Independent Director.

Executive Directors

EDPR has two Executive Directors who are also Joint Directors – Miguel Stilwell d'Andrade (CEO) and Rui Teixeira (CFO) – to whom the Board agreed to delegate all the competences that can be delegated as per established under the Company Bylaws and the applicable law.

Delegated Committees of the Board of Directors

As regulated by the applicable Law and pursuant to the best corporate governance recommendations, EDPR has set up three additional specialised internal committees, which are entirely composed by non-executive and independent Directors.

Audit, Control, and Related Party Transactions Committee

The main duties of the Audit, Control and Related Party Transactions Committee are the supervision of the financial information and internal control, risk management and Compliance systems. It also assumes the functions related to the analysis and, when applicable, the approval of the Related Party Transactions of the Company.

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The Audit, Control, and Related Party Transactions Committee consists of three (3) non-executive and independent members, who as of December 31st, 2022, are the following:

- Acácio Piloto, who is the Chairperson
- Rosa García
- José Félix Morgado

Appointments and Remunerations Committee

The main duties of this Committee are the assistance and report to the Board of Directors in the appointments, re-elections, dismissals, evaluation, and remunerations of the members of the Board of Directors and Management Team members.

The Appointments and Remunerations Committee consists of three (3) non-executive and independent directors, who as of December 31st, 2022, are the following:

- António Gomes Mota, who is the Chairperson
- Rosa García
- José Félix Morgado

Environmental, Social and Corporate Governance Committee

Considering: i) that Environmental, Social and Corporate Governance issues are gaining more relevance; ii) that the new investor profiles demand more and better information on the ESG performance of companies; and iii) the new regulation trends that aim to get commitment with the integration of these aspects; during 2022 it was analysed the convenience of incorporating a delegated committee specialised on these matters.

In this sense, on October 25th, 2022, the Board of Director agreed, in accordance with the proposal submitted the Appointments and Remunerations Committee, to incorporate in EDPR an Environmental, Social and Corporate Governance Committee, and also specifically approving its competences, composition, remuneration of its members and the regulations applicable to the Committee.

The main duties of the Environmental, Social and Corporate Governance Committee are the assistance and report to the Board of Directors in the alignment with the market trends and the company needs regarding Environmental, Social and Corporate Governance matters, with the aim of also providing the investors with more transparent and exhaustive information regarding matters related to Corporate Governance and the Environmental and Social pillars.

The Environmental, Social, and Corporate Governance Committee consists of five (5) non-executive an independent, that as of December 31st, 2022, are the following:

- António Gomes Mota, who is the Chairperson
- Allan J. Katz
- Kay McCall
- Rosa García
- José Félix Morgado

Management structure

Management team

In January 2021, the Board of Directors agreed to create this body in order to assume the conduction and supervision of the daily activity and performance of the Company. Then, throughout the year, considering EDPR's growth tendency and its presence in new geographies, the appropriate composition of the Management Team was analysed to ensure the required support of both business and technical needs.

Accordingly, it was agreed to establish a new structure for the Management Team that entails the following composition: the CEO and CFO, the representatives of EDPR's Platforms (Europe & Latin America, North America and Asia-Pacific) and a member in charge of the coordination of the technical functions and offshore business.

In this context, as of December 31st, 2022, the composition of the Management Team was the following:

- Miguel Stilwell d'Andrade (CEO)
- Rui Teixeira (CFO)
- Duarte Bello (COO Europe & Latin America)
- Sandhya Ganapathy (COO North America)
- Pedro Vasconcelos (COO Asia-Pacific)
- Bautista Rodríguez (CTO & Offshore Business)

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Remuneration policy

EDPR's governance model is reinforced by an incentive structure with transparent remuneration. The definition of the proposal of the remuneration policy for the members of the Board of Directors is incumbent on Appointments and Remunerations Committee, which is appointed by the Board of Directors.

The Remuneration Policy applicable for the reporting period was approved by the General Shareholders' Meeting and maintains a structure with a fixed remuneration for all members of the Board of Directors, whereas for the Executive Directors also defines a fixed and a variable remuneration based on key performance indicators, with an annual component and a multi-annual component.

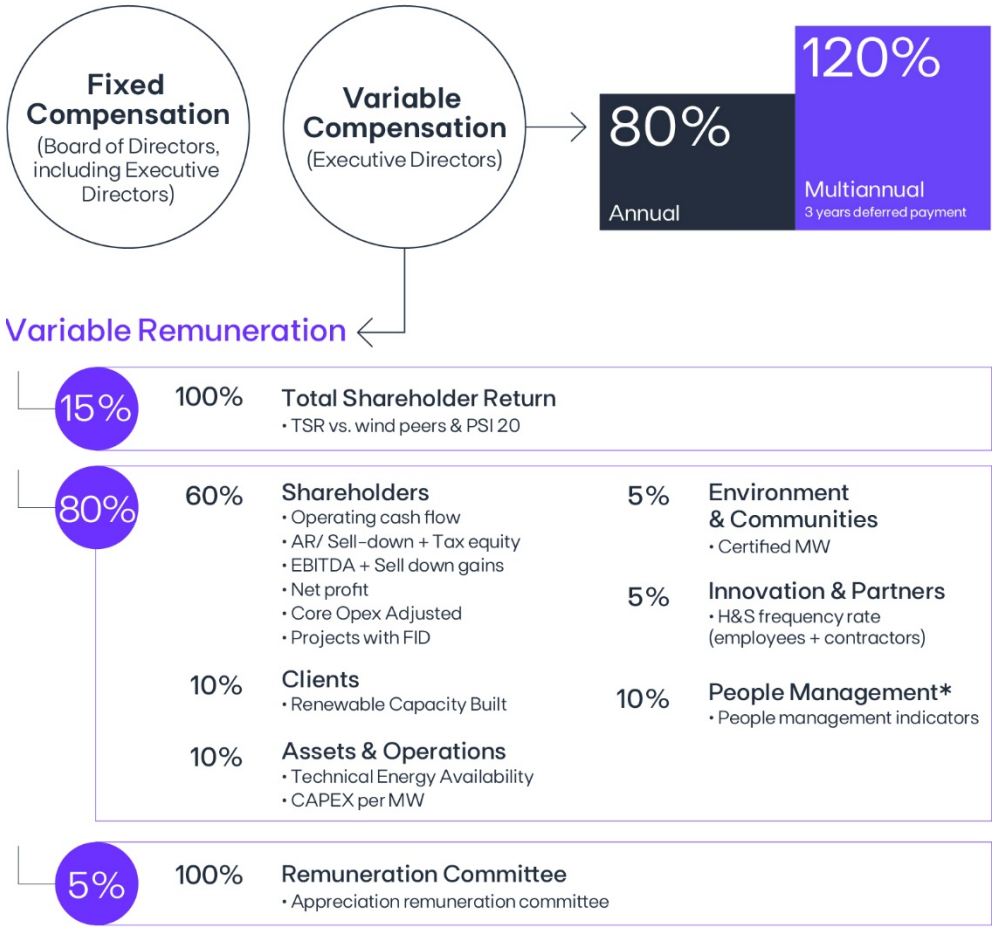
Variable annual and multi-annual remuneration will be a percentage of fixed annual component, with a superior weight for multiannual vs. annual component (120% vs. 80%). The key performance indicators (KPIs) used to determine the amounts of the annual and multi-annual variable remuneration for each year of the term are proposed by the Appointments and Remunerations Committee with the aim of aligning them with the strategic pillars of the Company: growth, risk control and efficiency.

The Remuneration Policy establishes that the indicators shall be set in accordance with 6 clusters: (i) Shareholders, (ii) People, (iii) Environment & Communities, (iv) Assets and Operations, (v) Innovation & Partners, and (vi) Clients, though 14 KPIs, including all dimensions of EDPR's strategy. Each of such clusters shall have at least one indicator.

All in all, EDPR considers that its Remuneration Policy includes key elements to enhance the Company's management performance not only focused on short-term objectives, but also incorporate as part of its results (as in particular with regards of the assignation of the variable remuneration) the interests and sustainability of the Company and of shareholders in the medium and long term.

Remuneration Policy

Components



For further detailed information regarding the responsibilities and roles of the different social bodies, its activity during 2022, and the Company's up-to-date articles of association and regulations, please refer to the Corporate Governance section of the report (chapter 5) and visit www.edpr.com.

*The policy has considered the labour conditions and the remuneration of the Company employees in order to define its terms, and in particular, has established this KPI, that includes the results of the Climate Survey launched to the employees in which the satisfaction level with the performance and applicable conditions is reflected.

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1.3.3. Organisation structure

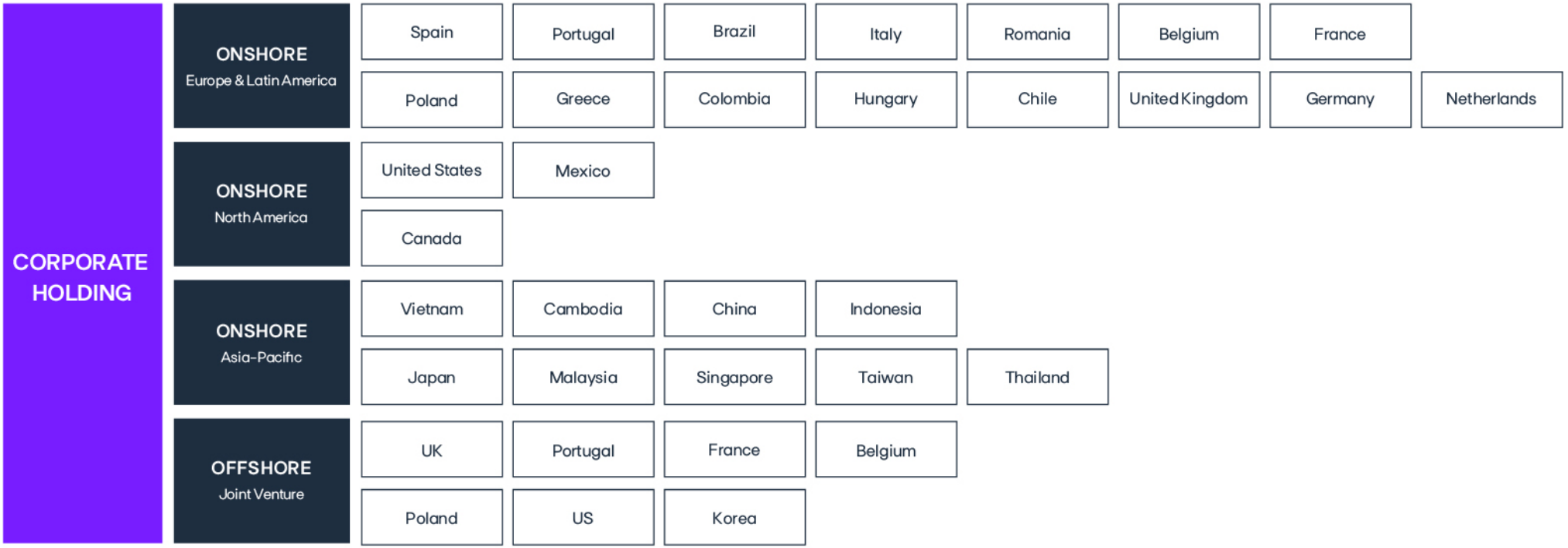
EDPR has grown significantly in a short period of time and will continue to step-up its growth, in line with its ambitious objectives for 2025. In this context, the Company's operative model is evolving to have an adequate organisation to cope with the strategic ambitions and enhanced growth standard.

Accordingly, EDPR's organisation structure was defined based in the following fundamentals:

- Ensure corporate functions enable growth, maximize efficiency, and promote one global company;
- Empower core regions (Europe, Latin America, North America and Asia-Pacific) to lead growth and development;
- Leverage existing transversal logic in key business functions, with central and local resources;
- Ensure new technologies (such as storage and hydrogen) are nurtured and amplified by regions and foster further continuous and disruptive innovation.

As a result, EDPR's organisation model is organised around five main elements: a Corporate Holding, Onshore Europe & Latin America (EU & LATAM) platform, Onshore North America (NA) platform, Onshore Asia-Pacific (APAC) platform and Offshore platform. Each platform includes different business units specialised in each of the market's specificities.

This structure provides a perfect balance between the global view necessary to further develop EDPR's leadership in global renewable energy and the local approach that is critical for the successful development of our wind farms and solar plants, ensuring alignment with the defined strategy, optimising support processes and creating synergies.



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Organisational model principles

The principles on which EDPR bases its organisational model are defined by the Management Team. These are a set of performance aspects that define the characteristics of the relationships, grant the rights between EDPR Holding and the business units, and ensure optimal efficiency and value creation.

Accountability alignment
Critical KPIs and span of control should be hierarchically aligned at project, country, platform and holding level to endure accountability tracking, and to take advantage of complementarities derived from end-to-end process vision.

Client-service
Corporate areas function as competence support centers and are internal service providers to all business units for all geographical non-specific needs. Business priorities and needs are defined by local businesses, and best practices are defined and distributed by corporate units.

Lean organization
Execution of activities at holding level are held only when significant value is derived, coherently with defined EDPR holding role.

Reinforce collegiate decision making
Ensure proper country-balance dynamics to ensure multiple-perspective challenge across functions

Clarity and transparency
Platforms organization models should remain similar, to allow for:
1) Easy coordination, vertically (holding-platforms) and horizontally (across platforms);
2) Scalability and replicability to ensure efficient integration of future growth.

EDPR holding

EDPR Holding seizes value creation through the dissemination of best practices in the organisation and the standardisation of corporate processes to the platforms and the business units to improve efficiency. The internal coordination model and interface with EDP Group impacts functions and responsibilities of both the Company's processes and structure. The assignments of the main responsibilities and activities of EDPR Holding to fulfil their respective missions include:

- Define internal structures;
- Ensure a global budget and its periodic monitoring;
- Manage the essential human resources;
- Provide appropriate management information;
- Compete for a culture of excellence throughout the Group;
- Integrate risk management and compliance in each area of responsibility, ensuring the monitoring and effectiveness of controls.

Strategic Management

Covers the activity of EDPR Holding to support the Management Team

- Define strategy objectives, policies, rules and procedures;
- Promote the dissemination of the EDPR culture and best practices;
- Review the accomplishment of the Company's business plan;
- Control key performance indicators.

Transversal Operation

Systematically and progressively coordinate between EDPR Holding and the Business Units

- Leading the activities included in the mission and functions of corporate addresses;
- Align the policies and strategies of each Business Unit;
- Ensure a functional reporting including policies, plan of action of activities;
- Linking the regulatory obligations of each Business Unit with efficient and effective management by leveraging corporate knowledge to maximise the interests and results of the Group;
- Capture synergies and optimise support processes.

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EDPR platforms

The four platforms are defined as: Onshore Europe & Latin America, Onshore North America, Onshore Asia-Pacific and Offshore.

Onshore Europe & Latin America platform

After its consolidation in Spain since 1997 as one of the leading companies in the renewable industry, EDPR continued to expand its business in Europe in 2007 with the entry, throughout these years, in other markets such as Portugal, France, Belgium, Italy, Poland, Romania, and more recently Greece, Hungary, UK, Germany and Netherlands.

In South America, EDPR's history began in 2009 through Brazil, entering in the Colombian market ten years later and in the Chilean market in 2021.

In this platform, the technologies that represent the installed capacity are wind and solar photovoltaic (PV).

Onshore North America platform

As part of its growth strategy, EDPR entered the US market in 2007, having more than doubled its wind power production capacity since.

This first approach to the North American market was followed by EDPR's activity in Canada and Mexico and reinforced by its recent entry into distributed solar (DG) power generation in the US in 2021.

On the North American Onshore platform, along with solar DG, wind and solar PV make up the installed base of technologies.

Onshore APAC platform

EDPR entered in Asia through a solar PV project in Vietnam in 2021.

In February 2022, EDPR concluded the acquisition of a majority stake in Sunseap, which has become the most established home-grown clean energy solutions provider in Singapore, being the largest owner and developer of rooftop PV systems. Backed by its strong market position as a leading Pan-Asian solar player, Sunseap is the largest distributed solar player in SEA and top 4 largest solar player in SEA, with an expanding presence.

As a result, EDPR is currently present in 9 APAC markets: Vietnam, Singapore, China, Taiwan, Japan, Cambodia, Malaysia, Thailand, and Indonesia.

The APAC Onshore platform's installed technologies are solar photovoltaic (PV) and distributed solar (DG).

Offshore platform

EDPR has a 50:50 Joint Venture with ENGIE (Ocean Winds) for offshore wind energy since 2020, which grants the development of projects in the United Kingdom, Portugal, France, Belgium, Poland, South Korea, and the United States.

Ocean Winds develops both bottom-fixed and floating offshore wind farms.

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1.3.4. Integrity and ethics

EDPR is global energy company, focused on creating value, innovation and sustainability, which operates a business based on a commitment to excellence, serving its stakeholders and making a decisive contribution to a responsible energy transition. One of its most valuable assets is its reputation, which is why EDPR is committed to carrying out all its activities ethically in the different markets in which it operates and acting on principles that derive from its identity. In this context, EDPR is committed to act in accordance with the highest ethical and compliance standards.

Ethics

The Code of Ethics refers to principles of action that include compliance with legislation, integrity regarding matters such as bribery and corruption, respect for human and labour rights, transparency, and corporate social responsibility, including its contribution to sustainable development and its responsibility for the economic, environmental, and social impacts of its decisions and activities. This Code is a privileged tool that frames the reflection on ethics, but it is essentially a guide to support employees in their daily decisions when performing their job activities. It does not override the law and regulations – which must always be fully and scrupulously complied with – but rather complements them by supporting responsible decision making.

In that sense, EDPR's Code of Ethics applies to all Company employees regardless of their position in the organisation and working location, and they all must comply with it. Additionally, the commitments in this Code are equally applicable to EDPR business partners, representatives and suppliers who are, in any way, entitle to act on behalf of EDPR. The Code of Ethics is published on the intranet and website of EDPR, and all employees have access to it. In this sense, all the employees (including new hires) have to confirm its acknowledgement annually. Likewise, this Code has been widely circulated to the employees of the Group through internal communications, and the new hires receive a specific training on introduction to the Code of Ethics (Let's live our Code of Ethics).

During 2022, the Code of Ethics has been reviewed and updated, being approved by the Ethics Committee and the Board of Directors of EDPR in October.

This review considers the established in the Directive (EU) 2019/1937 on the protection of persons who report violations of Union law (incorporation of the speak up channel) and also to achieve a greater alignment with the purpose and strategy of the Group: "Changing Now Tomorrow".

As consequence of the above, in 2022 EDPR has reviewed and merged all its whistleblowing channels and has launched the corporate channel "Speak Up".

The Speak Up channel is a global channel, that welcomes the reporting of alleged violations, either of the Code of Ethics, or of any legal issues – among which are those provided for in the Directive (EU) 2019/1937 – as well as internal policies and regulations. Additionally, in geographies where required by local laws, EDPR has specific Speak Up channels. These channels are published in the official website available to all the employees and to any interested party (https://www.edpr.com/en/speak-up).

Through these channels, reporting will follow a robust, effective, and efficient management process, supported by an independent governance model – which includes EDPR's Ethics Committee, the Ethics Ombudsman and, in matters relating to integrity issues or certain specific legislation, the Compliance area.

An essential aspect of the reporting process is the protection of the whistle-blowers, who can also make denounces in an anonymous way. This commitment is predicated on full respect for the principle that anyone who uses the reporting methods in good faith and with justification will be protected from censure or retaliation. Additionally, all information exchanged is kept confidential and secured against unauthorized access, so that personal data protection is assured.

In 2022, there were nine (9) claims submitted through the Speak Up channel or the previous existing channels, of which 6 were considered as founded (2 with an action plan and 4 with a monitoring plan defined), 1 as inconclusive (there is not enough evidence to confirm the infraction) and 2 are under analysis.

The Ethics Ombudsperson, an independent third party that is behind the Speak Up channel, receives the complaints and doubts submitted through this channel and investigates and documents the procedure for each of them. The appointment for this position is made by the Ethics Committee and approved by the Board of Directors and its main functions are detailed in the Corporate Governance section of this report (chapter 5). Since January 2019, the Ombudsperson of EDPR is Maria Manuela Casimiro da Silva.

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To support and achieve its Ethics commitments and initiatives, and with the aim of minimising the risk of unethical practices, generating transparency and trust in relationships, EDPR has implemented the following actions:

- **Ethics Committee:** EDPR revised the organisation and functioning of its Ethics Committee to ensure best practices in terms of its composition and scope of action. The main functions of the Committee are detailed in the Corporate Governance section of this report (chapter 5). The Ethics Committee is composed by the Chairman of the Appointments, Remunerations and Corporate Governance Committee, who shall chair the Committee; the Chairman of the Audit, Control, and Related Party Transactions Committee; the Ethics Ombudsperson; the Compliance Officer; the Human Resources Director; the General Counsel & Compliance of EDPR North America LLC.; and the Secretary of the Board of Directors, who shall also perform the duties of the Secretary of the Ethics Committee meetings.
- **Ethics survey:** During this year, the results of the survey launched in November 2021 have been analysed and an action plan has been developed.
- **Celebration of the Global Ethics Day:** On October 19th, EDPR celebrated the Global Ethics Day, and with the goal of reinforcing the ethics culture, the Ethics Ombudsperson and the Compliance officer published messages in the intranet highlighting the relevance of Ethics and Compliance in our organization.

Corporate compliance

The implementation of a solid corporate culture of integrity and transparency has always been a priority for EDPR, structuring its supervision and monitoring through a regulatory compliance conduct basis and through the adoption of ethical values and principles, both consolidated as central elements of its business model.

In order to lead and manage the necessary measures for this implementation and functioning, the Company has a Compliance Officer.

In addition, EDPR has a Global Compliance Model which applies to the whole EDPR Group, maintaining the idea of establishing Compliance as a strategic part of the Company's corporate culture.

In the definition of the Global Compliance Model, the Global Compliance structure has been defined and a great effort has been made to develop a robust set of policies and procedures for the Group, which include the following:

- The **Code of Conduct for Top Management and Senior Financial Officers**, approved by the Board of Directors, that reinforces and complements the Code of Ethics, and reflects the commitment of the people who have been given the responsibility and power to carry out the supervisory and administrative functions of the EDPR Group.
- The **Compliance Standard**, approved by the Board of Directors and updated in 2022, which establishes the principles and procedural rules that govern the carrying out of the Compliance function and the specific Compliance functions of all employees.

The Global Compliance Program integrates specific programs depending on the risks affecting the Group:

- A specific **Integrity Compliance Program**, focused on the prevention of corruption and bribery risks: EDPR has a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all business dealings and relationships wherever the Company operates. For this reason, the specific Integrity Compliance Program has as its central axis the Integrity Policy, which was approved by the Board of Directors and updated in 2022.The Integrity Policy has been complemented by other procedures that facilitate the application of this Policy, such as:
  - The Donations and Sponsorships Procedure, approved by the Management Team.
  - The Offers and Events Procedure, approved by the Management Team and updated in 2022.
  - The Conflict of Interest Procedure, approved by the Management Team.
  - The Integrity Due Diligence Procedure and the Procedure for relationship with Public Officials and Politically Exposed Persons,. The creation of a technological platform for third-party analysis, which can be used by all Group employees, is noteworthy. Both of them have been reviewed and updated in 2022.
  - The Intermediary Agreements Procedure, approved by the Management Team in 2022.
- A specific **Criminal Compliance Program,** focused on the prevention of criminal risks in Spain considering the regulation in Spain. The Criminal Compliance Policy, initially approved in December 2017, was updated during 2022.

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- A specific **Personal Data Protection Program Compliance**, focused on the protection of personal data to which EDPR has access and for which it is responsible. In this context, the Company has been strengthening its management system to ensure the adequacy of EDPR Group's entities to the applicable legal requirements regarding Data Protection in the different geographies. The specific Personal Data Protection Compliance Program has as its central axis in the principles of reflected on the Personal Data Protection Policy, approved by the Board of Directors. The main matters involved this Program are periodically reviewed taking into account new requirements and the expansion of the Group in new geographies:

    - The Cookie Policies across different geographies have been updated in 2022.
    - Since September 2022, the internal Data Protection Procedures and Methodologies are being reviewed taking into account the regulatory requirements established in the legislations of the new geographies in which EDPR has a presence.
    - In October 2022, EDPR started a Project for the review and identification of International Personal Data Transfers accompanied by the elaboration of a Gap Analysis and Action Plan for the subsequent regularization of those transfers that may require it.
    - In December 2022, EDPR started the development of a new Master Data Protection Policy at a Group Level.

Within the context of the Global Compliance Program, additional activities performed during 2022 to strengthen corporate compliance were:

- The risk and control matrix was updated. All the areas/departments of EDPR have reviewed the assigned controls and have validated the applicable controls (self-assessment).
- A Control Audit Plan was established, and the controls assigned in the Plan were audited by an independent third party.
- The Risk Assessment Methodology was updated in order to have a more objective risk assessment.
- The reporting system to Top Management and Senior Management was improved, establishing reports about the Global Compliance Model to: (i) the CEO (monthly), (ii) the Audit Control and Related Party Transactions Committee (quarterly), (iii) the Management Team (yearly) and (iv) to the Board of Directors (yearly).

All this normative development implied a strong work to make the new policies and procedures of the Group known, with training and communication in the field of Compliance having a special focus this year.

Training and communication are fundamental tools to strengthen and disseminate the ethics and integrity culture. In this sense, the following activities have been developed during the year: (i) Training for specific areas (M&A, Legal, Procurement) on the Integrity Due Diligence Procedure; (ii) Transversal trainings based on the Compliance Management System, integrity and personal data protection (iii) Training on Ethics for Middle Management, (iv) Training sessions in person in different geographies (Italy, Greece, France, Romania, Brazil, Colombia and Hungary) and (v) training on Ethics and Criminal Compliance to the new hires.

During 2022, 78% of employees completed at least one course of the Ethics or Compliance trainings launched.

These trainings were complemented with communication activities. In addition, specific communications have been made on: (i) the monthly Ethics and Compliance Comic which shows practical cases on the application of the Code of Ethics and the Compliance policies and procedures, (ii) Global Ethics Day campaign, (iii) periodic posts on intranet and internal platforms over compliance topics and (iv) different thematic campaigns as the Privacy Day, GRPD anniversary or anticorruption day.

These achievements allowed EDPR to renew its double certification in Criminal Compliance and Anti-Bribery from AENOR, which verifies and accredits that the company has developed a system of criminal and anti-bribery compliance that meets the requirements of reference standards UNE 19601 and ISO 37001.

With said certifications, EDPR demonstrates that it has an effective anti-bribery management system (ISO 37001) and that its Spanish criminal risks Prevention Model complies with best practices to prevent crime, reduce risk, and foster an ethical and legally compliant business culture (UNE 19601). In addition, these achievements are a recognition of EDPR's commitment to promote a culture of compliance and strengthen values such as integrity, accountability, and transparency.

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Our energy

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2.1. Business environment

2.1.1. General context

2022 overview

Today the world is in the midst of a global energy crisis. The Russian invasion of Ukraine is causing far-reaching disruptions on energy markets that are to be added to the ones caused by the COVID-19 pandemic.

Starting in 2019, the pandemic strained global supply chains mainly due to lockdowns all around the world and, in particular, in China. Clean energy projects were delayed for months or even years as procurement, manufacturing, shipping, and logistics were all affected by the supply chain crisis. Although the world began to gradually lift some of the restrictions by the end of 2020, their impacts are still tangible as supply chain have not completely recovered yet.

In February 2022, the Russian invasion of Ukraine had a profound effect on global energy markets. Russia was the largest exporter of fossil fuels, but the curtailment of natural gas supply to Europe together with the European sanctions banning coal and some oil imports, led to price volatility, supply shortages, and security issues. In addition, the war has, again, disrupted global supply chains, as Ukraine, Russia, and Belarus supply much of the world's key raw materials.

In terms of prices, the shortage of fuels has led to record price levels, exposing consumers to higher energy bills. Record dry conditions in parts of southern Europe have also exacerbated the already fragile situation in the energy markets and contributed to upward price pressures. Rising energy prices have ultimately contributed to high inflationary pressures. In response to inflation, central banks across the world are increasing interest rates, which could be pushing the world towards a global recession, increasing the risk of extreme poverty in many regions all around the globe.

Therefore, today's energy crisis has brought to light the vulnerability of our energy system. Fuel shortages have highlighted the importance of energy security and governments all around the world are seeking to put energy independence at the heart of their energy systems. This has translated in important structural changes, with many countries striving to reduce energy demand, diversify energy suppliers and boost domestic sources.

One potential positive development is that, more than ever before, governments are trying to accelerate the energy transition towards a secure, sustainable, and affordable energy mix. Renewables will be the cornerstone of this transition as they simultaneously address energy security and the climate crisis. The US and the European Union have already taken a big step forward in this regard with the approval in 2022 of the Inflation Reduction Act (IRA) and the REPowerEU Plan.

GLOBAL WARMING IN 2022

According to the Copernicus Climate Change Service, 2022 was the 5th warmest year on record and summer 2022 was the hottest on record for Europe. The annual average temperature in 2022 was approximately 1.2°C higher than in the period 1850-1900. The study also reveals that the last eight years have been the eight warmest on record and that extreme climate events are clearly on the rise.
In 2022, numerous climate catastrophes have caused widespread damage all around the world. In Pakistan, monsoon flooding left about a third of the country under water, affecting around 33 million people and killing more than 1,700. In the summer of 2022, China was hit by its most severe heatwave in six decades, exacerbating a drought that caused power shortages in vast areas of the country and forcing the government to ration electricity in some provinces.
In Europe, an extreme heatwave and a drought hit several countries during the summer of 2022, killing at least 15,000 people, according to the World Health Organization.
In the US, Hurricane Ian, a category 4 Atlantic hurricane that struck western and southeast US, was the second-deadliest storm this century in the US, behind Hurricane Katrina in 2005.

CLIMATE NEGOTIATIONS: 27TH CONFERENCE OF THE PARTIES OF THE UNFCCC (COP 27)

The United Nations Conference of the Parties met in Sharm el-Sheikh (Egypt) from October 31st to November 20th, 2022, for its 27th annual summit ("COP 27").
The main achievement of the COP 27 agreement was a commitment to create a new dedicated fund to support vulnerable developing countries facing loss and damage from climate disasters. However, it remains to be decided how the fund will work, and who will contribute to it financially. The agreement states that the donor group will extend beyond developed nations, opening the door for the inclusion of major emerging economies such as China.
Overall, there was little progress from last year's COP26 meeting in Glasgow on key issues. Despite the energy crisis prompted by the Russian invasion of Ukraine and the urgency to phase out fossil fuels, negotiators failed to reach a commitment on greater cuts to greenhouse gas emissions and an end to fossil fuel use. There were however a few exceptions, with some countries announcing more ambitious nationally determined contributions (NDCs), like Australia, Singapore, Thailand, or Norway, and other announcing faster decarbonization (Turkey and India, among others).

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REPowerEU

At European level, the European Commission adopted in May 2022 the REPowerEU Plan, a proposal to rapidly reduce dependence on Russian fuels and accelerate the energy transition. The Plan aims to end Europe's dependence on Russian fossil fuels as quickly as possible (by 2027, with a 2/3 cut in Russian gas consumption by the end of 2022), using a combination of supply diversification of gas and demand reduction. The strategy plans to increase gas supplies from other producers, including Norway, Algeria, Libya, and Azerbaijan and through higher LNG imports, involving the need to adapt gas infrastructure to allow for the import of more LNG. Plans to reduce natural gas demand are to be built on fuel substitution, mainly increasing the share of renewables, but also increasing, green hydrogen and nuclear, among others.

The REPower plan increases the renewable ambition of the Fit-for-55 Package which was presented in July 2021. In that package, the European Commission proposed that the EU should increase its renewable in energy demand to 40% in 2030. In the REPowerEU, the Commission proposes to increase this target to 45%. The Parliament has already endorsed the new 45% target while most of the EU member states have not done it so far.

Essentially, achieving REPowerEU targets would mean tripling renewable energy additions until 2030, achieving 510 GW of wind and 592 GW of solar PV.

Solar PV is in fact the primary focus of REPowerEU. The 2030 Solar target is increased 122 GW (compared to the previous 470 GW target). A dedicated EU Solar Strategy was also presented to achieve those ambitious solar goals. The Strategy provides recommendation to boost all kind solar PV installations and targets to develop and EU solar industry.

Permitting has been identified as the main barrier to achieve renewables deployment. The Plan includes a proposal to tackle permitting delays to ensure that renewable projects are able to complete the permitting procedure within two years. The Plan also outlines dedicated "go-to" areas for renewables[1] that would be put in place by Member States, with shortened and simplified permitting processes in areas with lower environmental risks.

The REPowerEU plan involves a series of amendments of existing legislation, namely the Renewable Energy Directive whose discussion will continue over 2023

Before that, the Commission released a proposal to speed up permitting process for renewable energy projects, that was agreed in a Council regulation in December 2022.

Inflation Reduction Act

The Inflation Reduction act of 2022 (IRA) was signed into law on August 16th, 2022, representing the most significant legislative action ever to tackle climate change and accelerate the transition towards a clean energy economy. The law aims at achieving its emission-reduction goals through enhanced support of renewable technologies, electric vehicles, green hydrogen, and carbon capture, utilization & storage (CCUS), among others.

QUOTE IRA. JOE BIDEN, PRESIDENT OF THE UNITED STATES

"The new law is not just about today, it's about tomorrow. It's about delivering progress and prosperity to American families."

Targets will be delivered through a combination of grants, loans, rebates, incentives, and other investments to support the goals. The law allocates 369 billion USD in Energy Security and Climate Change programs over the next ten years, the largest climate-related investment by the US government ever seen, to help the country achieve a more clean and sustainable energy matrix. Of this, wind, solar, and storage would receive an estimated $128 billion of tax credit extension and expansion. Crucially, the law adopts long-term energy tax credit structures to support renewable energy projects, giving developers a 10-year window for such incentives versus the previous stop-and-go scheme. These new credits will be available until either 2032 or until the power-sector emissions are 25% compared to 2022 levels.

Expiring tax credits for wind and solar would be extended through 2024, and after this period they would switch to new technology-neutral credits for new emission-free power plants. According to industry estimates, the IRA could contribute to a doubling of the share of renewable energy generation by 2030, relative to current levels.

[1] Now called "Accelerated Renewable Areas".

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2.1.2. The evolution of renewables around the world in 2022

Wind

Global wind additions are expected to remain strong in 2022[2], with analysts[3] forecasting around 95-99 GW of new capacity. If confirmed, total additions would probably be similar than the ones observed in 2020 (95 GW) and 2021 (94 GW). All analysts highlight the challenges faced by the wind industry: in addition to the supply chain disruptions caused by the COVID-19 and delays in project commissioning all around the globe, the wind industry is facing new challenges caused by Russia's invasion of Ukraine.

Regarding offshore wind, new installations are expected to drop by around 50% in 2022, following an extraordinarily good year in 2021. According to consulted analysts, around 9-13 GW of projects are expected to be connected in 2022, with China representing around 50% of new additions. The UK is also expected to drive the record-high-capacity additions in Europe, adding around 3 GW of new capacity.

Overall, China remains the largest wind market, although additions have dropped from last year's record-breaking figures. According to the National Energy Administration (NEA), China added 37.6 GW of wind power, down 21% in annual terms. Experts believe that new installations have been impacted by China's strict pandemic control measures and the end of feed-in tariffs for offshore wind projects. However, the outlook for the next years is promising, in particular following the announcement of the China's Five-Year Plan on renewables that foresees doubling the renewables generation by 2025 (compared to 2020YE levels).

In the European Union, new wind energy installations totalled 15 GW in 2022, according to preliminary data released by Wind Europe, up 33% in annual terms. Onshore wind installations represent around 90% of the total, with Germany, Sweden, Finland, Spain and France leading the ranking. In the offshore field, France commissioned its first offshore wind farm, adding almost 500 MW to the European offshore. The preliminary capacity data exclude the UK, which is expected to drive record-high-capacity additions in Europe, adding around 3.2 GW of new offshore projects.

Although the results are positive, especially in view of the high inflation and supply chain challenges, the Association points out that 15 GW are still significantly short of EU needs in order to reach climate and energy security targets. Permitting is regarded as one of the main barriers to further deployment, although new regulation approved in December 2022 by the European Council should reduce permitting bottlenecks and unlock part of the 80 GW of wind that are currently estimated to be stuck in the licensing process.

In the US, only 8.6 GW of wind projects were connected in 2022, according to the American Clean Power Association (ACP). This slowdown in wind installations is mainly explained by the phase-down of the PTC prior to the passage of the Inflation Reduction Act. No offshore wind projects were commissioned in 2022, but according to the ACP, at least 24 GW of offshore wind projects are under construction or in advanced development. In addition, ten states have set offshore wind procurement targets, accounting for more than 74 GW.

In South America, Brazil is likely to be the largest market in 2022, wind experts forecasting around 3 GW of new onshore wind additions.

[2] At the time of preparation of this report, final data from the Global Wind Energy Council (GWEC), the American Clean Power Association (ACP) or Wind Europe, had not been released.

[3] Experts consulted include: GWEC, IHS markit, Bloomberg New Energy Finance, Wood MacKenzie, IEA, Wind Europe and American Clean Power Association, among others.

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Solar PV

2022 is on course to become another record-breaking year for solar PV, with consulted analysts[4] estimating that around 193-268 GW of new installations could had been deployed worldwide. All analysts highlight that solar PV is becoming the least costly option for new electricity generation in an increasingly number of countries, despite soaring equipment prices and lingering supply challenges.

All solar PV segments have witnessed considerable growth in 2022. According to experts, around 55-60% of new solar PV capacity would be utility-scale projects and the remaining ones small-scale (mainly residencial and commercial systems).

China remains the largest solar PV market worldwide and once again achieved a new historical high in new installations, with 87 GW added according to the National Energy Administration (NEA). Other major markets in Asia include India (around 14 GW expected), Japan (around 6 GW) and Republic of Korea (around 4 GW).

Europe also witnessed an excellent year in terms of solar PV additions, with 41 GW installed, an impressive annual growth of 47% from the 28 GW installed in 2021. According to Solar Power Europe, Germany was again Europe's largest market with 7.9 GW of newly installed capacity, followed by Spain (7.5 GW), Poland (4.9 GW), the Nethrlands (4.0 GW) and France (2.7 GW).

The EU's solar power generation fleet amounts to 208.9 GW, 25% more than in 2021 (167.5 GW). Therefore, solar capacity has exceeded the 200 GW milestone, only four years after it surpassed the 100 GW landmark.

In the US, around 18-24 GW of solar PV capacity could have been added in 2022[5]. Although overall results are positive, the preliminary data point to a relative slowdown of the sector, mainly explained by trade barriers, high equipment prices and ongoing supply chain constraints, that is hindering solar energy fast progress.

New solar PV additions in South America are also expected to hit a new record in 2022. Since 2018, the region has, every year, added more solar PV than wind and this trend is set to continue. The strong rise of solar PV is primarily driven by the small-scale segment. Rapid expansion of the sector was witnessed in Brazil (2.7 GW added in 2022 according to ANEEL) and Chile (1.8 GW, according to ACERA data).

FLOATING SOLAR PV

The rise of floating solar technology is also among the latest trends in the revolutionary growth of solar PV capacity. Floating solar refers to solar panels mounted on a structure that floats on a body of water, typically a reservoir, lake, or even in coastal areas.
The main advantage is that the technology removes the need of purchasing or leasing expensive land areas. In addition, the water has a cooling effect on the solar facility, increasing its efficiency. On the other side, the shade of the floating installation helps to reduce water evaporation, ultimately protecting the water resources.
Although today, the total installed capacity of floating solar is below 5 GW, there is wide consensus among experts that it will exponentially grow in the next years. In Singapore, Sunseap (now part of EDPR) completed in 2021 one of the world's largest floating PV plants, with a capacity of 5 MW. Although Asia Pacific is taking the lead in deploying the technology, other regions are also progressing fast. EDPR will start the construction of the Alqueva floating solar plant, which is set to become the largest in Europe (70 MW).

[4] Experts consulted include: IHS markit, Bloomberg New Energy Finance, Wood MacKenzie, IEA, solar Power Europe and American Clean Power Association, among others.

[5] Experts consulted include IHS, BNEF, IEA and Wood MacKenzie, among others.

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2.1.3. Regulatory framework

Belgium

- Green certificate scheme (GC).
- Wind farms receive market price plus GCs per MWh produced.
- Number of GC/MWh (kECO) for new plants' contracts was previously revised every two years:
  - However, due to soaring electricity prices, an extraordinary revision was done in December 2021: from April 2022 onshore wind projects will receive 0.52 GC/MWh instead of 0.73 GC/MWh (current parameter).
  - Also, in December 2022 it has been updated, to 0 GC/MWh.
- The minimum price for GCs is set at 65€/GC in Wallonia.

Poland

- Electricity price can be stablished through bilateral contracts.
- Wind farms commissioned before 2018 are supported through a Green Certificate scheme (GC). Wind receives 1 GC/MWh during a 15-year period. Electricity suppliers have a substitution fee for non-compliance with GC obligations.
- Since 2018, wind farms are supported by 15-year two-side Contracts-For-Difference awarded through auctions.

Italy

- Wind farms in operation prior to 2012YE are under a feed-in-premium scheme applicable during the first 15 years of operation.
- Wind farms commissioned from 2013 to 2017 are supported by a 20-year floor CfD scheme, awarded through competitive auctions.
- Since 2017, wind farms are supported by a 20-year two-side CfD scheme.

Portugal

- Wind farms commissioned before 2006 are subject to a Feed-in-tariff (FiT) whose value is correlated with production and indexed to CPI. Initial tenure was the soonest of 15 years (or until 2020) or 33GWh/MW but in was increased 7 years (tariff exten -sion) with a cap and floor scheme in exchange of annual payments between 2013 and 2020.
- Wind farms under the new regime (COD after 2006) are subject to a FiT for the soonest of 20 years from COD of 44 GWh/MW. Tariff value is also indexed to CPI.
- Since 2019, solar projects are awarded following a new auction system.
- Floating PV projects awarded in 2022 auction have a 15 years CfD with a negative strike price (the original project pays for injecting the energy in the grid in exchange of securing grid capacity that can be used by over equipment and hybrid).

Spain

- Under RD 413/2014, wind energy projects receive pool price and a premium per MW in order to achieve a target return defined by regulation.
- RDL 17/2019 has set the target return (TRF) @7.398% for WF's prior to 2013 for the next two regulatory periods (until 2031) and @7.09% for new installations for the current regulatory period (until 2026).
- Premium calculation is based on standard assets (standard load factor, production and costs).
- Since 2016, all the new renewable capacity is allocated through competitive auctions.
- In 2020, RD 960/2020 defined the framework for a new auction mechanism.
- In 2021 and 2022 three auctions under the new scheme (set by RD 960/2020) were held:
  - Wind and onshore PV projects competed for 12-year fixed-price PPAs with certain exposure to market prices (5% for non-dispatchable and 25% for dispatchable RES).
  - Participants were awarded unidentified MWs but were requested to comply with stringent deadlines and submit a strategic plan.

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Colombia

- Colombian wind farms are awarded 15-year contracts though competitive pay-as--bid auctions. Contracts are signed with distribution companies.
- Additionally, Colombian wind farms must secure reliability charge contracts, which provides a monthly payment in exchange of having part of their capacity available when the system is under tight supply conditions.

Brazil

- Old wind farms receive support under a feed-in program ("PROINFA").
- Since 2008, competitive auctions award 20-year PPAs to winning projects.
- Electricity may also be sold under private PPAs.

France

- Old wind farms receive Feed-in tariffs for 15 years, with values depending on their COD and load factors achieved.
- A transitory Contract-for-difference scheme was released in December 2016 in which wind farms having requested a PPA in 2016 would receive a 15-year CfD, being the strike price very similar to the previous FiT. This scheme was closed in December 2019.
- From 2017 onwards:
  - Wind farms with 6 wind turbines (or less, and with 3MW/WTG maximum) can request a 20-year CfD which strike price ranges from 72€/MWh to 74€/MWh depending on turbine's diameter and may include a FiT reduction when a yearly generation cap is reached. Since April 2022, additional tip height restriction (below 132m) has been implemented.
  - Wind farms not eligible to CR17 need to participate in competitive tenders in order to obtain a 20-year CfD.
  - A new set of rules ("Cahier des Charges") that will govern auctions (both technology-specific and neutral) from H2 2021 until 2026 were published in August 2021.

Romania

- Wind assets (installed until 2013) received 2 GC/MWh until 2017 and 1 GC/MWh after 2017 completing 15 years:
  - 1 out of the 2 GC earned until March 2017 is postponed and can only be recovered gradually from January 2018.
- Solar assets received 6 GC/MWh for 15 years:
  - 2 out of the 6 GC earned until December 2020 are postponed and may only be recovered gradually from 2025.
- GC are traded in the market under a cap and floor system (cap €35.0 and floor 29.4€).
- Wind assets (installed after 2013) receive 1.5 GC/MWh until 2017 and 0.75 GC/MWh afterwards until completing 15 years.
- Solar PV facilities (installed after 2014) only receive 3 GC.
- The GCs issued after April 2017 and the CGs postponed to trading from July 2013 will remain valid and may be traded until March 2032.

Greece

- Renewable projects in Greece are supported by a 20-year feed-in premium (Contract-for-Difference) awarded through auctions.
- In 2022, Greece launched a new support system, based on two-way contract-for difference contracts, awarded through auctions:
  - For both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure, with minimum reserves per technology of 30%.

Hungary

- Renewable projects before 2016 benefited from a feed-in tariff scheme ("KÁT system").
- In 2016 the FiT was closed to new projects and replaced by a new support system ("MÉTAR system") consisting of 15- year Contracts-for-Difference granted through technology-neutral tenders.

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Chile

- Technology-neutral auctions, for renewable and non-renewable technologies award 15-year power purchase agreements with distribution companies.
- Large non-regulated customers can also enter into PPAs directly with generators or organize a public auction.

UK

- Since 2013, renewables are supported through a 15-year two-way Contracts-for-difference, awarded through auctions, that have progressively replaced the former Green Certificate scheme:
  - The "established technologies" which include onshore wind and solar PV, compete for budgets in each allocation round. Less mature technologies have a separate "pot" of allocated budget. For the first time, in 2023 auction, offshore will compete with mature technologies.

Vietnam

- Onshore wind projects were supported under two different Feed-in-tariff regimes:
  - Projects were granted a 20-year PPA with EVN, the state utility.
  - As the latest feed-in-tariff was closed for new projects, a new support scheme is expected to be released soon – most likely, competitive auctions will be introduced.
- Solar PV projects have also been remunerated under two different feed-in-tariff regimes and the government is also planning to introduce a pilot auction program.
- FiT schemes are no longer available; however a transitional scheme has been published for renewable projects that had a FiT signed but failed to COD on time. Transitional scheme would be subject to a price negotiation with EVN.

Singapore

- No support is given to large-scale renewable energy.
- Solar PV development is mainly incentivized through public agencies tenders like the SolarNova programme or JTC tenders:
  - Solarnova was launched in 2014 by the Housing Development Board (HDB). It aggregates demand for solar PV across some government agencies buildings to achieve economies of scale. Since 2014, 7 SolarNova tenders have been launched, granting 441 MW
  - JTC is a government agency under the Ministry of Trade and Industry that launched several Solar PV tenders under the Solarland and SolarRoof programme. There have been fewer and smaller auctions than in solarnova's program.

Other APAC

- In APAC, many countries enacted FITs' schemes in the first stages of renewables' development (Japan, Taiwan, India, Thailand, among others). However, most of these countries are transitioning to other schemes (mainly auction-based systems) and are opening up to the possibility of private corporate PPAs (for example South Korea, Malaysia, Australia, Australia, etc.).
- Other countries have opted for GC systems (for example, India or Korea), although this system has not been widely used in APAC countries.
- An increasing number of countries are setting auctions to remunerate renewable projects (Singapore, Japan, China, some States in Australia, Taiwan, India, Malaysia).

PUBLIC

2.2. Strategy

The World is joining forces to face global warming, one of the major challenges that currently threatens the planet, that if not controlled might have irreversible consequences.

There is an undeniable new private and social commitment demanding and supporting an unparallel renewables growth to meet the requirements for a decarbonised and electrified world in which a clean, affordable, and reliable energy sector is at the centre of the economy. This will inevitably lead to an unparalleled growth of renewable energy that is expected to be supported by a continued decrease in renewables' costs. EDPR has extensive experience in the sector and a track-record in delivering its targets, often ahead of schedule, and is prepared to deliver on a new and even more ambitious plan.

EDPR's Business Plan for the 2021-25 period is based on a strategy focused on accelerating growth, supported by the value generated by its ongoing Asset rotation strategy, and performed by its proven high-quality teams and efficient operations based on sustainable excellence across all ESG dimensions.

EDPR's business model to deliver solid and ambitious growth targets through 2025, positioning the Company to successfully lead a sector with increased worldwide relevance.

2.2.1. Growth

Accelerated and selective growth is the key principle behind EDPR's investment selection process, with new projects having long-term PPAs or CfDs secured or awarded through long-term contracts under stable legal and regulatory frameworks.

As presented in February 2021, EDPR plans for the period 2021-2025 to double its installed capacity and add 20 GW, of which 11.2 GW is already secured as of December 2022. EDPR is still aiming to diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore and storage technology along with the entrance in new markets. Geographical distribution of the 20 GW is planned to be 45% in North America, 35% in Europe, 15% in Latin America and 5% in Other geographies (now Asia-Pacific), while technological distribution will result in 45% additions on wind onshore, 40% in solar PV, 7% in solar DG, 5% in wind offshore and 2% in storage.

New markets expansion in 2022

EDPR's 2021-25 Business Plan foresaw that ~5% of the overall 2021-25 investment would be directed to new markets in order to develop optionality and diversify EDPR's portfolio. Key criteria when assessing new markets are having strong fundamentals, stable legal and regulatory frameworks, growth potential, large market size and visibility on low risk contracted remuneration.

APAC is one of the largest and fastest growing renewables market globally with expected additions of 120 GW/p.a. on average until 2030 (55% of global additions) and solar will represent ~65% of these additions, split between PV and DG. Therefore, besides announcing the entrance in Vietnam through an acquisition back in June 2021, EDPR acquired Sunseap, the largest distributed solar player and top 4 largest solar player in SEA, with presence in 9 markets and a total of 0.6 GW operating and under construction.

This year, EDPR has also acquired Kronos, a solar developer company based in Germany. This acquisition allows EDPR to enter into Germany and the Netherlands which benefit from ambitious renewables targets, given the increased importance of security of supply and energy independence.

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Germany represents close to 50% of the acquired portfolio and the government has recently announced the "Easter Package" that stands out with ambitious renewables capacity targets, with 360 GW of renewable installed capacity until 2030. Moreover, the entrance in these new markets creates opportunities to expand not only in solar but also in other technologies, namely wind standalone or wind through hybridisation, hydrogen, and storage technologies.

EDPR main growth market driven by PPAs secured

North America is EDPR's main growth market, with 7.2 GW of installed capacity, representing almost half of EDPR total portfolio. **The US, Canada and Mexico will account for 45% of the total 20 GW targeted capacity additions.** As of December 2022, **EDPR already secured 55% of such target** with 4.7 GW secured, of which 4.3 GW in the US, with around 2.8 GW in solar technologies.

Focus on low risk regulatory frameworks

EDPR growth in Europe is supported by identified short-term opportunities along with medium-term pipeline options and PPA appetite. **EDPR plans to add 6.7 GW in Europe, representing 35%** of the total capacity to be added in the period 2021-2025. As of December 2022, from the targeted 6.7 GW, **EDPR already secured 3.5 GW related to wind onshore and solar PV**. In April 2022, EDPR was awarded 70 MW of floating solar PV in Portugal. In 2022, EDPR added 378 MW of wind onshore in Europe and 53 MW in Solar.

Projects with long-term PPAs

South America represents a 15% of the total capacity to be added in the 2021-2025 period. EDPR has been active in upcoming opportunities, namely auction and long term PPAs, given the strong fundamentals of some South American countries, with high growth of electricity demand, robust renewable resources and stable regulatory frameworks. As of December 2022, **EDPR already secured more than 2.0 GW in South America**, mostly in Brazil, with 1.5 GW secured (of which 0.5 GW will be solar).

Both Sunseap and Kronos are fully aligned with EDPR's growth strategy and within the investment target for new geographies, allowing EDPR to accelerate growth worldwide in both solar and wind.

Solid platform on one of the fastest growing renewables market globally

New geographies represents a 5% of EDPR 2021-25 growth. EDPR managed to accomplished 50% of such target with the acquisition of Sunseap in 2022, a solar focused platform based in Singapore. As of December 2022, **EDPR had a total secured capacity in new geographies of 0.9 GW and added 0.7 GW of solar related to APAC**. In June, EDPR strengthened its position in Vietnam with the agreement to acquire two solar projects of 200 Mwac in operation since 2020 and with a 20-year PPA. With this, EDPR will expand its footprint in the world, accelerating its growth in Asia-Pacific where establishes a solid platform.

Investing in offshore wind technology

Offshore wind energy is becoming an essential part of the global energy transition, leading to the market's rapid growth and increased competitiveness. **EDPR and ENGIE** combined their strengths and formed a 50%/ 50% **Joint Venture called Ocean Winds** with **a target of 5 to 7 GW of projects in operation or under construction and 5 to 10 GW under advanced development by 2025**. In 2022, Ocean Winds was awarded five new projects: ScotWind (2 GW, UK), NY Bight (~1.7 GW, US), Shetland Islands I & II (2.3 GW, UK) and Golden State (2.0 GW, US). As of December 2022, total gross capacity in the portfolio amounted to 16.6 GW.

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Developing new technologies and business models to ensure long term renewables competitive edge and growth

HYBRIDIZATION

Improve profitability and assets utilization

- Opportunities combining Solar + Wind to improve infrastructure utilization.
- 0.4 GW of hybrid projects analyzed for 2021-25.
- 70 MW of hybrid wind capacity awarded in Portugal

STORAGE

Strong path to address intermittency

- Deploy storage coupled with solar (first solar 200 MW + storage 40 MW under construction in US).
- New unit to develop capabilities for standalone storage management (0.4 GW expected through 2025).
- Addressing client requirements.

FLOATING OFFSHORE

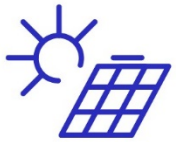
Differentiated business case

- Early-mover advantage and technology partner
- Large GW projet in early stage in Korea and pipeline in Spanish and Greek islands
- Five new projects awarded YTD in North America and Scotland

REPOWERING

Increasing current assets long-term value

- Using current infrastructure and upgrade with more efficient technology.
- First repowerings successfully installed/under construction in Spain (42 MW) and in US (162 MW)
- At least additional 0.4 GW expected through 2025 (in the US taking advantage of current PTC framework).



SOLAR DG

Leverage distinctive go-to-market capabilities

- Through the agreement to acquire Sunseapin 2022, Solar DG enabled EDPR to enter a new market such as Asia Pacific where utility-scale will also play a key role.
- With the acquisition of C2 in 2021, EDPR will develop the distributed generation segment, broaden competitive solutions to its customers and boost the North America platform growth potential reinforcing the company's commitment with the region.
- Enables EDPR to serve a rapidly growing market segment offering a range of new services and solutions to meet its clients' renewable energy needs.

HYDROGEN

Key role on decarbonization

- Improve renewables value creation through synergies, offering additional services and repurpose thermal assets.
- Ambition to deplay 1.5 GW of green energy hydrogen production capacity by 2030.
- Agreement with Lhyfe to jointly develop and manage renewable hydrogen production projets

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2.2.2. Value

The ongoing Asset rotation model has been a cornerstone of EDPR's strategy, and its success has been key to crystallise value upfront to redeploy and fund accretive new growth opportunities.

The Asset Rotation model relies on a combination of the cash generated from operating assets and EDPR's strategy of selling majority stakes in projects in operation or under development, along with the US Tax Equity structures to finance the profitable growth of the business. This model allows the Company to crystallise value upfront while recycling capital to reinvest in other projects.

2021-25

€19 bn	€8 bn	€11 bn
Gross investments	Asset rotation proceeds	Net investments

Value: Ongoing Asset rotation strategy

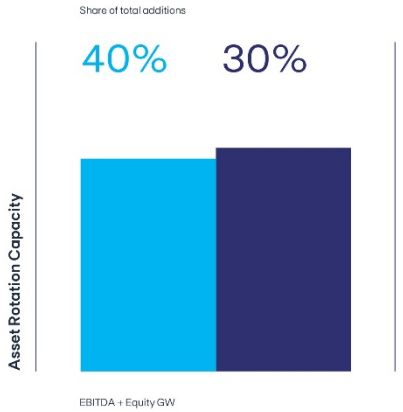
Proceeds from selling majority stakes in operational or under development assets are also important sources of funds for the self-funding model of EDPR in financing its profitable growth.

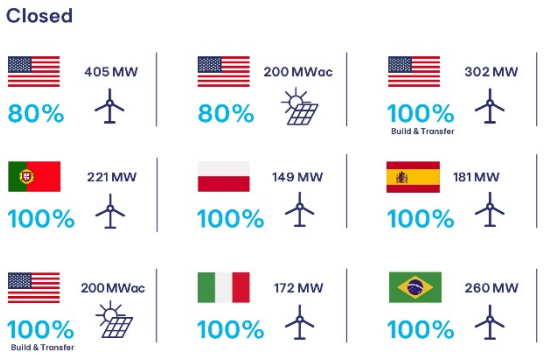
Under this strategy, EDPR sells majority stakes in projects in operation or in late stage of development, allowing the Company to recycle capital, with up-front cash flow crystallisation, and create value by reinvesting proceeds in accretive growth, with the option to provide operating and maintenance services. On the top of these, the Asset rotation strategy makes visible the value creation on reported financial statements, with capital gains being booked in the income statement.

In its 2021-25 Business Plan, EDPR estimated to deliver capital gains of c.€0.3 billion p.a. but demand for RES assets has increased considerably, therefore driving valuations to high levels.

In terms of capacity, EDPR has sold on average 1.1 GW/year in 2021-22 (below the average 1.4 GW/year targeted) allowing for an average capital gain of 0.5 billion euros per MW.

Since 2021, EDPR has closed 9 asset rotation transactions (7 in wind and 2 in solar, including 2 Build & Transfer agreements) with c.€3.4 billion of Asset rotation proceeds, representing over 40% of our €8.0 billion target.





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2.2.3. Excellence

One of the strategic pillars of the Company, setting it apart in the industry, is the drive to maximise the operational performance of its wind and solar plants though excellence and the experience from its quality teams. EDPR has flexibility on managing the full value chain to deliver competitive and quality projects at the highest excellence standards, while guaranteeing the compliance with the best ESG standards.

> 20 years
Experience from development through operation

>600
Parks under management by 2025

-2%
Core OPEX/MW CAGR 2020-25

Development: Competitive projects

EDPR leverages on its local development knowledge and multi-partnership network to find and develop competitive and quality projects. The Company's second to none energy assessment track record, experienced PPA origination teams and efficient site layouts are set to maximise the output of each and every project, both operational and financial wise.

Construction: Large experienced focused on delivering

EDPR's global scale provides competitive procurement over the whole portfolio. Its long-term business with top tier suppliers becomes a scarce asset nowadays, accounting with more than 20 years of relationships, bringing EDPR the best market opportunities. The large experience in years and MW of EDPR's E&C team leverage on agile project management, focused in delivering new projects to the portfolio.

Operations: Excellence in asset management

EDPR's unique O&M strategy has allowed the Company to increase internalisation post-warranty, therefore resulting in service price reductions and flexibility to choose today on an asset-by-asset basis the most competitive choice between insourcing or outsourcing. Since 2021, macro environment has rapidly change worldwide with supply chain unbalances and inflationary pressure leading into higher costs. EDPR continued to grow even under such circumstances, however leading into higher Core Opex/ MW ratios YoY.

Setting targets for ESG excellence throughout the value chain

	2022	2025
Circular economy % Recovery rate for generated wastes in the whole value chain	74%[1]	85%
Biodiversity % Facilities with high biodiversity risk with action plans defined	100%	100%
People % Improve diversity and inclusion by increasing female employees	33%	36%
Communities €m/year Investment in supporting local communities	2.4	3
Suppliers % Purchasing volume in sustainable suppliers	62%	75%

Zero accidents mindset

[1] Recovery only for operations since there was no dismantling in 2022, and construction data is in progress.

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EDPR's growth derived from the 2021-25 Business Plan will be supported by the current top-class team and reinforced by the best talent in the market, attracted by a superior value proposition offered by the Company. Accordingly, EDPR's team increased by 44% during 2022, having now over 3,000 employees.

In this context, EDPR developed a Human Resources strategy focused on three main pillars and supported by specific targets:

Attract

EDPR aims to integrate the best talent in the market, attracted by a great company culture, while fostering diversity and inclusion as a trigger for innovation.

First Choice employer

36% women in EDPR

Experience

The Company will continue to work on promoting the best experience for its team, providing tailored reward schemes and career paths and consolidating the flexibility measures offered, resulting in the retention of top talent.

Top [1] in Engagement & Enablement

>50% employees on hybrid [2] model

Develop

Reying on internal talent is a key drive for EDPR mainly accomplished by favouring development through training. functional and geographic mobility and development programs.

90% people with digital training

30% women in management

[1] Better than utilities and high performing companies.
[2] Work at home for some part of the week.

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2.3. Risk management

In line with EDPR's controlled risk profile, Risk Management process defines the mechanisms for measurement and management of risks and opportunities impacting the business, increasing the likelihood of the Company in achieving its financial, operational and ESG targets, while minimising fluctuations of results.

Risk management process

EDPR's Enterprise Risk Management Process is an integrated and transversal management model that ensures the minimisation of the effects of risk on EDPR's capital and earnings, as well as the implementation of best practices of Corporate Governance and transparency.

EDPR's Enterprise Risk Management Process is inspired on Basel Committee on Banking Supervision's principles, guidelines, and recommendations.

The process aligns EDPR's risk exposure with the Company's desired risk profile. Risk management policies are aimed to mitigate risks without ignoring potential opportunities, thus optimising return versus risk exposure within predefined risk appetite limits.

Risk governance model

Risk management is closely followed and supervised by the Audit, Control and Related Party Transactions Committee; an independent supervisory body composed of non-executive members. It is also endorsed by the Management Team, supported by the Risk Committee, and implemented for investment and day-to-day decisions by all managers of the Company.

EDPR has created three distinct forums within the Company's Risk Management processes, separating discussions on execution of mitigation strategies from those on definition of new policies, in order to help decision-making process:

- **Restricted Risk Committee**: Held every month, it is mainly focused on development risk and market risk from selling energy (electricity price, basis, profile, Green Certificates and RECs). It is the forum to discuss the evolution of projects under development and construction and the execution of mitigation strategies to reduce merchant exposure. It also monitors compliance with risk thresholds defined within risk policies (market risk, counterparty risk, operational risk, and country risk).
- **Financial Risk Committee**: Held every quarter, it is held to review main financial markets risks (exchange rates, interest rates and inflation), liquidity risk, commodities risk and credit risk to financial institutions and discuss the execution of mitigation strategies.
- **Risk Committee**: Held every quarter, it is the forum where new strategic analyses are discussed, and new policies and procedures are proposed for approval to the Management Team. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

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Risk map at EDPR

Risk Management at EDPR is focused on covering all risks of the Company, including ESG. To have a holistic view, they are classified in five Risk Categories. Within each Risk Category, risks are classified in Risk Groups. In addition, for each risk category and risk group, EDPR implements a series of mitigation strategies with specific measures. The full description of the risks and how they are managed can be found in the Corporate Governance chapter. The Risk Categories, the Risk Groups and the Risk Management mitigation strategies are summarised below.

Risk categories		Risk groups	Mitigation strategies
Market risks	It refers to the risk to EDPR resulting from movements in market prices. Due to the relationship between wind production and energy price, production risk is considered within market risk. In particular, market risks are changes in energy prices, energy production risk, interest rates, foreign exchange rates and other commodity prices.	• Energy Price Risk • Energy Production Risk • Commodity Price Risk • Liquidity Risk • Inflation Risk • Exchange Rate Risk • Interest Rate Risk	• Close analysis of natural hedges to define best alternatives. • Hedge of market exposure through long term power purchase agreements (PPA) or short and medium term financial contracts. • Natural FX hedging, with debt and revenues in sarne currency. • Execution of FX hedging for net investment (after deducting local debt). • Execution of FX hedging to eliminate FX transaction risk, mainly in Capex. • Execution of interest rate hedging. • Execution of inflation hedging. • Alternative funding sources such as Tax equity structures and Multilateral/ Project Finance agreements.
Counterparty risks	Risk that counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract.	• Counterparty Credit Risk • Counterparty Operational Risk	• Counterparty exposure limits by counterparty and at EDPR level. • Collateral requirement if limits are exceeded. • Monitoring of compliance with internal policy.
Operational risks	Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters) and ensuring Business continuity at all times. It also includes risks such as ESG and environmental impact in the business.	• Development Risk • Legal Claims Risk (Compliance, Corruption, Fraud) • Execution Risk • Personnel Risk (health and safety, human rights, discrimination) • Operation Risk (Damage to Physical Assets, Equip. Performance, Environmental and Climate Change aspects) • Processes Risk (including Business Continuity) • Information • Technologies Risk	• Supervision of suppliers by EDPR's engineering team. • Flexible CODs in PPAs to avoid penalties. • Partnerships with strong local teams. • Monitor recurrent operational risks during construction and development. • Close follow-up of O&M costs, turbine availability and failure rates. • Insurance against physical damage and business interruption. • Strict compliance with legal requirements and zero tolerance for discrimination, unethical behavior or fraud. • Attractive remuneration packages and training for personnel. • Revision and compliance with all regulations that affect EDPR activity (H&S, environmental, taxes...). • Control of internal procedures. • Redundancy of servers and control centers of wind farms. • TCFD analysis and climate mitigation measures • Contingency plans • ESG policies and specific measures

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Risk categories		Risk groups	Mitigation strategies	
Business risks	Potential loss in the Company's earnings due to adverse changes in business margins. Such losses can result, above all, from a serious increase in equipment prices or changes in the regulatory environment. Changes in energy prices and energy production are considered market risks	• Regulatory Risk (renewables) • Equipment Price Risk • Equipment Supply Risk	• Careful selection of energy markets based on country risk and energy market fundamentals. • Diversification in markets and remuneration schemes. • Diversification in technologies. • Follow-up of regulation changes in markets where EDPR is present to adjust strategy if needed. • Active involvement in major industry associations in all EDPR markets.	• Signing of medium-term agreements with equipment manufacturers to ensure visibility of prices and supply. • Relying on a large base of equipment suppliers to ensure supply.
Strategic risks	It refers to risks coming from macroeconomic, political, social or environmental situation in countries where EDPR is present, as well as those coming from a change in competitive landscape, from technology disruptions, from changes in energy markets or from governance decisions (investment decisions criteria, Corporate Governance and Reputational issues).	• Country Risk • Competitive Landscape Risk • Technology Disruptions Risk • Invest. Decisions Criteria Risk • Reputational Risk • Meteorological Changes • Corp. Organisation and Governance • Energy Planning	• Careful selection of countries. • Worst case profitability analysis of every new investment considering all risks factors. • Risk-return metrics at project and equity level • Profitability resilience metrics.	• Consideration of stress case scenarios in the evolution of energy markets for new investment decisions. • Follow-up of cost effectiveness of renewable technologies and potential market disruptions.

Risk analyses highlights during 2022

In 2022, EDPR analysed the impact of the current inflationary scenario on costs and revenues. On costs, it was considered the exposure to inflation of operating expenses, capital expenses and interest payments, while on revenues, the exposure of inflation-indexed PPAs and merchant revenues. Different measures were put in place to balance inflation exposure, namely the increase in the duration of the corporate debt with EDP.

Moreover, a detailed analysis on the effects of the conflict between Ukraine and Russia was performed to determine which are the main risks to which EDPR is exposed and to define a contingency plan to reduce potential impacts. As a follow-up of this analysis, EDPR took some business continuity measures in bordering countries with Ukraine.

Also, during 2022, EDPR reassessed the Operational Risk of the company, executing a bottom-up analysis across all departments, as stated in EDPR's Operational Risk Policy. Following the growth of the installed capacity at EDPR in recent years, together with the planned growth within the current Business Plan, it was agreed to adjust the Operational Risk threshold accordingly in EDPR's Operational Risk Policy and Enterprise Risk Management framework.

Finally, EDPR performed a deep-dive analysis on current and expected future Counterparty exposure to capital equipment suppliers, within the context of the main challenges faced by the industry, such as supply chain bottlenecks, inflationary pressures and increase in commodity prices, with individual counterparty risk limits adjusted accordingly. Additionally, EDPR also proposed to adjust its Portfolio risk limits to account for its Distributed Generation activity in Asia-Pacific, following EDPR's acquisition of a majority stake in Sunseap during 2022.

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EDPR risk matrix by financial impact

EDPR's risk matrix is a qualitative assessment of likelihood and impact of the different risk categories within the Company. It is dynamic and it depends on market conditions and future internal expectations and scenarios.

1. Energy Price
2. Energy Production
3. FX
4. Interest Rate
5. Equip. Market Risk
6. Pipeline Develop
7. Counterparty
8. Regulatory
9. Execution / Construction
10. Legal
11. Operation (damages, equip. perf)
12. Comm. Price
13. Inflation
14. IT
15. Personnel
16. Processes
17. Liquidity
18. Strategic
19. Business Continuity

Reviewed policies or procedures in 2022

Emerging risks at EDPR

Changes in weather patterns at a global level caused by climate change

Resource volatility has always been a normal part of the Renewables business but, in the past few years, the level of concern regarding the resilience of companies to withstand future shifts in weather patterns, derived from climate change, has increased significantly. In addition, the latest reports of the Intergovernmental Panel on Climate Change (IPCC) highlight climate change as one of the most significant risks that society will face in the future.

It is not clear how global warming will affect changes in weather patterns in the long term, but it could imply that some regions will have weaker resources in the future, leading to drops in energy production, while some others will be experiencing increases.

To monitor this emerging risk and its potential impact, EDPR has adopted the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD) to analyse, incorporate, and disclose climate-related risks and opportunities into its business.

EDPR has assessed the potential impact arising from changes in weather patterns, in which physical and transition risks, as well as opportunities, were analysed using three different climate scenarios. Each of these scenarios included a set of political, social, economic, and technological narratives associated to them.

From the analysis, it was concluded that the geographical and technological diversification from EDPR's portfolio significantly helps mitigate this potential risk.

In addition, for those risks that EDPR has identified as significant, the Company has identified a series of adaptation measures that EDPR has currently in place in some markets and may replicate in others in the short, medium, and long term.

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Gap in labour market and availability of talent for renewable energy companies

Increased competition for labour resources, both skilled and unskilled, structural changes in work culture (driven by remote working) and digital transformation are some of the factors creating an emerging gap in the supply-demand labour market.

The rapid growth of the global renewable energy industry, expected for the next couple of decades, together with an ageing world population, could originate a mismatch between the availability of skilled and professional labour and the demand from industry players, including EDPR.

A shortage of qualified personnel could impact team sizing and productivity, lead to an increase in workforce costs and create the need to go further on the benefits provided, in order to attract and retain talent in the organisation.

To tackle the problems caused by this emerging risk, EDPR is putting in place some mitigation measures, such as the development of youth-targeted programs, an increase in social media presence geared towards recruiting and networking initiatives, the advancement of work-inclusive methodologies and the flexibilization of work, in line with the new reality and work culture.

Potential misalignement between regulatory risk on energy market design with international commitments for climate transition

The marginal remuneration system has been a staple of the wholesale electricity market design in Europe and North America for many decades. However, in recent years, this operating model has seen its fair share of challenges, as a growing number of intermittent, zero-marginal cost technologies (such as wind or solar) have increased its share in the overall production, leading to higher generation uncertainty and price volatility within electricity markets.

These structural challenges, coupled with the aftermath of a worldwide pandemic, the constraints in global supply chains and the invasion of Ukraine in 2022, created an unprecedented situation of high electricity prices, especially in Europe, leading many governments to implement short-term regulatory changes in the hopes of easing the economic impact on consumers and businesses alike.

For energy companies, the emerging discussions on potential modifications to the current marginal design of electricity markets, can create a situation of deep uncertainty and affect their strategic outlooks.

Structural changes with retroactive consequences on existing projects' profitability could discourage any new investments in renewable installations and promising technologies, thus jeopardising the fulfilment of the ambitious long term climate goals put forth by those same countries. This could, in turn, lead to a downwards revision of those same climate transition objectives.

To address this emerging risk of regulatory changes not being aligned with long-term climate goals, EDPR's mitigation strategies entail a close follow-up of the regulatory developments, an active participation in national and international discussions, a strategic approach to geographically diversify its presence and the creation of contractual resilience, in order to share the risk stemming from potential structural changes in market design.

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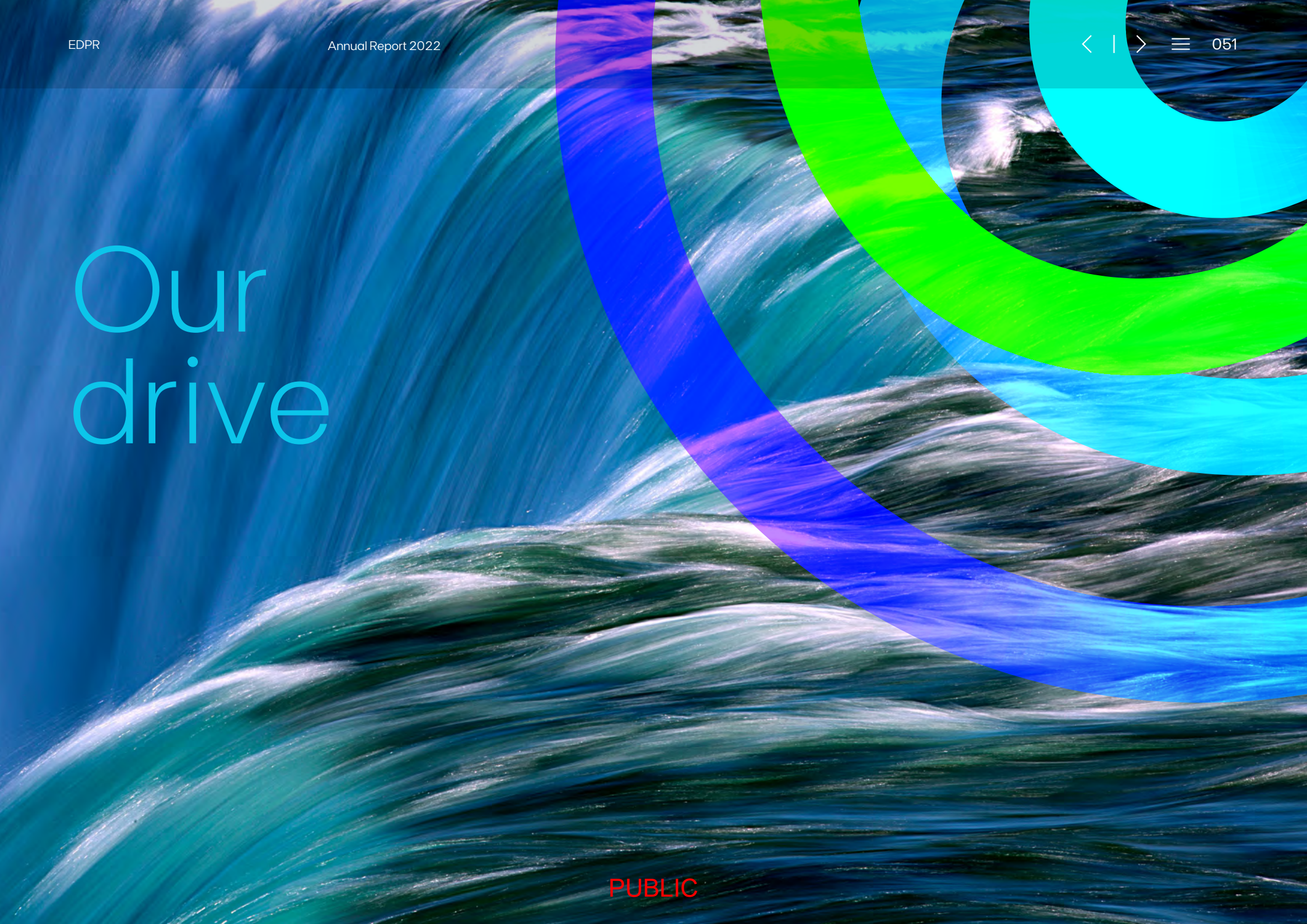

Our drive

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Performance

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3.1. Financial capital

3.1.1. Operational performance

OPERATING PORTFOLIO	INSTALLED CAPACITY 2022 (MW)				NET CAPACITY FACTOR (%)			ELECTRICITY GENERATION (GWh)		
	Dec-22	ADDED	AR[1]	Δ YTD	2022	2021	Δpp YoY	2022	2021	Δ% YoY
Europe	**5,158**	**431**	**-502**	**-71**	**26%**	**26%**	**-0.1pp**	**11,778**	**11,356**	**4%**
Spain	2,166	153	-181	-28	26%	26%	-0.1pp	4,885	4,979	-2%
Portugal	1,168	26	-	26	27%	28%	-1pp	2,715	3,049	-11%
Rest of Europe	1,824	251	-322	-70	26%	26%	+1pp	4,178	3,329	26%
France	214	33	-	33	24%	24%	-0.4pp	411	314	31%
Belgium	11	-	-	-	27%	29%	-3pp	24	22	9%
Poland	733	136	-149	-14	28%	27%	+1pp	1,739	1,176	48%
Romania	521	-	-	-	26%	24%	+1pp	1,163	1,116	4%
Italy	295	83	-172	-89	25%	26%	-1pp	737	689	7%
Greece	45	-	-	-	24%	20%	-	93	9	-
UK	5	-	-	-	24%	23%	-	10	4	-
North America	**6,650**	**412**	**-200**	**212**	**33%**	**31%**	**+2pp**	**18,362**	**17,057**	**8%**
US	6,025	316	-200	116	33%	31%	+2pp	17,029	15,814	8%
Canada	130	-	-	-	32%	28%	+4pp	360	255	41%
Mexico	496	96	-	96	45%	41%	+4pp	973	987	-1%
South America	**1,114**	**580**	**-260**	**319**	**39%**	**41%**	**-2pp**	**2,625**	**1,888**	**39%**
Brazil	1,114	580	-260	319	39%	41%	-2pp	2,625	1,888	39%
APAC	**711**	**683**	**-**	**683**	**16%**	**20%**	**-**	**636**	**23**	**-**
Vietnam	405	377	-	377	19%	20%	-	393	23	-
Singapore	230	230	-	230	12%	-	-	184	-	-
Rest of APAC	77	77	-	77	16%	-	-	59	-	-
Total EBITDA level	13,634	2,106	-963	1,144	30%	29%	+2pp	33,401	30,323	10%

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Europe	**498**	**-**	**-**	**-**
Spain	156	-	-	-
Portugal	31	-	-	-
Rest of Europe	311	-	-	-
North America	**592**	**-**	**-**	**-**
US	592	-	-	-
APAC	**15**	**15**	**-**	**15**
Rest of APAC	15	15	-	15
Total Equity level	1,105	15	-	15
TOTAL	14,738	2,121	-963	1,159

(1) AR stands for Asset Rotation

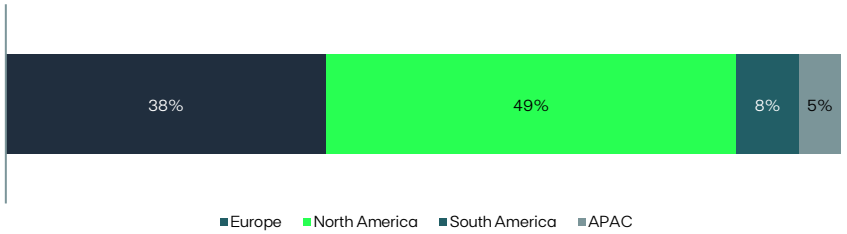
EDPR continues to deliver solid selective growth

With a top-quality portfolio, EDPR has a strong track record and proven capability to execute superior projects and deliver on targets. The installed asset base of 14.7 GW is not only young, on average 9 years, it is also mostly certified in terms of environmental and health and safety standards.

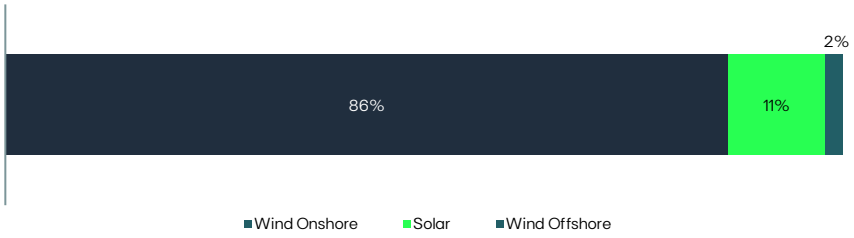
As of 2022, EDPR had, in terms of EBITDA + Equity capacity, 5,656 MW installed in Europe, 7,242 MW in North America, 1,114 MW in South America and 726 MW in APAC.

In terms of technology, EDPR continued its effort to diversify its portfolio, which translates into 12,724 MW of wind onshore, 322 MW of wind offshore and 1,691 MW of solar technology, that includes both solar PV utility-scale and solar DG.

Capacity by Region (%)



Capacity by Technology (%)



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2022 installations were global, mainly driven by South America and APAC

During 2022, EDPR added a total of 2,121 MW, including the successful expansion in APAC through the acquisition of Sunseap, that now represents 5% of EDPR's portfolio.

More specifically, EDPR added 1,053 MW of wind onshore, corresponding to 378 MW in Europe, namely 145 MW in Spain, 100 MW in Poland, 83 MW in Italy, 32 MW in France, and 18 MW in Portugal. In North America, 96 MW were installed coming from a project in Mexico. Lastly, in South America, EDPR added 580 MW of wind onshore in Brazil.

In terms of solar capacity, 377 MW were added in Vietnam, 316 MW in the US, 230 MW in Singapore, 92 MW in the rest of APAC, 36 MW in Poland, 9 MW in Spain, and 8 MW in Portugal.

Pursuing its Asset rotation strategy, EDPR successfully concluded several Asset rotation deals that amounted to c.1 GW of capacity. In detail, EDPR sold a 100% stake in a 149 MW wind portfolio in Poland, a 181 MW wind portfolio in Spain, a 172 MW wind portfolio in Italy, a 260 MW wind portfolio in Brazil and in a 200 MWac solar project in the US, the latest under a Build & Transfer agreement.

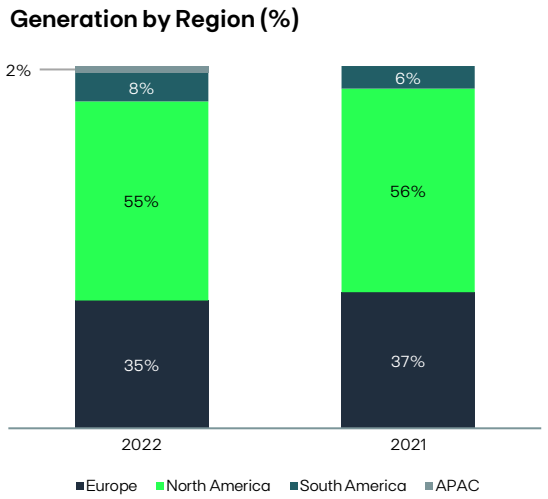
All in all, in 2022, EDPR consolidated portfolio net variation was of +1.2 GW.

10% increase Year on Year in generation

EDPR produced 33.4 TWh (+10% YoY) of clean energy in 2022. The YoY evolution comes in line with a higher installed capacity in the period and a better renewable resource YoY.

In 2022, EDPR achieved a 30% load factor (vs 29% in 2021) reflecting 98% of P50 long term average GCF, following a recovery of the renewable resource, especially in the first half of the year, mainly driven by North America.

EDPR achieved a 95% technical availability in 2022, with the company continuing to leverage on its competitive advantages to maximise the projects' output and also on its diversified portfolio across different geographies to minimise the renewable resource volatility risk.



Solid growth and diversified portfolio delivers balanced output

EDPR's operations in Europe were a major driver for the electricity production increase in 2022, increasing +4% YoY to 11.8 TWh and representing 35% of the total output. This is mainly explained by the new capacity in operation and stable renewable resource. In Europe, EDPR achieved a 26% load factor (flat YoY). In Spain, load factor during the year was 26% (flat YoY), while in Portugal reached a load factor of 27% (-1pp YoY). On the other hand, in the Rest of Europe, EDPR accomplished a 26% load factor (+1pp YoY).

In North America, output increased +8% YoY to 18.4 TWh, reflecting mainly a stronger renewable resource at 33% (+2pp YoY). North America represented 55% of EDPR's total output in 2022.

EDPR's production in South America, more precisely in Brazil, increased to 2.6 TWh (+39% YoY), mainly explained by higher installed capacity. The region represented 8% of all EDPR generation in the year, despite a lower load factor of 39% load factor (-2pp YoY).

Finally, APAC production during the year reached 0.6 TWh following the solar capacity additions in the year, and already represent 2% of all EDPR generation.

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EDPR manages a portfolio of 14.7 GW, propelled by capacity additions in 2022

As of December 2022, EDPR had 4.0 GW of new capacity under construction, more than doubling 2021 levels of capacity under construction.

Capacity under construction has increased for solar technology during the last year, fostering portfolio diversification and supporting most of the additions for 2023 and beyond, of which the most sizeable ones are Moray West wind offshore project in the United Kingdom and the two wind projects in Colombia.

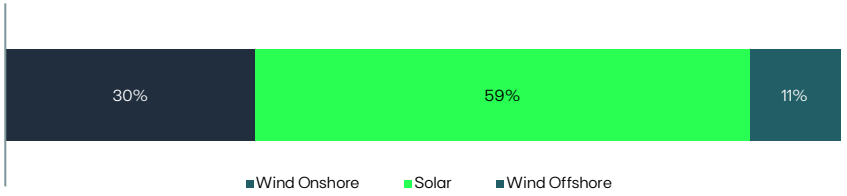
In terms of wind onshore, under construction capacity amounted to 188 MW in Europe, 119 MW in Italy, 22 MW in Portugal, 20 MW in Spain, 15 MW in France and 12 MW in Poland. In North America, 502 MW were under construction, of which 300 MW corresponding to wind onshore in Canada and 202 MW to wind in the US. In South America, Colombia had 504 MW of wind under construction.

Regarding solar capacity under construction, 659 MW were in Europe, more precisely, 193 MW in Italy, 184 MW in Poland, 170 MW in Portugal, and 112 MW in Spain. In North America, EDPR had 1,573 MW under construction, all of them coming from the US, and out of which 40 MW are related to the first capacity of storage of the company to start constructions. Finally, EDPR also had 126 MW of capacity under construction in APAC.

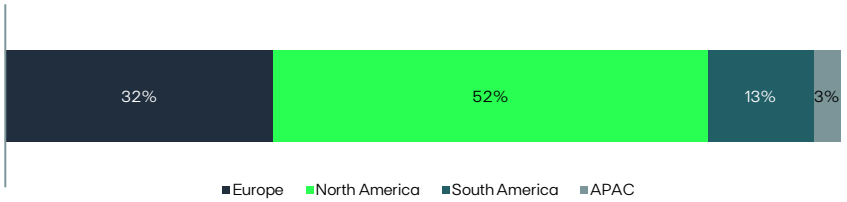
In terms of wind offshore, EDPR had, through Ocean Winds, 431 MW under construction at equity level coming from the Moray West project in the United Kingdom, which translates to 912 MW gross capacity.

EDPR has a young portfolio with 9 years of average operating age, with an estimate of over 21 years of useful life remaining to be captured.

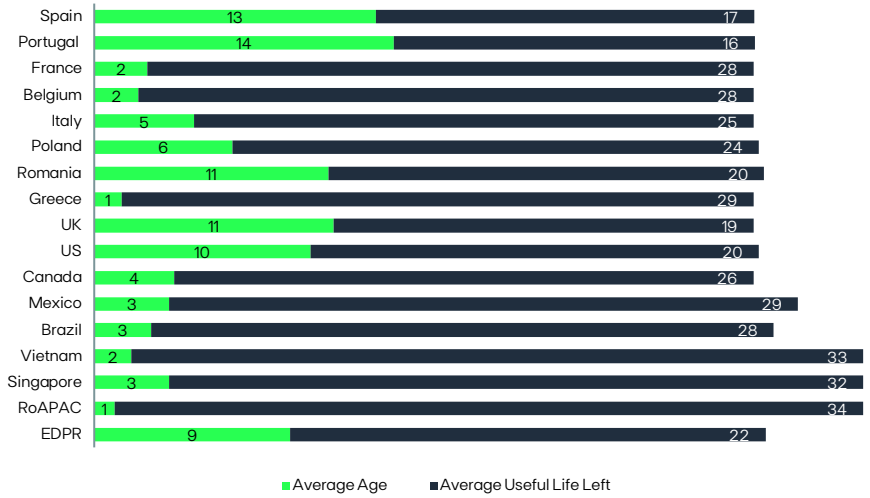
Capacity Under Construction by Technology (%)



Capacity Under Construction by Region (%)



Assets Average Life (years)



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3.1.2. Financial performance

Income Statement

Revenues reached €2.4 billion and EBITDA summed €2.2 billion.

Revenues totaled €2,371 million (+35% increase vs 2021) on the back of additional installed capacity (+€251 million vs 2021), higher average selling price excluding Asset rotation (+€138 million vs 2021), Asset rotation effect (+€38 million vs 2021), better wind resource (+€43 million vs 2021), forex translation and others (+€145 million vs 2021).

Other operating income amounted to €526 million (-17% vs 2021), largely driven by €424 million related to capital gains from Asset rotation transactions closed during the year in Europe, US and Brazil.

Since 2021, macro environment has rapidly changed worldwide with supply chain unbalances and inflationary pressure leading into higher costs. EDPR continued to grow despite such circumstances. In this context Operating Costs (Opex) totalled €920 million (+36% vs 2021), given upfront costs to support expected growth over the coming years. In comparable terms, adjusted by offshore costs (mainly cross charged to projects' SPV), Sell-down assets deconsolidated, one-offs, service fees and forex, Core Opex (defined as Supplies and Services and Personnel Costs) per average MW was up 16% year on year.

In 2022, EBITDA summed €2,157 million (vs €1,760 million in 2021) and EBIT amounted to €1,412 million (vs €1,151 million in 2021). Net Financial Expenses increased to €449 million (vs €249 million in 2021) with comparison impacted by forex and higher average debt.

At the bottom line, Net Profit summed €616 million (vs 655 million in 2021). Evolution was impacted by higher financial expenses and impairments of PP&E in South America, that if excluded lead to a Recurring Net Profit of €671m (+2% vs 2021).

Non-controlling interests in the period totalled €201 million (vs €154 million in 2021), as a result of better overall performance.

CONSOLIDATED INCOME STATEMENT	2022	2021	Δ% YoY
Revenues	2,371	1,758	35%
Other Operating Income	526	636	-17%
Operating Costs	-920	-675	36%
Supplies and Services	-439	-336	31%
Personnel Costs	-241	-174	38%
Other Operating Costs	-240	-165	46%
Share of Profit of Associates	179	41	-
EBITDA	2,157	1,760	23%
EBITDA/Revenues	*91%*	*100%*	*-9pp*
Provisions	6	-2	-
Depreciation and Amortisation	-771	-623	24%
Amortisation Government Grants	20	16	23%
EBIT	1,412	1,151	23%
Financial Income/ (Expense)	-449	-249	81%
Pre-tax Profit	962	903	7%
Income Taxes	-145	-93	56%
Profit of the Period	817	810	1%
Non-controlling Interests	-201	-154	30%
NET PROFIT	616	655	-6%
Recurring Net Profit	671	655	2%

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Balance sheet

In 2022 total equity increased by €396 million.

Total Equity of €10.6 billion increased by €396 million in 2022, of which €2,007 million are attributable to reserves and retained earnings. Equity attributable to EDPR shareholders increase is mainly explained by the +€616 million from Net profit in the period, along with +€30 million of the exchange rate effects, -€256 million from variation in fair value cash flow hedges and -€86 million from dividend distributions to EDPR shareholders.

Total Liabilities increased €5,066 million year on year to €16.9 billion, explained by the increase in financial debt (+€2,119 million), rents due from lease contracts (+€341 million), deferred tax liabilities (+€184 million), deferred revenues from Institutional partnerships (+€67 million), and other liabilities (+€2,524 million), despite the decrease in provisions (-€54 million) and in Institutional partnerships (-€115 million). Debt-to-equity ratio stood at 160% by the end of 2022. Liabilities were mainly composed of financial debt (36%; vs 34% in 2021), liabilities related to institutional partnerships in the US (8%; vs 13% in 2021) and other liabilities (39% vs 34% in 2021).

Liabilities to tax equity partnerships in the United States decreased by €48 million to €2,212 million. Deferred revenues related to institutional partnerships primarily represent the non-economic liability associated to the tax credits already realised by the institutional investor, arising from accelerated tax depreciation, and yet to be recognised as income by EDPR throughout the remaining useful lifetime of the respective assets. Deferred tax liabilities reflect the liabilities arising from temporary differences between the accounting and the tax basis of assets and liabilities. Accounts payables include trade suppliers, PP&E suppliers, deferred income related to investment grants received and derivative financial instruments.

As total assets summed €27.5 billion in December 2022, the equity ratio of EDPR reached 38%. Assets were 65% composed of net PP&E - property, plant and equipment representing €17.9 billion (+€3,329 million vs 2021). In detail it included +€3.4 billion of capex, -€0.6 billion of depreciation charges along with positive exchange differences of +€0.5 billion.

Net intangible assets of €3.0 billion mainly include €2.3 billion from goodwill registered in the books, for the most part related to the acquisitions made in the period.

STATEMENT OF FINANCIAL POSITION	2022	2021	Δ YoY
Property, Plant and Equipment, net	17,891	14,562	3,329
Intangible Assets and Goodwill, net	2,883	1,584	1,299
Financial Investments, net	1,201	1,003	197
Deferred Tax Assets	625	332	294
Inventories	80	62	18
Accounts Receivable - Trade, net	606	498	107
Accounts Receivable - Other, net	1,987	1,772	216
Right-of-use asset	988	669	320
Collateral Deposits	50	49	1
Cash and Cash Equivalents	1,172	1,004	168
Assets Held for Sale	9	496	-487
TOTAL ASSETS	27,493	22,032	5,461
Share Capital + Share Premium	6,402	6,402	-
Reserves and Retained Earnings	2,007	1,710	298
Net Profit (Equity Holders of EDPR)	616	655	-39
Non-controlling Interests	1,545	1,408	137
Total Equity	10,571	10,175	396
Financial Debt	6,160	4,041	2,119
Institutional Partnerships	1,423	1,537	-115
Rents due from lease contracts	1,040	699	341
Provisions	270	324	-54
Deferred Tax Liabilities	638	455	184
Deferred Revenues from Institutional Partnerships	790	723	67
Other Liabilities	6,602	4,079	2,524
Total Liabilities	16,922	11,857	5,066
TOTAL EQUITY & LIABILITIES	27,493	22,032	5,461

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Cash flow statement and Investment activity

Operating cash flow impacted by top line performance

In 2022, EDPR generated Operating cash flow of €1,049 million (+29% vs 2021), due to a better top line performance. Operating cash flow is nothing more than the EBITDA net of income tax, income from institutional partnerships in the US, changes in working capital, and non-cash items that include the €424 million of capital gains from Asset Rotation transactions.

Cash flow evolution was mainly impacted by Gross Investments of €5,147 million (+80% vs 2021), driven by the higher levels of Capex at €3,446 million (+37% vs 2021) mainly in APAC and South America, fostering geographical diversification of the portfolio, and Financial Investments that reached €1,701 million coming mainly from the acquisition of two solar portfolios in APAC and Europe that are programmed to help EDPR diversify its portfolio technology wise.

All in all, Net Debt increased €2,003 million during the year.

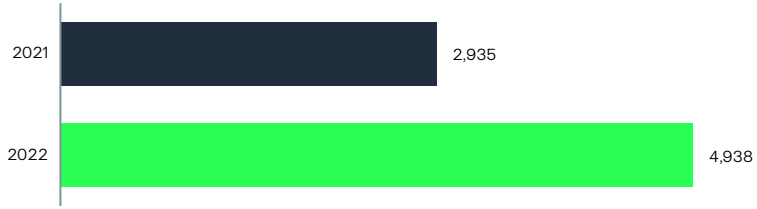
CASH FLOW	2022	2021	△% YoY
EBITDA	2,157	1,760	23%
Current Income Tax	-54	-41	33%
Income from institutional partnerships	-234	-177	32%
Non-cash items adjustments	-572	-534	7%
Changes in working capital	-249	-194	28%
Operating Cash Flow	1,049	814	29%
Net interest costs	-293	-89	-
Gross Investments	-5,147	-2,852	80%
Capex	-3,446	-2,522	37%
Financial Investments	-1,701	-330	-
AR proceeds	1,967	1,144	72%
Dividends to EDPR Shareholders	-88	-77	13%
Forex & Other	509	1,568	-68%
DECREASE/(INCREASE) IN NET DEBT	-2,003	508	-

Net debt

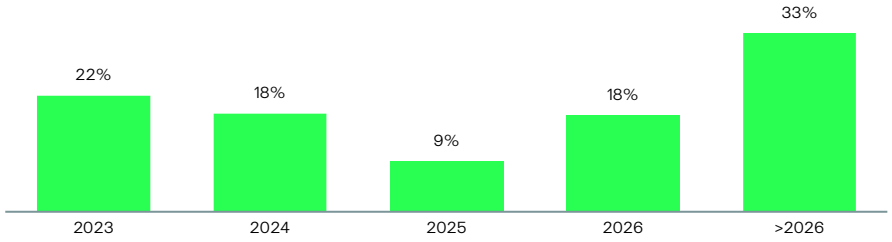
Supporting the investments that are behind the growth plan

As of December 2022, Net Debt totalled €4,938 million (vs €2,935 million in 2021) reflecting the investments made in the period, to support the company's growth targets, the negative forex translation and higher cost of debt that offset the better top-line performance and stronger operational cash flow that is supported among other things by the value generation coming from the Asset rotation deals concluded in the year.

Net Debt (€m)



Debt Maturity (%)



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Income statement by region

Europe

In 2022, Europe increased its revenues to €1,279 million (+38% vs 2021) due to higher production at 11.8 TWh (+4% vs 2021) and higher prices, mainly in Spain (+52% vs 2021). Net Operating costs (Operating costs net of other operating income), increased to €80 million, primarily explained by the higher capital gains in the previous year. All in all, EBITDA in Europe totalled €1,248 million (+31% vs 2021), reflecting an EBITDA margin of 98%.

North America

In North America, revenues increased to €952 million in 2021 (+25% vs 2021) on the back of higher capacity and resource in period, with the previous year impacted by the one-off ERCOT event in the US during the first quarter of 2021. Net Operating costs increased to €332 million, reflecting mainly the higher number of Asset rotations concluded in the previous period. Operating costs increased +40% vs 2021. As a consequence, North America EBITDA totalled €655 million (vs €747 million in 2021), reflecting an EBITDA margin of 69%.

INCOME STATEMENT	Europe			North America		
	2022	2021	Δ% YoY	2022	2021	Δ% YoY
Revenues	1,279	926	38%	952	762	25%
Other Operating Income	308	350	-12%	89	270	-67%
Operating Costs	-389	-335	16%	-421	-300	40%
Supplies and Services	-205	-189	8%	-202	-157	29%
Personnel Costs	-54	-45	19%	-124	-89	39%
Other Operating Costs	-130	-101	28%	-94	-54	74%
Share of Profit of Associates	49	9	-	35	15	-
EBITDA	1,248	950	31%	655	747	-12%
EBITDA/Revenues	*98%*	*103%*	*-5pp*	*69%*	*98%*	*-29pp*
Provisions	6	-1	-	0.1	-1	-110%
Depreciation and Amortisation	-247	-252	-2%	-417	-351	19%
Amortisation Government Grants	0.9	0.6	50%	17	15	13%
EBIT	1,008	698	45%	256	411	-38%

South America

In South America, revenues increased to €89 million (+31% vs 2021) on the back of higher renewable resource and electricity generation (+39% vs 2021) in Brazil. Net Operating costs decreased to -€89 million, due to the €122 million of other operation income registered in 2022 mainly explained by the gains generated from the Asset rotation of a 260 MW wind portfolio in Brazil. All in all, EBITDA in South America totalled €177 million, (vs €49 million in 2021) reflecting an EBITDA margin of 200%.

APAC

2022 marked the integration of Sunseap in EDPR, during the first quarter of the year. In 2021, EDPR consolidated a single 28 MW solar project, which explains the comparison not being like-for-like. It should be noted that in APAC, the company registered revenues of €85 million and an EBITDA of €35 million, that translates into an EBITDA margin of 41%.

INCOME STATEMENT	South America			APAC		
	2022	2021	Δ% YoY	2022	2021	Δ% YoY
Revenues	89	68	31%	85	1	-
Other Operating Income	122	1	-	3	-	n.a
Operating Costs	-33	-20	71%	-52	-2	-
Supplies and Services	-23	-13	77%	-30	-2	-
Personnel Costs	-4	-2	79%	-21	-0.2	-
Other Operating Costs	-6	-4	49%	-1	-	n.a
Share of Profit of Associates	-	-	n.a	-0.4	-	n.a
EBITDA	177	49	-	35	-1	-
EBITDA/Revenues	*200%*	*72%*	*+128pp*	*41%*	-	*n.a*
Provisions	-	0.02	-100%	-	-	n.a
Depreciation and Amortisation	-19	-11	70%	-23	-0.4	-
Amortisation Government Grants	-	-	n.a	1	-	n.a
EBIT	159	38	-	13	-2	-

Note: Income statements only take into consideration countries with operating capacity

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Other reporting topics

Subsequent events

EDPR informs about clawback taxes in Romania and Poland renewables generation

Madrid, January 9th 2023: EDP Renováveis, S.A. ("EDPR" or "company") informs to the market about regulatory developments in Romania and Poland where it operates 521 MW and 697 MW of renewables capacity respectively.

According to the European Union Council Regulation 2022/1854 of October 6th 2022 (Regulation), on an emergency intervention to address high energy prices, emergency cap mechanisms should apply on realized market revenues only, including hedging operations against fluctuations in the wholesale electricity market. This is necessary to avoid harming producers who do not actually benefit from the current high electricity prices due to having hedged their revenues against fluctuations in the wholesale electricity market.

In this context, governments in Romania and Poland have recently introduced emergency clawback mechanisms to restrict the revenues earned by renewable energy producers and other market participants. In Romania a 100% tax is applied on revenues over 450 RON/MWh as well as a withholding tax on behalf of offtakers. In Poland a clawback mechanism is applicable to non-CfD energy with 100% tax on revenues above 345 PLN/MWh for wind projects under Green Certificate (GC) scheme and the corresponding strike price for projects under CfD scheme.

EDPR considers that these new legislations in Romania and Poland do not follow the European Union Council principle of clawing back only realized market revenues as both ignore financial hedges in place within EDPR. These financial hedges follow the company's low risk strategy to secure long term revenues and to remove electricity prices volatility on the company's earnings. Ultimately, these new taxes may result in the cancelation of the effects of the existing risk management strategies legitimately implemented by renewables producers resulting in taxation of unrealized profits, clearly against the Regulation principles.

These developments in Romania and Poland have a direct impact on EDPR, that will have to pay the taxes as if it was benefiting from current high electricity market prices, without consideration of costs incurred with the associated financial hedges in energy markets. This non consideration of financial hedges can result in unreasonable payments and potential costs estimated at €0.3 Bn in 2023, depending on the evolution of electricity wholesale prices, final interpretation/implementation of the recently published legislations and their compatibility with international agreements in force.

EDPR will pursue all legal actions to contribute to the return to a fair rule of law that may support the much-needed investments in renewables in these countries and within the European Union.

Blackrock notifies acquisition of a qualified shareholding in EDPR

Madrid, January 23rd 2023: EDP Renováveis, S.A. ("EDPR") is providing the following information to the market:

Blackrock Inc. ("Blackrock") has notified EDPR that, in accordance with article 23 of Royal Decree 1362/2007 and as a result of transactions executed on January 20th 2023, it has crossed the 3% minimum threshold for qualified shareholding positions.

Following such transactions, Blackrock is attributed with 28,069,268 voting rights in EDPR, corresponding to 2.922% of the aggregate voting rights in the company.

EDPR completes Asset Rotation deal of a 260 MW operating wind portfolio in Brazil

Madrid, January 30th 2023: Following the information released to the market on October 6th 2022, EDP Renováveis, S.A. ("EDPR") is pleased to announce the completion to Sale and Purchase Agreement with Companhia Paranaense de Energia ("COPEL") to sell a 100% equity stake in 2 operating wind projects that total 260 MW of capacity, situated in the state of Rio Grande do Norte, Brazil, for an estimated Enterprise Value of BRL1.8bn as of December 31st 2021 (€0.3 billion @5.51 EUR/BRL rate).

With this transaction, EDPR has already secured €3.4bn of Asset rotation proceeds within the context of the €8bn Asset rotation program for 2021-25 announced in EDPR Capital Markets Day in February 2021, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

EDPR secures its first PPA in Greece

Madrid, February 14th 2023: EDP Renováveis, S.A. ("EDPR") is pleased to announce that it has secured a long-term Power Purchase Agreement ("PPA") with MYTILINEOS – Energy &

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Metals, one of the largest industrial and energy companies in Greece, to sell the green energy produced by a 78 MW wind portfolio.

This deal marks EDPR's first PPA in Greece and it will be covered by a portfolio that consists of 3 wind projects that are expected to enter into operation between the end of 2024 and 2025, more precisely:

- 2 projects, with 23 MW and 35 MW respectively, located in Voiotia, Greece;
- 1 project with 21 MW located in Achaia, Greece.

With this new portfolio, EDPR has now 11.2 GW secured out of the 20 GW target additions for 2021-25 announced in EDPR Capital Markets Day in February 2021. Additionally, this transaction enables EDPR to achieve more than 3.6 GW of the 6.7 GW target for renewable capacity additions in Europe during 2021-25.

EDPR's success in securing new PPAs reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonization of the economy.

Information on average payment terms to suppliers

In 2022, total number of invoices paid by Spanish companies within the legal payment period amounted to 10,212 invoices, 97% of total invoices, while the payments made within the legal payment period amounted to €54,931 thousand, which represents 88% of total payments. The average supplier payment period was of 28 days, below the payment period stipulated by law of 60 days.

Own shares

As of December 2022, EDPR did not hold own shares and no transactions were made during the year.

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3.2. Human capital

Key Data

2022 highlights

During 2022, EDPR was consolidated as a human-centred company under its new vision of one company, one culture, and one purpose, where "Our energy and heart drive a better tomorrow".

To become future-proof and evolve as a global, agile, and efficient organisation, EDPR needs empowered people that help the Company become prepared for its future challenges, ignited by a human-centred approach and a holistic development, which requires a common DNA and purpose that fulfil its business and people needs.

To bring this DNA and purpose to life, which was driven by the global development mindset rollout worldwide, a human skillset is a crucial piece of this transformational puzzle, helping EDPR translate who it is, how its delivers and what impact it wants to have in the world.

This skillset is composed by 3 axes:

- The first one is **Energy**: portrays EDPR's stamina and path until now, track record, ability to execute, and deliver results in an efficient way.
- Because EDPR is human-centred, its **Heart** highlights its people and their key role in delivering the Company's commitment to its clients, partners, and communities.
- And finally, EDPR's **Drive** reflects its ambition and leadership in making change happen, being bold to anticipate and embrace it.

In fact, the Company's increasingly global scope in business and geographies, made it revisit the purpose and skills needed to reinforce a one global company culture, mobilising it towards its goals and ensuring a common and engaging employee experience. In that way, EDPR has moved to a hybrid working model worldwide, looking for encouraging a culture of flexibility and well-being.

In addition to the significant organic growth seen in the countries in which EDPR was already present, 2022 was marked by an inorganic increase through two acquisitions. With the acquisition of Sunseap, the Company incorporated more than 500 employees present in 9 different countries in APAC. Sunseap will provide EDPR with local talent and knowledge in Asia-Pacific region and experience in distributed solar business. Additionally, in 2022 EDPR reached an agreement to acquire a 70% stake in Kronos, a solar developer company based in Germany. This acquisition allowed EDPR to enter in Germany and the Netherlands.

Employee journey

EDPR is aware that people are its most important asset, and that is why it is devoted to support the employee experience and life within the Company as a key factor in achieving the objectives of the 2021-25 Business Plan. A customised Employee Value Proposal is offered to employees throughout their journey in EDPR, which allows them to join a multinational team and grow along with it. EDPR believes that motivated workforce aligned with the Company's strategy is one of the key drivers behind the ability to deliver positive results.

In this sense, EDPR has a People & Organisational Development (P&OD) strategy defined by five key pillars: Empowered Organisation, Human-Centred Experience, People Management Lift, Capabilities for the Future, and Smart & Digital Ecosystem. Much has been done to advance each of these pillars during 2022, considering an active listening of the employees, and the Company will continue to make progress in each of them in the coming years.

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During 2022, the Climate Survey was launched, in which 94% of the employees participated in all EDPR and a result of 86% Engagement was obtained.

EDPR continuously works to provide excellent conditions for its employees, to grow and develop talent at all levels, and to optimise its policies and practices. As a result, EDPR has been recognised again by the Top Employers Institute as one of the best companies to work for in Europe in 2022 and, at a local level, in Spain, France, Italy, Portugal, Poland, Romania and for first time in Brazil. The Company was also recognised as a 2022 Top Workplace in the United States. These certifications endorse EDPR as one of the best companies to work at worldwide thanks to the journey it offers its employees.

Attract

EDPR is facing a very challenging context, as growing its business requires attracting and retaining talented and empowered people.

Attracting talent

EDPR is leading energy transition process in the renewable energy sector and is aware that its team is key to achieve this. Therefore, the Company is continuously striving to attract talent, bringing in the right skills and profiles to address current and future business challenges, and retain professionals who seek to excel in their work.

In EDPR, non-discrimination and equal opportunities are guaranteed during all the selection processes. This is reflected in its Code of Ethics and Recruitment Manual of EDPR, which contains specific clauses on non-discrimination and equal opportunities, in line with the Company's culture of diversity, equity, and inclusion (DEI) and the respect for human and labour rights.

During 2022, EDPR implemented different talent attraction initiatives to strengthen its image as a leading employer:

- **Job fairs:** One of the basis of EDPR's philosophy in terms of attracting talent is to work on the pillars of the labour market, serving and attracting future professionals in the sector. In 2022, EDPR focused on both professional and field technician job fairs. This not only allowed the Company to connect with students and professionals, but also to achieve a higher brand awareness in the US, and to grow EDPR's early career bench with the upcoming talent of the future. Throughout the year, the Company attended 62 job fairs from the most relevant Universities and Business Schools worldwide, with an assistance of more than 30,000 students. In addition, EDPR revamped its employer branding initiatives with new approaches to attract talent, such as the open days.
- **Recruitment sources:** The most important recruitment source for EDPR, aligned with its P&OD strategy and philosophy, is its own team. In 2022, more than 15% of the planned positions were filled internally with EDPR employees, offering opportunities for growth and development. Nonetheless, EDPR's main source of recruitment is LinkedIn, covering up to 50% of the positions hired in 2022. LinkedIn historically is one of the best professional networks to recruit professional, young, and experienced talent, but due to the competitiveness in the market, EDPR had to be more creative in its recruitment approach. In this sense, different strategies have been defined to attract talent that include EDPR company profiles in new professional networks (such as XING for Germany and Handshake in the US), and a brand communication plan which includes initiatives associated with universities, entities recognised in the sector, and additional measures in the digital sphere that will strengthen EDPR's employer brand. This talent search also includes involvement of the hiring managers messaging talent in order to entice the connection with the Company.
- **EHUB:** EDPR NA and EDPR EU&LATAM platforms have worked together in close collaboration to build a specific unit of professional employees, focused on technical areas who support the North American areas who live in Porto, Portugal, and Madrid, Spain. This program started with 8-10 positions and now currently has 21 employees and growing, having little to no turnover within the group. The program provides a true global experience for the employee and hiring manager. Although the intent was not to move employees to the NA platform as the program grows, there are opportunities for the employees in Porto to move to the US.

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Integrating the team

During 2022, EDPR welcomed 1,217 new hires (+87% than in 2021 mainly due to the integration of Sunseap and Kronos), of whom 31% are women. There were over 30 nationalities among the new hires, and their average age was 34 years old. 91% of the new employees correspond to levels of Specialists and Technicians, and 99% of the hires were allocated in permanent positions. In addition, 189 internships were carried out during 2022 in EDPR (+35% than in 2021).

The onboarding of the new team members plays a critical role in their success and builds relationships that are important in integration process, increasing motivation and performance. Aware of this, EDPR has an Onboarding Policy for new hires which details the process and measures to follow when integrating a new employee into the Company.

Some of the measures detailed in EDPR's Onboarding Policy are, apart from the administrative tasks associated with registration, establishing contact between the new employee and their future manager prior to incorporation, organising their first day of work, coordinating with IT, delivering the equipment required, and meeting with an HR buddy.

The onboarding approach in EDPR is not only about being close to the new hire during their first days, but providing support to clarify all the questions that may arise, monitoring closely their performance during their first 6 months at the Company, and completing a process of 6 milestones, all these in addition to frequent and direct contact from the Talent Attraction team to guarantee the correct integration of the new employee, which encourages engagement and shorten adaptation period.

A new measure introduced in North America for 2022 is a Digital Onboarding Assistant, which sends new hires key information on specific days following the date of hire, along with a dedicated internal site, which hosts a range of key information to help the employee onboard into both the Company and the department they work in.

In addition, EDPR shares a monthly newsletter to its employees where all the new hires' names, occupation and country of work are included, fostering their integration.

Experience

EDPR strives every day to create an environment of trust and professionalism among its team. To this end, it regularly implements activities, measures and campaigns that are important for the professional and personal development of employees, by offering an individualised Employee Value Proposition (EVP) with working conditions that allow employees to grow and thrive, helping their well-being and that of their families, supporting volunteer activities and promoting diversity, equity, and inclusion.

Individualisation

Part of EDPR's EVP is a competitive remuneration package aligned with the best practices in the market. EDPR's Compensation Package includes (i) an Annual Base Salary, (ii) a Variable Pay depending on the achievements of the Area, Company KPIs, and an Individual Global Assessment of the employee, and (iii) an above market practices, vital benefits package such as Health Insurance, Life Insurance or Pension Plan, besides the well-being benefits package. The remuneration package is not static, which means that it evolves at the same pace as the business and employees' needs and concerns.

Well-being and Flexibility

Both physical and mental health were once again a global priority. Accordingly, EDPR implements several initiatives focused on family, time, and health, offering its team a wide range of benefits that reinforce the Company's position as a flexible workplace with work-life balance policies; it also encourages an efficient use of time in employees' daily tasks to reconcile their professional and personal life while still achieving excellent results. As an outcome, EDPR's work-life balance practices have earned it the EFR Certification (Empresa Familiarmente Responsable) for ten years, awarded by the Spanish *Fundación MásFamilia*. In 2022, EDPR maintained the level of excellence in this certification obtained in 2021, which recognises the Company's efforts to reconcile professional and personal life, excellence, and flexibility. To achieve this continuously, EDPR is committed to constantly improve the initiatives implemented, which will enable it to provide the most progressive and appropriate benefits to employees.

During 2022, the Hybrid Model of work was established in the Company, in which employees can work remotely 2 days a week, where feasible, as EDPR believes that remote work is crucial to improve flexibility, work-life balance and the overall well-being of its team while remaining productive. The *Flex Fridays* initiative was implemented globally, which implies having Fridays' afternoon off through an intensive working schedule. In the EU&LATAM platform specifically, different initiatives to foster networking, communication, and relationship among employees in physical areas were put in place, such as the *Juice UP your morning* breakfasts which aim to foster moments that allow employees to interact in a relaxed atmosphere.

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In addition, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other. To raise awareness on mental health, EDPR launched once again the *Mind Your Mind* campaign in October, which promoted educational talks with specialists, employees, and other key stakeholders on how to approach the topic, especially in the current social context.

Furthermore, EDPR has a volunteer program addressed to its employees in order to promote social responsibility, giving them the opportunity to grow not only at work but also personally while also contributing to the society.

Diversity, Equity, and Inclusion

As it looks forward, EDPR continues to evolve its organisation and is dedicated to fostering a culture of human equality and valuing the strengths of our differences, as it builds a more inclusive, sustainable environment for future generations. The Company wants to lead by example to create an equal, sustainable future. EDPR's goal is to contribute to improving the quality of life of its employees, removing professional barriers, and promoting gender equality, to ensure a transparent workplace environment where mutual respect and equal opportunities prevail. In accordance, there is a Diversity, Equity, and Inclusion Committee at EDP Group level to promote its commitment to these fundamental principles. The main objectives of the Committee are to reflect the Group's strategy on diversity, equity, and inclusion, including the definition and development of initiatives that contribute to a global action plan and local action plans, and to foster the exchange of knowledge and best practices. However, as a responsible company, the EDPR's goal is to actively promote these values in its team.

In this context, EDPR celebrated different milestones in terms of diversity like Women Month in March, Diversity Week in May and Disability Day in December, during which different trainings, initiatives and talks were carried out to raise awareness among employees on these important topics. The Company believes that with the right tools and knowledge, we will be able to have a truly inclusive culture and a more sustainable future.

In addition, EDPR is part of the "Empowering Women's Talent" program for the development of female talent promoted by *Equipos & Talento*. The program helps companies to learn, share, communicate and inspire about gender diversity, with the aim of promoting female empowerment and leadership.

At local level, EDPR organised multiple initiatives in Europe & Latin America during the year to promote diversity, inclusion and equity in different groups such as different generations, genders, abilities, and cultures. To this end, internal meetings focused on these topics have been held to promote activities and raise awareness in each of them and in all geographies within the region. These encounters, called *Waves*, were organised with different periodicity in each country, and interesting initiatives have arisen from them such as WomEng, aiming for the promotion of scientific-technological vocation among girls, based on awareness-raising and guidance actions, delivered by EDPR professionals in the world of engineering. Group mentoring is used to encourage girls' and primary school students' interest in STEM (Science, Technology, Engineering and Maths).

In North America, the Company made an investment to charter a corporate Toastmasters program with a DEI focus and the development of the team's underrepresented talent. This is a learn-by-doing program that focuses on effective communication and leadership skills. EDPR also had three of its employees participating in a book to promote women in STEM. The book is titled "Everyday Superheros". This multi-cultural children's book shares the colourful stories and energy careers of 26 diverse women powering our planet. Additionally, in September EDPR launched *Women Who Rise*, a specialised developmental program through a book club for women to advance their careers.

Not only does EDPR look within the organisation to institute change in its own DE&I, but the Company also participates in volunteer committees to support its local communities and create partnerships with non-profit organisations. One of these organisations is Black Girls Do Engineering, which focuses on STEM education of young black girls in middle and high school. Another organisation EDPR partnera with is Easter Seals, which provides resources for veterans and individuals with disabilities, and Dress for Success that helps to provide business attire and development tools to help women thrive in work and life.

As a result of its commitment and practices, EDPR was recognised again in the Bloomberg Gender-Equality Index (GEI) in 2022, a benchmark index that selects the listed companies most involved in the development of gender equality in the world. EDPR's inclusion as part of this index highlights the Company's work to promote equal opportunities for women through development, representation, and transparency policies.

In addition, during 2022, the Company was honoured with two Culture Excellence Awards in the US for its diversity, equity, and inclusion practices and for being a woman-led company.

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EDPR is dedicated to continuously fostering a culture founded on human equality and the strength in diversity and will continue to lead by example. The Company upholds its commitment to Diversity, Equity & Inclusion not only through words, but through actions that truly make a positive impact on people.

Global Development Mindset

To address the needs for reinforcing a one company mindset, EDPR must foster an impactful development environment that translates into a holistic assessment that integrates individual's past (performance), present (skills), and future (agility), addressing business and people needs. A new global development mindset that also includes development conversations, a key tool and moment to foster an impactful experience. This ongoing cycle is supported by a new learning experience and culture that is flexible and led by everyone, according to their needs.

In this sense, EDPR is committed to the development of its employees, offering them an attractive professional career, and aligning their capabilities and skills with the current and future needs of the company. The growth and development of the Company's business leads EDPR to invest in the employees by discovering, improving, and emphasising the potential of each mainly through internal mobility, training, and development actions.

Holistic assessment

For an impactful and comprehensive development experience, EDPR strives to have a whole perspective of the employee, by learning how they perform, what skills they have, and their agility to evolve under new or unexpected conditions. To better develop its team, the Company must consider the infinite connection between past, present, and future. This connection gives EDPR different ingredients and insights that it should consider while assessing its people, in order to bring out their best self.

- **Performance (past):** Performance monitoring is quite essential for EDPR, from an individual perspective and for the organisation, since it:
  - Enables people to perform to the best of their abilities and produce the highest-quality work;
  - Provides feedback and support on their progress about what is expected from them according to each function/level, while allowing accountability;
  - Promotes greater differentiation between employees, fostering a fair and transparent consequent management.
- **Skills (present):** It is essential to realise that the skills that EDPR's employees have are, by consequence, also the Company' s competencies. Therefore, EDPR benefits from mapping the skills it has in house in order to fulfil skills gaps, and guide and tailor its development initiates considering its business and people needs.
- **Agility (future):** EDPR is committed to lead the energy transition and has an ambitious Business Plan accordingly. The best way for the Company to be prepared for this future and quickly adapt to market changes is by being flexible, creative, and resilient. To do this, EDPR fosters development also considering future needs, preparing the team for upcoming challenges and ensuring business continuity.

Learning

EDPR offers job-specific ongoing learning opportunities to contribute to the self-development of employees according to the new learning model as part of the Global Development Mindset. Regular and continuous Development Conversations with the Manager contribute to identify learning needs along the year in close relationship with strategic goals and the main business challenges, so they are anticipated and prioritised.

This approach implies a fluid learning process that happens in the pace of work, anytime, anywhere, anyhow.

A mature Learning culture requires a proper environment that stimulates curiosity, autonomy and share of learning among employees, not only through formal but also through informal ways. The offer has evolved to a more on-demand approach where employees have online learning contents and resources to personalise the learning experience. The Udemy's portfolio with over 11,000 online courses, Campus Online open contents, workshops and global talks or shared contents in EDPR's Global Communities online are part of this diversified learning experience.

The annual Training Plan also includes business specific programs (technical, management, behavioural), digital training focused on the digital upskill roadmap, mandatory topics addressed (safety, ethics, compliance, cybersecurity) aligned with the Company's challenges and new markets or technologies to ensure the sustainability of EDPR's business.

During 2022, EDPR delivered a total of 87,187 training hours throughout 4,828 sessions that included 44,551 participants. This translates into an average of 32 hours of training per employee and results in 96% of EDPR's team receiving training. With lessons learnt after COVID-19 pandemic, EDPR has consolidated different learning methodologies and selected

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the best option who matches the requirements from both the contents and the participants: live online, e-learning, virtual remote formats and in-classroom training are part of the learning ecosystem in EDPR (a total of 74% of training hours or 94% of the attendances were delivered in online methodologies). Therefore, EDPR keeps on Digitalisation as one of the main training drivers that helped to accelerate and consolidate during 2022 because of the methodologies and by contents increasingly delivered on topics such as Collaborative Tools (Microsoft 365 suite), Agile or Design Thinking methodologies, Data Analyse tools, Digital Transformation, Cybersecurity, SMART business, IoT, Cloud or Artificial Intelligence.

Knowledge management

EDPR is aware of the importance of Knowledge as a valuable asset within the business and in employees' development. Thus, EDPR is boosting LINK as a knowledge platform, increasing the number of areas, domains and curated documents with valuable content captured and shared across the organisation encouraging the access to recommended documents. During 2022, EDPR organised a total of 3 sessions of *40fiveminutes*, an online initiative to easily share main business insights in a friendly and informal way to those employees who voluntarily register to the sessions.

Implementing a Global Development Mindset culture implies a strong knowledge sharing mindset, so EDPR strives to improve the use of knowledge by regularly distributing customised relevant documents or events, fostering the participation in Communities, offering regular talks, webinars, or clinics, working to adapt to new ways of learning reaching to all the generations present in the Company, and by establishing a hybrid work model.

Development Programs

To support the Company's growth and to align the current and future needs of the organisation with the skills of employees, as well as boost their professional growth, EDPR has included in the new global development mindset approach an holistic assessment (past, present, and future), development conversations and "anytime, anywhere" development tools, as long as different development programs that allow employees acquire the right tools to take on new responsibilities and adapt to new challenges:

- The **Lead Now Program** aims to support middle managers in their role as team leaders. As a result, participants have the possibility to self-assess their management style, improve the skills they need, and get to know the role they play in the different HR processes at EDPR, as well as the IT, internal tools and H&S systems that can help them develop their role. Through online sessions, two editions were delivered to 24 employees in 2022 in Europe and Latin America, and other five in North America in which 72 employees participated.
- The **Leader Coaching Program** in North America supports current and new leaders with focused leadership coaching via certified leadership coaches who provide Leadership Coaching, Transition Coaching for first-time managers, or Group Coaching for groups of leaders on leadership topics that align to current business environment. In 2022, 82 North America leaders attended Leader Coaching programs.
- The **Executive Development Program** is an advanced training with a similar philosophy of an MBA in which the main objective is to develop the vision, skills and management capabilities required to meet the many and diverse challenges that EDPR professionals must face. In January 2022, the edition launched in May 2021 ended with 30 participants. It was focused on different topics, such as Economic Outlook, Strategic Vision, Operational Excellence, Financial Management, Communication and Leadership, among others.

Mobility

EDPR considers both functional and geographical mobility as a tool that contributes to the organisational development by stimulating employees' motivation, skills, productivity, personal fulfilment and fostering the share of best practices. The mobility processes within EDPR aim to respond to the different challenges and needs of the Company, considering the characteristics of the different geographies. In 2022 there were 90 mobility processes, 40 of them functional, 34 geographical and 16 both functional and geographical. Entering in new geographies such as APAC has meant that new mobility opportunities have arisen. The different types of mobilities that we consider within the company are the indicated below:

- **Short-term assignments:** Applies to short-term international relocation (up to 1 year), not renewable, initiated by the Company, whose purpose is the development of projects or the development of the professional career of employees involved.
- **Expatriation:** This regulation applies exclusively to expatriation up to 3 years, renewable, (international assignment for the execution of management or mandate functions in the destination country or critical functions that may have been identified).
- **Commuting:** Applies to employees that perform simultaneously management and mandate functions in two companies located in different geographical regions or countries, one of them being the base location.
- **Local plus:** For employees going on long-term relocations (more than 1 year), through cessation of the work contract at the home company.

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3.3. Supply chain capital

EDPR's market leadership, based in value creation capacity, innovation and relationship with its stakeholders, is much influenced by the performance of its suppliers. The Company's materiality matrix identifies the supply chain and its management as one of the most relevant aspects for EDPR, based on its importance for society and for the Company's own business.

Suppliers are a key stakeholder for the Company, and also a main partner to achieve its installed capacity growth targets and sustainability goals. Technical excellence, execution performance, economic competitiveness, together with sustainability are the basis of EDPR relationship with suppliers. This results in close collaboration, joint capacity to innovate, but also strengthen the sustainability practices and improve the quality of the Company's operations.

Key Data

EDPR's supply chain

EDPR has a strong interaction, and a permanent dialogue and engagement process with its supply chain, in particular with the suppliers of the critical equipment and services, understood as WTG (Wind Turbine Generator) & Solar Panels, Inverters, Structures/Trackers, Batteries, Balance of Plant (BOP) and Operation and Maintenance (O&M) contractors. These suppliers contribute in a meaningful and visible way to the value of EDPR core activities. This close relationship allows EDPR to benefit from all the new technical solutions and innovations available on the market to maximise the value creation in the projects worldwide. This partnership approach also helps EDPR to anticipate and mitigate Supply Chain disruption and to minimize impacts during the projects' execution.

High quality and sustainable procurement

EDPR's Procurement Policy establishes the framework under which the Company's procurement process is developed. This process extends to direct and indirect suppliers and allows EDPR to establish practices and procedures that ensure a high-quality relationship with its suppliers and sustainability practices through the entire supply chain. Some of these practices and procedures are: development of activities that promote the sharing of the best sustainability practices in EDPR purchases; contribution to the growth and profitability of the business through the promotion of initiatives for the progress and continuous improvement of the supply chain; systematic monitoring of suppliers' performance and risk profile; dissemination and implementation of EDPR's ESG policies (Environmental, H&S and Human and Labour Rights policies and Code of Ethics) in the acquisition of goods and services; and involvement and empowerment of all actors in the supply chain. Many of these practices are possible through continuous dialogue and engagement with suppliers where the main priorities of both parties are shared at the technical, implementation and ESG levels.

Implementation of the Procurement Policy leads to a better control in the suppliers' management process, assuring EDPR values are respected, high quality standards and minimization of the risks.

[1] EDPR defines spending in local suppliers at a country level as purchases to suppliers in countries where EDPR is present divided by the total invoiced volume in 2022; [2] Weight of each region on the total invoiced volume in 2022.

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EDPR has in place requirements related to ESG, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases: Registration and Qualification, Requests for Proposals and Contracting and, lastly, the Monitoring and Evaluation of the suppliers.

Registration and Qualification phase

The registration process is mandatory requirement for any company who intends to become a supplier or apply for a qualification process issued by EDPR. The Corporate System of Supplier Registration of the Company works as the support to search and select suppliers by providing detailed information, validated and updated by credible sources, in order to guarantee their accreditation through financial, technical quality and ESG criteria. EDPR has also its own Supplier Qualification Process in place since 2020 focusing in additional aspects specific to EDPR business. It aims to provide an analysis on critical issues and establishes minimum requirements to ensure that the suppliers EDPR works with are qualified: Technical capabilities & Quality Management, Financial & Risk, Compliance & Integrity, Health & Safety and Environmental Management criteria. The Company regularly reviews and reassesses the Qualification System criteria to ensure that they reflect the main market trends and regulations and that a high level of quality of the information available from suppliers is maintained.

In addition, during the Qualification Process, the Company shares for suppliers' knowledge: EDPR Code of Ethics, EDPR Integrity Policy and EDP Supplier Code of Conduct.

The qualified suppliers are then included in a Qualified Suppliers List who then are able to participate in the EDPR bidding and contracting process, during the qualification validity period. Only those suppliers who have been qualified and are included in a Suppliers Qualification List will be able to receive a subsequent award.

Request for Proposals (RFP) and Contracting phase

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

Request for Proposals (RFP) from suppliers

In 2022, EDPR has included an additional analysis on 5 ESG priorities in its turbine and module tenders (RFPs): Decarbonisation, Circular Economy, Human Rights, Health and Safety, and Transparency and Reporting. EDPR analyses corporate policies, targets, strategies, statements, roadmaps and other corporate documents or procedures that show suppliers' commitment to EDPR's ESG priorities. This analysis also helps the Company to avoid and mitigate potential ESG risks.

Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirements is essential to guarantee the correct performance of the contracted services and works. Aiming to ensure that suppliers comply with these requirements, the Company has established a disciplinary and sanctioning regime, which is included in all RFPs, contracts, and purchase orders so any provider will be always informed about the consequences of not complying with EDPR H&S and environmental requirements.

Moreover, EDPR has a Third-Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2022, 385 Compliance analysis of suppliers were performed (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended. These IDD allows the Company to verify public sanction lists, Political Exposed Persons lists (PEPs) and adverse media, in order to avoid any integrity risk.

Supplier Contracting and Awarding

In addition, during the contracting and awarding phase, the Company also establishes a fluent dialogue and shared of information with strategic suppliers through the traceability information requests and meetings. Technical components, including serial number and manufacturing origin must be provided by suppliers during this phase, ensuring traceability and enabling post-contracting manufacturing audits. This traceability information on the origin of the components allows the company to assess and avoid potential ESG risks.

In parallel, financial capacity of the suppliers and their insurance policy are evaluated according to the EDPR's Credit-in procedure that defines the requirements to ensure the compliance with EDPR's Counterparty Risk Policy and the proper follow-up of active

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guarantees. EDPR Counterparty Risk Policy sets the methodology and process to measure counterparty risk of new contracts, monitor counterparty risk of existing contracts, define in which moments and situations it should be used and establish guidelines and mitigation instruments to reduce counterparty risk when they exceed established limits.

Monitoring and Evaluation phase

In order to guarantee that the suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery and activity in EDPR's facilities.

EDPR has two mechanisms to ensure that suppliers comply with its contractual obligations: passive mechanism and active mechanism.

- The **passive mechanisms** are those related to suppliers' disclosure when they identify any situation, infringement, or circumstance that may affect the agreement.
- The **active mechanisms** consist in:
    - Physical audits of the manufacturing process and the right from EDPR to audit/request information to the supplier. EDPR could audit those factories where its components are manufactured and produced.
    - Inspections that EDPR performs during the construction and operation phases, to monitor the suppliers' and contractors' performance regarding environmental and H&S aspects and to identify potential risks. In 2022, EDPR performed 2,277 inspections (+31% than in 2021) to 274 suppliers (+1% YoY) regarding EHS procedures. These inspections and audits are performed by EDPR to ensure best practices among contractors and to guarantee that these services are performed in a rigorous and standardized manner. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement.
    - EDPR hires an external party for additional supervision in these areas. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001.
    - In Europe & Latin America, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet, including H&S, environmental and ethical requirements.
    - In addition, in Europe & Latin America, EDPR classifies suppliers according to their HSE score and risk. This performance evaluation allows to classify suppliers and then implement an action plan according to other procurement processes, since adequate compliance by all EDPR suppliers with applicable H&S and environmental requirement is essential to guarantee the correct performance of the contracted services and works.

EDPR's scope 3 and supply chain decarbonization

EDPR's activity inherently contributes to the achievement of global climate goals. Despite this, scope 3 has become a priority for the Company, as most of the Company's emissions are directly related to the supply chain.

Therefore, EDPR has implemented during 2022 a methodology for measuring upstream emissions from the supply chain, for which it has been essential to engage with suppliers to know the emissions linked to their activity with EDPR. As with other aspects, EDPR has established as a priority to continue improving the assessment and disclosure of its supply chain emissions. Please refer to chapter 4. GRI Reporting for more information on EDPR's scope 3 emissions.

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3.4. Social capital

At EDPR, there's a commitment to integrate the social aspects in planning and decision-making and to guarantee responsible operations throughout the whole lifecycle of its business. As a result, EDPR undertakes to respect and foster due respect for these practices within the Company and in its supply chain.

Specifically, EDPR believes it is indispensable to contribute to the development of the society respecting both human and labour rights and creating value in different ways, for different people. With this in mind, the Company is guided by three key social responsibility principles: guarantee the highest health and safety standards, respect human and labour rights in the whole value chain and, lastly, support communities.

3.4.1. Guarantee the highest health & safety standards

The health and safety of those who contribute to EDPR's activities is a key value and a priority for its success. Consequently, the Company aims to promote and build on a positive safety culture in which every employee, service provider and supplier is engaged. According to its Code of Ethics, EDPR undertakes to give priority to the employees and suppliers' safety, health and wellbeing and to ensure the development of appropriate occupational health and safety management systems. The commitment to guarantee the welfare of employees and contractors is further supported by EDPR's Occupational Health and Safety Policy.

EDPR's integrated Health & Safety and Environmental Management System was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS, where synergies play a fundamental role, was implemented and jointly certified by an independent certifying organisation. The implementation of this integrated system allows for better management and prevention of accidents, with the objective of zero accidents overall. The commitment to health & safety is further supported through the ISO 45001 certification, which covers c.100%[1] of EDPR's installed capacity by the end of 2022.

Key data

During 2022, EDPR registered 39 work-related injuries that resulted in lost workdays for employees and contractors (+3% YoY). One of these injuries was fatal and EDPR has defined an action plan with corrective measures to further mitigate these incidents, which was revised and approved by the Company's Management Team.

In 2022, the injury and the lost day rate were 2.5 work injuries per million hours worked (+22% YoY) and 166 days lost due to work accident per million hours worked (+26 YoY), respectively. The interannual variations of these ratios are mostly impacted by a decrease in worked hours (-16% YoY) mainly in Brazil due to the conclusion of construction works carried out during 2021, as the country had 580 MW under construction by the end of 2021 and none by the end of 2022.

2022 highlights

EDPR continuously works to improve its health & safety indicators and to bring awareness to the best practices, having implemented several initiatives throughout the year in this sense.

EDP Group launched *PlayItSafe*, a global safety program transversal to the entire Group which focuses on the continuous improvement of the Company and its procedures, with a special focus on accident prevention. This initiative seeks to sensitise all employees to the importance of adopting safe behaviours and will last for four years.

The underlying work and this program will be done around six priority axes, essential to achieve the objectives of accident reduction. They are:

- The commitment and involvement of our leaders in Prevention and Safety;
- The promotion of safe behaviour and learning from mistakes;
- Digitisation of processes and operations;
- Strengthening skills in the area of Prevention and Safety;
- Communication and involvement with Prevention and Safety;
- Management of the contracting chain.

Within the framework of these axes, in 2022 the Group mainly invested in closer and more transparent communication, trying to reach all employees and strengthen its safety culture.

[1] Calculation based on 2021YE installed capacity (EBITDA MWs). EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2022 will be certified in 2023.

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Specifically, a global and monthly campaign was developed to talk about the main risks that employees are subject to in their professional context, and the fatal accident was communicated through an email from the CEO to all employees for the first time. This was also the year in which the Group focused on investing in training its team leaders and managers, reinforcing the conviction of leading by example.

In addition, in 2022 the Hybrid Model of work was established in the Company, in which employees can work remotely 2 days a week, where feasible, as EDPR believes that remote work is crucial to improve flexibility, work-life balance and the overall well-being of its team while remaining productive. Also, the *Flex Fridays* initiative was implemented globally, which implies having Fridays' afternoon off through an intensive working schedule.

Lastly, as both physical and mental health were once again a global priority in 2022, EDPR also implemented several initiatives focusing on employees' general health and well-being. In this context, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other. To raise awareness on mental health, EDPR launched once again the *Mind Your Mind* campaign in October, which promoted educational talks with specialists, employees, and other key stakeholders on how to approach the topic, especially in the current social context.

3.4.2. Respect human and labour rights

For the Company, it is a top priority to promote human rights and fair labour practices across the entire value chain. EDPR respects and undertakes to promote Human and Labour Rights internally, in its suppliers, customers and the communities where it operates, namely in indigenous communities. This commitment has been reflected in EDPR's Code of Ethics since 2009. However, given the increasing relevance of this topic, EDPR's first Human and Labour Rights Policy was approved in 2022.

This Policy applies to all EDPR Group companies and employees, business relationship and activities, in all its geographic locations, regardless of the local practices or level of social and economic development. In addition, it is articulated with the Code of Ethics, the Stakeholder Relationship Policy, and the Supplier's Code of Conduct, and identifies the references, norms, and international conventions to which it is submitted, establishing the principles and procedures that ensure compliance with them.

As stated in its Human and Labour Rights Policy, EDPR is committed to respecting and enforcing all internationally recognised human and labour rights, which translates into:

- Supporting the International Bill of Human Rights, subscribing to and implementing the Principles of the United Nations Global Compact and the instruments to protect vulnerable people and groups;
- Applying the ILO Declaration on Fundamental Principles and Rights at Work and related conventions and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
- Operating a human and labour rights management system that is active and present in all its activities, implementing the United Nations Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, and the Directive of the European Parliament and of the Council on Corporate Due Diligence and Corporate Accountability.

These commitments are also reflected in EDPR's Code of Ethics, which contains specific clauses regarding non-discrimination and equal opportunities in line with the Company's culture of diversity and respect for human and labour rights. The commitments in this Code are equally applicable to EDPR business partners, representatives and suppliers who are, in any way, entitle to act on behalf of EDPR.

EDPR also requires its suppliers and service providers to comply with its ethical standards. In this way, the alignment with the spirit of EDPR's Code of Ethics is required. Moreover, the Sustainable Procurement Policy references the promotion of respect for dignity and human rights, and the rejection of any form of forced labour or child labour, harassment, discrimination, abuse, or other types of physical or psychological violence.

In addition, as stated in its Code of Ethics, EDPR promotes a culture free from any sort of harassment, understanding this to be systematically undesired behaviour of a moral or sexual nature, in a verbal, non-verbal or physical form, which has the goal or effect of disturbing or embarrassing another person, or affecting their dignity or creating an intimidating, hostile, degrading, humiliating or destabilizing environment. Harassing forms of behaviour in a business context violate the victims' labour rights, and may affect their value as people and workers, causing harm that can have an impact on their self-esteem, physical and mental health, life project and family relationships. Therefore, in addition to the legal obligations to which EDPR is subject to, the Code of Ethics also states that it is the duty of all employees to prevent, confront and report all behaviour that may preclude a situation of harassment.

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In this regard, EDPR's Speak Up Channel is accessible to all employees, customers, suppliers and other stakeholders that may be adversely impacted by the Company or, irrespective of this, that wish to complain, denounce, clarify or expose any situation of ethical nature, including those related to human and labour rights.

The Ethics Ombudsperson, an independent third party that is behind the Speak Up channel, receives the complaints and doubts submitted through this channel and investigates and documents the procedure for each of them. A preliminary report is then submitted to the Ethics Committee, whose main goal is to ensure compliance with the Code of Ethics within EDPR.

3.4.3. Support communities

The Company believes that besides excelling in the way it performs, there must be a main factor weighing in every action or activity EDPR does – people. The Company considers that in order to have a positive impact on society, it is vital to work for the common good by promoting and supporting social investment activities.

EDPR's strategy for social investment reinforces two major topics - Fair Energy Transition, and Culture - having defined concrete objectives for the allocation of social investment to each of these themes.

- The **Fair Energy Transition** theme, which englobes social investment activities such as Closer2You, Keep it Local, Wind Experts and Your Energy, aims to promote energy efficiency, renewable energy and decarbonization through increased awareness, supporting education on renewable energy for all. This thematic focus is greatly aligned with EDPR's business and therefore also promotes a more efficient use of the Company's skills, thus contributing to supporting communities in a more efficient manner.
- The **Culture** theme, which englobes EDPR's Powering Culture initiative, contributes to the protection and promotion of cultural heritage, local traditions and access to culture and art, contributing to a more vibrant and creative society.

In parallel and recognising the need to continue supporting projects that respond to other social needs of the communities where EDPR is present, the Company will maintain its investment in various topics such as health, social inclusion and response to emergency situations, among others.

In this context, and as an integral part of the communities where it operates, EDPR undertakes to maintain a relationship of proximity with the local communities engaging in regular and open dialogue, seeking to know their needs, respecting their cultural integrity and looking to contribute to improve the living conditions of local population, taking measures to consider and respect the community interests. Therefore, in line with its social investment strategy and the communities' needs and expectations, EDPR has defined a Catalogue of Activities that works as a tool for defining the social investment made in local communities. Nevertheless, in addition to the development of social activities, EDPR provides long-lasting economic benefits to the surrounding areas that include, but are not limited to, infrastructure investments, tax payments, landowners' royalty payments and job creation.

However, as a responsible company, EDPR works to promote the wellbeing and development of not only the communities where it operates but also of society in general, focusing on the people who contribute to the success of the Company's business and how society may benefit from it. In this context, and following the humanitarian crisis in Ukraine, EDPR made a €500 thousand donation to help support Ukrainian refugees in Poland. Specifically, the funds were used to distribute food to those in need in close partnership with NGOs that are very engaged in emergency support to the people fleeing the war to Poland. The donation adds up to the Group mobilising resources and equipment in affected communities as a response package for the humanitarian crisis. Aid was also sent to organisations working with victims on the front line – such as the Red Cross and Doctors of the World – in the form of the donation of essential goods and direct economic assistance.

Due to EDPR's presence in Poland, Romania and Hungary, there is regular contact with local authorities, to whom aid was also provided as required to support those communities on the border with Ukraine. In addition to this emergency response package, in-house action launched by volunteers of the Group was also carried out in the form of more local initiatives, helping refugees in Portugal and other countries.

Globally, during 2022, EDPR invested a total of €2.4 million in supporting communities, as a result of several activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities. 23% of EDPR employees participated in volunteering initiatives, contributing with more than 2,500 hours of their time to the development and wellbeing of the society.

All in all, the Company believes that this support powerfully contributes to make EDPR's vision of a sustainable, safe, and healthy world a reality.

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3.5. Natural Capital

Wind and solar power are two of the most environmentally friendly ways to produce energy, while contributing to achieving global climate goals and decarbonizing the economy. Despite the positive impact of EDPR's activities on the environment, the Company continues to implement processes and measures to manage ESG issues, and works on a daily basis to protect the natural capital and ecosystems in which it operates. As a result of this commitment, EDPR integrates ESG aspects into the Company's decisionmaking, with sustainability playing a key role within the EDPR's Business Plan 21-25. Specifically, environmental issues are two of the specific ESG targets included in the BP.

EDPR's Environmental Policy establishes the Company's specific commitments to contribute to the mitigation of climate change, the promotion of the circular economy and the protection of biodiversity. The Policy reflects EDPR's approach to complement the Company's strategy through responsible and proactive management of environmental aspects along its entire value chain. EDPR implements measures to prevent, correct and compensate any potential impact on the environment, establishing a series of commitments to ensure the proper implementation and maintenance of an effective Environmental Management System at its facilities.

The integrated Health & Safety and Environmental Management System, developed and certified according to international standards ISO 45001 and ISO 14001, enables EDPR to adopt a global environmental and safety efficient approach, standardizing processes and allowing the Company to manage the potential risks of its activity. This management system is implemented and then certified by an independent certification organization. By the end of 2022, ISO 14001 certification covers c. 100%[1] of EDPR's installed capacity.

With an expected life span of 30 years, EDPR's wind farms will pay back their life-cycle energy consumption in less than one year[2], meaning that for the remaining 29 years of their life cycle they will be producing clean energy.

[1] Calculation based on 2021YE installed capacity EBITDA. EDPR certifies the facilites the year after the COD (commercial operating date). Thus, the facilites that have entered into operation in 2022 will be certified in 2023;

[2] According to the life cycle assessments of our main turbine suppliers.

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2021-25 Business Plan Targets		1. Development	2. Construction
20 GW Gross additions	Climate Change	EDPR promotes the development of new renewable energy projects that contribute to achieving global decarbonization goals and fight against climate change. During the development phase, the Company's highly experienced and qualified EDPR promotion teams locate the best sites for renewable energy generation, based on the necessary resources (wind and sun) and with nearby transmission lines.	EDPR aims to be a reference in the industry for building the most cost competitive, safe and efficient wind farms and solar plants in order to generate clean energy and help protect the climate. The Procurement, Engineering and Construction teams from EDPR are well equipped to select the best wind turbines and solar panel systems based on each project's specifics. The Company also uses in-house expertise to design the best sites, and assure top-class engineering and construction standards.
85% Recovery rate for waste generated in the whole value chain	Circular Economy	During the development phase, EDPR takes into account circular opportunities when designing the facilities. The search for circular solutions in this phase allows the Company to design facilities that are as circular as possible, taking advantage of rainfall resources and taking into consideration future waste treatment and collection. EDPR, through its sustainability guides and its engagement with suppliers during the RFPs, shares with them the recyclability of materials as one of the Company's priorities.	The construction phase is essential to the circularity of the Company and its operations by promoting the efficient use of natural resources and maximizing the recovery of waste and resources, as well as their reintroduction into the economy as by-products. An example of this is the Company's use of earthworks to backfill and level the facilities. In addition, the environmental monitoring and surveillance of the construction works ensures a sustainable use of resources, as well as the correct management of the waste generated.
100% Facilities with high biodiversity risk with action plans defined	Biodiversity	EDPR conducts environmental viability studies to identify environmental constraints and ensure the best location for projects. In addition, through Environmental Impact Assessments (EIAs) and other studies, the environmental impacts of projects are assessed in detail. All these studies, carried out by external professionals, allow the Company to take into account and manage potential impacts on the surrounding flora and fauna, as well as to implement preventive measures to avoid them. During 2022, EDPR invested 6.6 million euros in environmental impact studies (EIAs and other monitoring and environmental impact studies) for its projects.	The construction phase is closely supervised by EDPR to minimise potential impacts or disturbances and to ensure adequate restoration of the land once the works are completed. In this regard, the Company has ensured the restoration of 100% of the areas affected by non-permanent infrastructure. During 2022, in a solar project in Spain, EDPR has achieved more than 100% restoration rates, revegetating the area between the solar panels and around the plant, generating a positive impact on the beekeeping panels in the area. In addition, the environmental monitoring of the construction works is the key process to ensure that the risk to biodiversity is adequately managed, to avoid potential impacts and to implement the necessary corrective measures.

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2021-25 Business Plan Targets		3. Operation	4. Dismantling / Repowering
20 GW Gross additions	Climate Change	EDPR produces renewable energy, which inherently involves contribution to the fight against climate change and the reduction of GHG emissions. Both wind and solar energy are emission-free and do not produce harmful SOx, NOx or mercury emissions, thus protecting air and water resources. During 2022, EDPR's operations allowed the Company to avoid the emission of 20 million tons of CO_2. In addition, CO_2 emissions related to EDPR's activities (including its upstream emissions) represent only 14% of total emissions avoided.	The efficiency of wind turbines and solar panels, as well as their end of life, are evaluated by the Company for their replacement or dismantling. The repowering of wind farms has been one of the solutions applied by EDPR, which consists of reducing the number of wind turbines and replacing them with more efficient models. The new modern models allow the Company to increase installed capacity, CO_2 avoided and clean energy generated ,while reducing the land area per MW.
85% Recovery rate for waste generated in the whole value chain	Circular Economy	EDPR promotes a sustainable and rational use of the resources it needs, as well as a reuse of components whenever possible. In this regard, the Company encourages the recovery and recycling of waste. In 2022, EDPR recovered 74% of the total waste generated in its operations, and 90% of the hazardous waste. Most of this waste is related to the necessary maintenance of the assets during their operational phase, with the remaining part coming from the offices. For the time being, the activity carried out by EDPR does not involve material water consumption. However, the Company continuously analyses this variable for its correct management.	In the case of wind turbines, the recycling rate is between 80-90%[2], as the remaining percentage is related to turbine blades, which are composed and manufactured with complex materials that make them difficult to recycle. As the Company's solar energy capacity grows, EDPR integrates circularity criteria into its operations and decision-making process. EDPR is committed to supporting processes and initiatives to recover blades and promote the circular economy. In addition, EDPR integrates circularity criteria in upcoming dismantling projects and takes them into account when working with suppliers at this stage.
100% Facilities with high biodiversity risk with action plans defined	Biodiversity	In order to ensure that suppliers comply with environmental requirements during the operation and maintenance phase, EDPR has an environmental monitoring plan implemented by an external party. In this regard, EDPR conducts internal inspections to monitor the environmental performance of contractors, in order to ensure proper monitoring of operations and the implementation of measures and initiatives to protect biodiversity. In 2022, EDPR performed 1,425 inspections to 214 contractors on their environmental procedures during the construction and operation of the Company's projects.	The Company is committed to cleaning and rehabilitating the land to return it to its initial state, as well as minimizing any potential impact generated. To this end, EDPR has been working on an environmental management guide for the dismantling phase, with the aim of serving as a framework for all the measures to be applied in the process, including biodiversity criteria.

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3.6. Digital Capital

The digital journey is a never-ending transformation given the rapid evolution of Technology and its big impact on the Business and the People.

Accordingly, digital transformation is one of EDPR's strategic pillars for the coming years, as we must continue to improve our digital capabilities to stay competitive with our peers as we continue to grow, focusing also on sustainability. EDPR's digital strategy involves not just the use of new technologies, but also a digital mindset awareness and engagement within the organisation, along with a clear definition of the processes that will change from physical to digital.

Since 2021, Digital Transformation Committee, was formally created to sponsor and enable digital transformation as a competitive advantage for EDPR. The Committee is sponsored directly by the Management Team and the 3 main areas that were designated Boosters (People, Process, Technology).

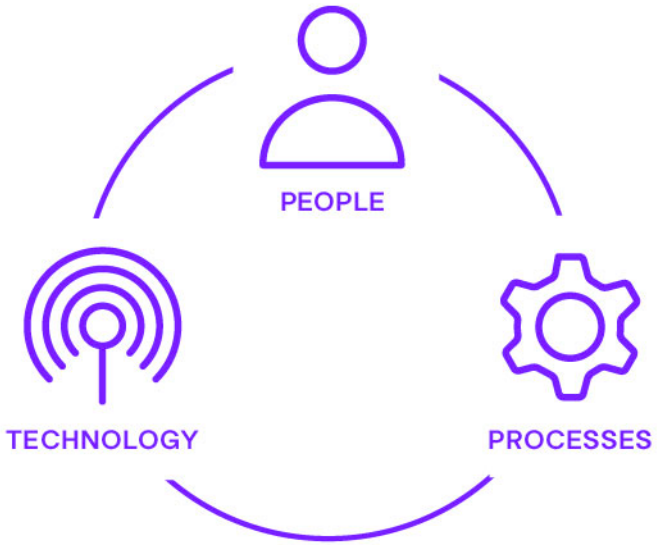
In this context, "digitalise" is one of the action verbs of EDPR, that includes a very significant number of innovative projects with the same purpose: "Business transformation" and "Business culture".

During 2022, different initiatives have been deployed towards having a holistic approach to digital within EDPR. In order to speed up the transformation needed at a complex and fast-growing organisation, a Digital & Technological Transformation Program was launched after an initial assessment that identified opportunities on data usage, digital development, systems duplication, cybersecurity governance and technology orchestration.

In late 2022, EDP Group launched a new digital maturity assessment globally with 3 goals:

- Get a fresh understanding of the Group's digital maturity based on benchmarks of its peers and focusing on potential gaps and untapped value pools.
- Consolidate a Group-wide and cross-Platform digital narrative and value story.
- Define a set of recommendations to accelerate value-focused digitalisation across Platforms and DGU (Digital Global Unit), adding to current digital roadmaps or building new ones.

Throughout the year, EDPR invested €6 million (CAPEX) Digital projects and obtained a score of 4.31 on a scale of 1 to 5 in the "IDC Digital Maturity Index" (compared to 4.05 accomplished last year). EDPR reinforce the path as a Digital Transformer achieved in 2021. The "Digital Maturity Index" is an external evaluation that fosters the continuous improvement mindset in EDPR. In 2022, the followed model was established by IDC & Universidade Catolica, and similarly to last year it was based in five pillars: 1) Leadership; 2) Omni-Experience; 3) Work source; 4) Operating Model; 5) Information.



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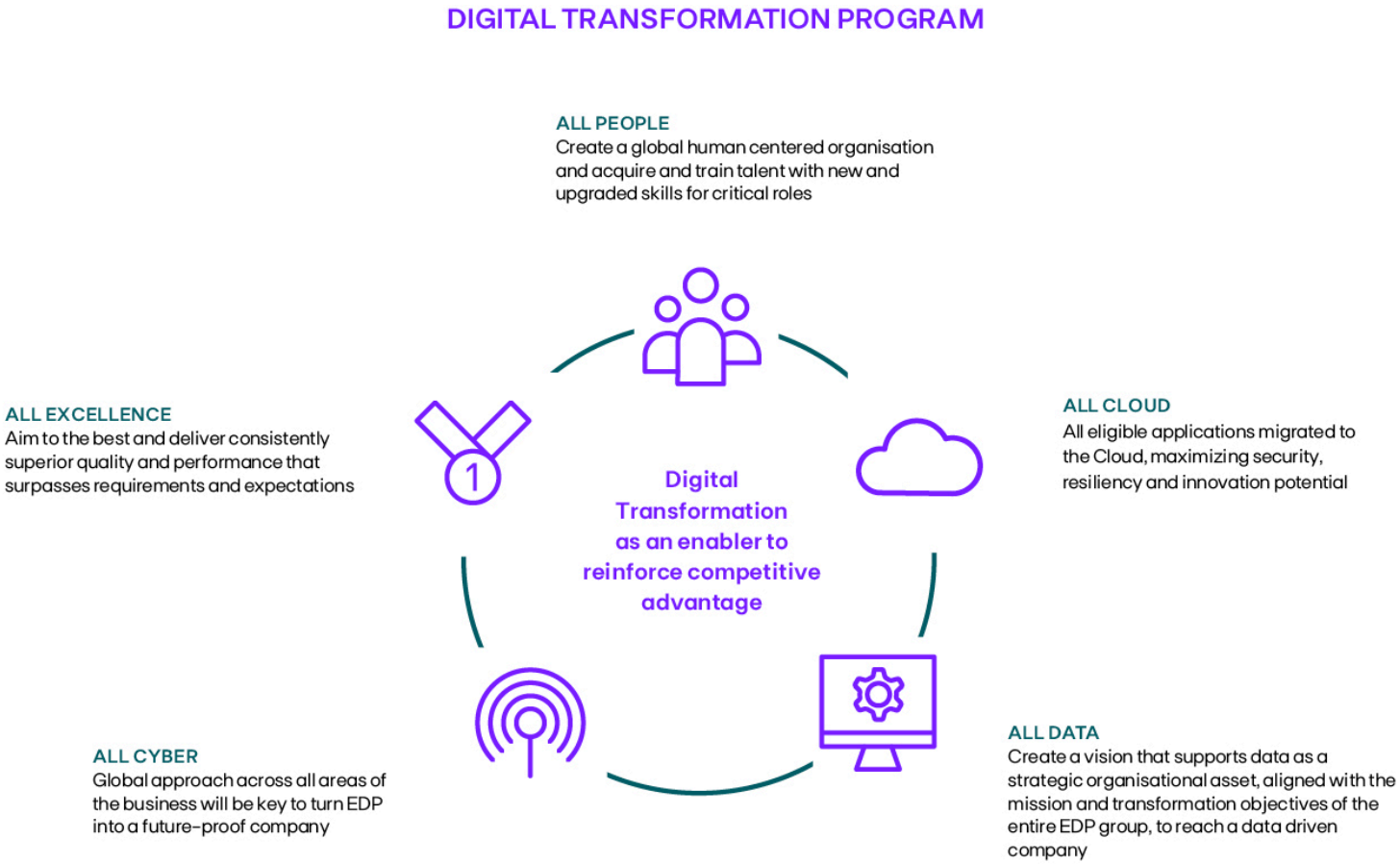
Technology

During 2021 and 2022 the focus was not only on digitalisation by itself but all the surrounding ecosystem that supports, enhances, and drives from it.

The Digital & Technological Transformation Program focuses in 5 areas:

- Leverage on the **Data & Analytics** platform to accelerate data architecture readiness (e.g., BDAS), promote a business seamless data usage and develop analytics and visualisation tools;
- Accelerate EDPR's **Digital** deployment creating an integrated digital hub with the required capabilities (e.g., people, tools, budget) aligned with DGU digital hub;
- Converge and standardise **Systems Architecture** across platforms to maximise synergies, speed up time to market of new products and applications and ensure scalability;
- Establish an aligned and integrated **Cybersecurity** approach across geographies and at group level to reduce risk exposure and incident response time;
- Promote orchestration and alignment of **IT/OT Management** to improve efficiency and resources optimisation of technology projects delivery.



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A total of 15 initiatives had progressed during 2022 and around 30% were completed by the end of the year. The remaining ones are following according with their plan and the program is intended to be finished by the end of 2023.

In addition, during 2022, the Agile methodology started to be sprinkled not only for IT teams, but within business areas that can leverage the usage by introducing new ways of working and planning.

Moreover, Cybersecurity is one of the main points for the operational business and strategic information definition of the Company. The BitSight rating is focused on the organisation's cybersecurity risk, with less elasticity. By the end of 2022, EDPR maintained the rating of "Advanced" with 780 points, exceeding the Group KPI of 740.

Processes

EDPR is continuously improving its Lean framework and as these programs evolve, digital tools are helping us more effectively connect, collaborate, and optimise the way we work.

The Lean programs are targeted to create a strong culture of wholistic, impact-oriented thinking and a scientific approach to problem solving. The programs focus on the project lifecycle, from Development to Operation and the strategic workplan consists of the following three pillars:

- **Culture:** To achieve a Lean Culture, we must invest in our people, have leaders who demonstrate humility, and foster trust within the organisation. We work towards these goals through Lean training and knowledge exchange forums such as the Lean Day. In 2022, EDPR held two Lean Days, one in North America and one in Europe, where teams from across the company were invited to share their improvement projects and perspectives. In addition, more than 500 employees participated in training offerings: joining either the Lean introduction course or the Lean leadership course.
- **Alignment:** To optimise outcomes, we need to align our processes, technology, and people with EDP's mission, purpose, and goals. To do this, achieve this, we enable systems thinking and support development of standard processes. This pillar includes programs such as Daily Lean, which focuses on day-to-day best practices at our operating sites and OKRs which focuses on quarterly goal setting across teams. In 2022 the team leveraged multiple digital productivity tools to more effectively communicate and enable accelerated implementation of new programs.
- **Continuous improvement:** The team's primary focus areas within the pillar of continuous improvement includes our LeanIn program which is designed to bring value to the organisation through collaboratively solving problems and equipping program participants for repeated success. In 2022, the LeanIn program generated 28 new Lean projects involving over 360 employees. In addition, EDPR has implemented programs such as Lessons Learned to ensure that we reflect on past projects and avoid repeating mistakes. The latter resulted in the creation of a new digital Lessons Learned repository and a structured process for capturing and disseminating lessons learned.

In 2022, EDPR began to implement the digital priorities identified in the "Digital Start" exercise performed in 2021 to boost digitalisation of processes across the company. In parallel, the team continued with existing programs to fast-track digital transformation at EDPR. Digitalisation has also been a key factor in streamlining the integration of new companies such as Sunseap and Kronos.

Digital Start

3 new digital processes were introduced in the Accounting department: a fully digitalised urgent payment process, payment inquiries, and simple way to view invoice status. In 2022, the Accounting team processed more than 30,000 invoices and responded to more than 2,000 inquiries.

Our new onboarding assistant, Terra, allows teams to create customised communications and tasks for new hires. In 2022, Terra sent more than 6,600 onboarding events to new employees. These tools demonstrate the power of combining BPM and RPA technology.

BPM

Over the past decade, Business Process Management (BPM) technology has been instrumental in accelerating the digitalisation and streamlining of processes at EDPR. In 2022, EDPR teams created approximately 264,000 digital records in our 150+ BPM tools, and the Business Process Excellence team implemented almost 600 suggestions for new tools or improvements to existing tools. Some of these improvements include features to support core business functions such as the pricing process.

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RPA

In 2022, Robotic Process Automation (RPA) technology was used to automate tasks in more than 80% of departments across EDPR. With intelligent use of RPA technology, teams are able to increase efficiency and support profitable growth by automating.

RPA

328
Automations
vs 309 in 2021

105,000
Saved hours[1]

>80%
Of departments with at least 1 automation

BPM

264,000
Digital records
vs 165,000 in 2021

>150
Digital tools
vs 140 in 2021

596
User stories completed[2]

[1] In 2022, we updated our methodology for calculating time savings produced by automations. We removed a factor that was designed to account for the time that humans take when switching between different tasks. As a result, the total saved hours are lower but provide a more accurate representation of the time that humans would take to perform the specific tasks that have been automated.
[2] User stories completed for new tools or improvements to existing tools (+47% vs 2021 considering an update on the reporting process).

People

Both the fast track of the energy sector worldwide and the workforce demands are setting the digitalisation pace in EDPR. This digital transformation directly impacts on the culture and digital capabilities, requiring a digital high-level roadmap focused on people with proper skills and mindset. Aligned with Technology and Process boosters, EDPR is convinced that People has a strong contribution to accelerate the digital transformation by empowering people with learning initiatives, helping to spread out the digital know-how with on-the-job experiences and fostering the digital culture throughout the work environment. Different initiatives have been coordinated with the other Boosters in the Digital Transformation Committee, with the objective of maximising the digital capabilities adoption, accelerating the learning curve to be efficient and preparing the company to cope with future challenges and business plan goals.

During 2022, EDPR delivered 13,488 training hours in digital topics (18% of the total training hours delivered) with 14,911 attendances (33.5% of the total). Among others, we want to highlight relevant digital topics or best-in-class programs such as the OT Cybersecurity Program (implementing first two levels Basic I and Basic II), Collaborative tools and MS 365 suite, Data Management and also initiatives involving methodologies like Design Thinking or Agile (with specific webinar offered to all employees to create an Agile Mindset awareness). Advanced programs addressed to Top Management or Leaders were launched during the year, like *Digital 2 Managers* or *Artificial Intelligence for Leaders*.

The new EDPR Human Skills embrace digital behaviours that need learning supports such as Problem Solving, Curious Learning, Collaboration, Open-mindedness, Forward Thinking or Embracing Change. Learning resources offered include a big amount of contents to develop these Human Skills at different levels and segments including specific digital roles with deeper needs on digital capabilities.

In addition, the new Global Development Mindset establishes a new continuous learning experience based on the self-development ownership of every single employee with digital development options to fulfil individual needs. Online learning resources (in Campus Online or the UDEMY portfolio of over 11,000 online courses available) increase the learning offer and allow people to personalised learning paths. Other contents/experiences are shared to all members of Global Communities to stay up to date with current and future digital trends. At the end of 2022, 75% of the employees received training in digitalisation during the year. When talking about methodologies, eLearning contents or live-online sessions and webinars have a relevant presence: during 2022, 74% of the total training hours delivered were in online methodologies vs in-person.

During 2022, EDPR set the pillars for becoming a digitally enabled company with the Digital First Mindset program as the answer to transform the Digital Workforce mindset during the journey. The first stage was launched in December preparing the *Design* phase of the EDPR headcount with a global definition of strategy: behaviours, roles/targets and practices that will allow to go deep with the assessment phase during 2023 to identify digital gaps and both reskilling and upskilling digital opportunities.

The Digital Transformation approach not only impacts on engaging current workforce with digital growth opportunities, but also helps to attract digital talent to meet future needs in our business plan, having a digital branding in the talent market.

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3.7. Innovation capital

Technical innovation is one of the hallmarks of EDPR. The Company's history is built on the continuous searching of new trends and solutions in energy production to meet its stakeholders' expectations. Accordingly, EDPR develops projects within the framework of its two main strategic pillars for Innovation: Cleaner Energy focused on sustainable power generation, and Energy Storage & Flexibility to ensure a smoother transition to an energy mix system.

EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns, and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen, and hybrid power plants.

In addition, EDPR is developing core key-tech enablers initiatives to unblock innovation capabilities, using digitalisation is a powerful innovation enabler. Business Information Modelling (BIM) together with Geographical Information System (GIS) are game changers for design, control and render of the assets, which opens windows for further innovations.

Digital environment is moving forward in the operations area as well, focused on all activities which provide accuracy in operations as Statistical applications based on R and Machine learning for components failure rate and failure modes estimation, Reliability with Robot field activities as blade repairing in wind turbines, and efficiency as blade inspection through A.I. image processing.

Cleaner energy

Construction

BIM + GIS

BIM allows to define and implement a collaborative working methodology to generate a digital asset from the engineering phase until operations, centralising all its information in a digital information model generated by all its agents.

BIM is currently at a medium level of implementation in the construction sector, and low in the renewable one, so its implementation is an innovation in itself as it is a disruptive change, a cultural change that involves multiple processes of design, quality, communication, and whole management. EDPR has successfully achieved BIM implementation in several projects of wind and solar, in different regions across Europe, with high focus on development and engineering stages.

The degree of innovation is directly related to the layers of information or BIM uses that can be implemented in the virtual construction models, being in the case of EDPR multiple uses applied, including elements of calculations (CapEx), simulations (road traffic, hydrological, etc.) and automations (connection with ProjectWise and GIS).

The connection of BIM with GIS also represents a high degree of development, and the increase of interoperability between systems.

Construction digital controlling

Vyntelligence, winner of 2020 Free Electrons program, delivers augmented intelligence with the purpose of simplifying workflow processes, while it increases operational efficiency, reduces costs, and creates invaluable business intelligence. Their Remote Audit solution makes it easier to remotely audit work in the field with Video intelligence, by combining AI with a more human way of capturing data in the field, using a short, guided video from the mobile.

This solution approach is able to improve quality and operational efficiency on EDPR's projects thanks to remote supervision specifically at construction stage.

Vyntelligence will provide a platform that allows an acceleration of workflows, helping in digitalization of processes. Remote supervision of Meteorological Mast assembly and start-up on one hand and Substation switchyard electromechanical assembly and commissioning on the other hand are the objectives of a pilot that will last until October 2023.

This initiative will open the door to check the fit of augmented reality among Construction Control digitalisation.

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Operations

Wind farms

Blade inspection and repair

During 2022, several demonstrations of blade inspection were performed with different approaches (auto-flight drones, live streaming drones, non-stop inspection) to understand their advantages, disadvantages, maturity and future of each technology. In addition, the ROMAIN project for blade maintenance was kicked-off. A collaboration project led by EDP that aims to design a compact robot capable of carrying and deploying the newly developed inspection and repair kit along the blade.

Virtual reality

The Telepresence and Virtual Dispatcher initiative tries to provide the O&M team a remote and collaborative inspection tool for wind farms implementing a Virtual Reality based approach. A first concept test was built for Carondio wind farm in Spain, and the goal is to deploy the technology for all the WTG in a wind farm during 2023.

Solar plants

PV module technologies benchmark @SUNLAB (in Santarém, Portugal)

New PV module testbed showcasing the most promising technologies of this decade. The structure consists of a fixed-tilt rack with front and rear side irradiance monitoring, on which five module technologies will be installed.

Automated Guided Vehicles (AGV) for services in PV plants

In 2022, EDPR supported a local manufacturer with an agreement for manufacturing an autonomous robot for cleaning the panels of a PV power plant. The prototype will be able to perform the cleaning without any human intervention. It consists of an outdoor electric AGV provided with a brush and fast change water tank and battery pack. This prototype is scheduled to be tested in Acampo Arval PV plant in the second half of 2023. In addition, the VASD project was also launched in 2022, aiming to develop an autonomous robot for vegetation mowing and collecting the leftover. The system will be able to face rough and dense vegetation.

Hybrid plants

Hybrid power plants combine different sources of energy production and storage to leverage the strengths and address the challenges of each specific production method with the aim of generating energy that is more affordable, reliable, and sustainable.

The hybridisation of pre-existing assets via the adaptation of wind, solar and water technologies is one of the main pathways for growth within the renewable energy sector, offering several benefits such as the increased efficiency of projects, the use and co-opting of existing electrical infrastructure, increased cost stability and a reduced impact on the environment. At the end of 2022, EDPR had over 1,600 MW worth of hybrid projects for these technologies in Spain and Portugal which are either in the study or development phase. Whilst in varying phases of maturity, these are expected to be commissioned over the course of the next several years. EDPR intends to carry on focusing on similar projects in all regions of the world where it is present, with hybrid plants development already under way in North and South America in addition to other European countries including Poland, Italy, and Greece.

Energy storage & flexibility

Battery storage

EDPR works on different projects to improve battery life, improving and maximising battery life to obtain the highest possible efficiency, allowing to get more potential out of them.

EDPR's Technology team is working on the development of software and hardware tools to enable better analysis of the State of Health (SOH) of lithium-ion batteries. SOH is a key parameter that determines the remaining capacity (Ah) of a battery cell as a function of the degradation experienced by both cyclic degradation and lifetime. Thus, through an accurate characterisation of the SOH, optimisation of the complete lifetime of a Battery Energy Storage System (BESS) project, from design/sizing to operations/maintenance, can be achieved.

As a complementary activity, modelling is also extended to the other components of a BESS, mainly the Power Conversion System (PCS). The PCS acts as the connecting element between the DC component and the AC interface. The PCS is of vital importance to extract the full potential of a BESS as a provider of key and novel applications for the grid (RES integration, grid formation, etc.). Different power conversion system topologies for grid integration of lithium-ion batteries are analysed and modelled in order to assess their capabilities with respect to each of these applications.

PUBLIC

3.8. Sustainable Development Goals

EDPR supplies affordable & clean energy while mitigating the climate change...

EDPR is a global leader in the sector of renewable energy and one of the world's largest wind energy producer, ending the year with 14.7 GW of installed capacity. In 2022, the company generated 33.4 TWh of clean energy, a cost-effective way to fight climate change.

Wind and solar power are two of the most environmentally friendly ways of producing energy. EDPR's business inherently implies the reduction of GHG emissions and therefore has a positive impact on the environment. In 2022, EDPR's activities avoided the emission of 20 million tons of CO_2.

...impacting positively on communities & fostering innovative infrastructures & circular economy...

EDPR works to promote the well-being and development of the society. In 2022, EDPR invested €2.4 million in supporting communities as a result of activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities.

Innovation is part of EDPR's day-to-day reality. The company is focused on the more disruptive technologies of the industry and is committed to foster innovative solutions throughout its entire value chain. In 2022, EDPR centred on promoting digital skills and 75% of its employees participated in digitalisation trainings.

Even though EDPR is in the renewable energy business, it goes beyond its commitment with sustainability by fostering a culture of responsible operations and circular economy. In 2022, EDPR recovered 74% of total waste generated and 90% of hazardous waste generated.

...ensuring decent work, gender equality & preservation of the environment.

EDPR continuously works to provide excellent conditions for its employees, grow and develop talent at all levels and optimise its employment policies and labour practises. As a result, EDPR has been recognised as a Top Employer in Europe for the fourth consecutive year and in Brazil for the first time, and as a Top Workplace in the US.

In 2022, EDPR was featured for the third consecutive year in the Bloomberg Gender-Equality Index. The Company's inclusion in this index highlights EDPR's work to promote equal opportunities for women through development, representation and transparency policies

EDPR's business is its best contribution to reduce biodiversity loss. Nevertheless, the Company's commitment to contribute to the protection of biodiversity leads to an active role in the conservation of wildlife surrounding its facilities. In this sense, in 2022 EDPR restored 100% of the hectares that were vegetally affected after construction works in Europe.

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Our global vision

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GRI Reporting

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4.1. Materiality assessment

Background and objectives

The macro-economic context, where the challenges of sustainability are increasing, summing up with the diversity of EDPR's stakeholders, results in a large and complex list of important issues, which must be prioritised according to its relevance and significance.

In this context, EDPR's material issues were identified, and the results achieved supported the preparation of this Annual Report, as reflected in the Company's management strategy and, in particular, in its agenda for sustainability.

An issue is considered material when it influences the decision, the action and the performance of an organisation and its stakeholders.

Methodology

The methodology adopted is based on the Accountability Standards and the information is collected corporately and within each business units as well.

Materiality is acquired by the interception of the issues identified by stakeholders with the importance given internally by the business. The topics identified by the Company are prioritised according to the frequency with which they appear in the different categories analysed.

Relevance for society

The relevance for society is determined by the importance/impact of a specific theme from an external perspective to the Company, designated as society perspective. Therefore, the society vision reflects the vision idea/concept of the several stakeholder groups that have influence on or are influenced by EDPR's activities. This vision must be achieved through sources that ensure independence from the Company to collect, on most cases, external data.

In parallel, the establishment of a society perspective is also supported by documents, analysis and international/national specific studies that allow a broad outlook on the emerging trends in the sustainability area. Consequently, the Company considers that the vision of the several stakeholders reflects the vision of society, thus allowing the assessment of the expectations outside EDPR.

Relevance for business

The vision of the business is obtained through the evaluation of the importance/impact of a specific theme from an internal perspective to the Company. This vision is originated from the analysis of the defined business strategic goals as these depict the current positioning and concerns of EDPR and reflect the future vision of the business. In 2019, EDPR defined a new strategic plan until 2022 and, thus, the material issues for the Company in which this assessment was based were updated accordingly.

Results

The materiality matrix describes visually and promptly the most sensitive and impacting themes by comparing the relevance to society with the relevance to the business. The critical and sensitive themes for EDPR, obtained from the analysis of the materiality matrix, allows the Company to drive the strategy and support the decision-making process as well as to focus the report of information based on shared interests between EDPR and stakeholders, facilitating the relationship between them.

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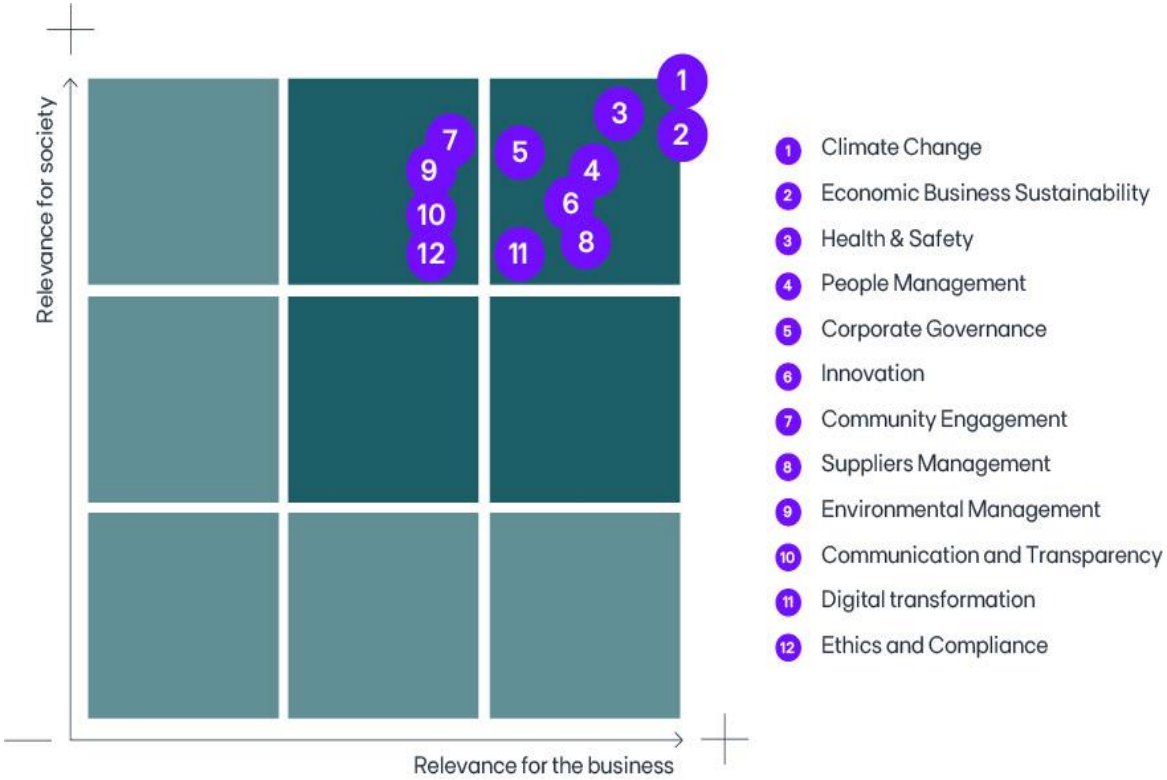
Materiality matrix



Note 1: Environmental management includes biodiversity, waste management and spills.
Note 2: EDPR reports environmental indicators from EBITDA sites the year after their inclusion in operational data. Thus, the environmental indicators of sites that have started operation in 2022 will be included in the 2023 report.

EDPR did not identify the following topics as material:

- Water: Generation from wind energy does not consume water in its operational processes. The water is consumed mainly for human use.
- Light pollution: EDPR activities do not have a material impact in light pollution.
- Raw materials: EDPR core business does not consume raw materials.
- Food waste: EDPR activities do not have a material impact in food waste.

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4.2. Climate change

For information regarding GRI 3-3 – Management of material topics, please refer to section Growth of the chapter Strategy and to section Operational Performance of the chapter Performance.

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

INSTALLED CAPACITY	UN	2022	2021	Δ YoY
Europe	MW	5,656	5,727	(71)
Spain	MW	2,322	2,349	(28)
Portugal	MW	1,199	1,162	+37
Rest of Europe	MW	2,135	2,216	(81)
North America	MW	7,242	7,030	+212
US	MW	6,617	6,500	+116
Canada	MW	130	130	-
Mexico	MW	496	400	+96
South America	MW	1,114	795	+319
Brazil	MW	1,114	795	+319
APAC	MW	726	28	+698
Vietnam	MW	405	28	+377
Singapore	MW	230	0	+230
Rest of APAC	MW	92	0	+92
TOTAL	MW	14,738	13,580	+1,159

Note: The reported data includes EBITDA and Equity MWs.

With a top-quality portfolio, EDPR has a strong track record and proven capability to execute superior projects and deliver on targets. The installed asset base of 14.7 GW is not only young, on average 9 years, it is also mostly certified in terms of environmental and health and safety standards. As of 2022, EDPR had 5,656 MW installed in Europe, 7,242 MW in North America, 1,114 MW in South America and 726 MW in APAC. In terms of technology, EDPR continued its effort to diversify its portfolio, which translates into 12,724 MW of wind onshore, 322 MW of wind offshore and 1,691 MW of solar technology, that includes both solar PV utility-scale and solar DG.

During 2022, EDPR added a total of 2,121 MW, including the successful expansion in APAC through the acquisition of Sunseap, that now represents 5% of EDPR's portfolio. More specifically, EDPR added 1,053 MW of wind onshore, corresponding to 378 MW in Europe, namely 145 MW in Spain, 100 MW in Poland, 83 MW in Italy, 32 MW in France, and 18 MW in Portugal. In North America, 96 MW were installed coming from a project in Mexico. Lastly, in South America, EDPR added 580 MW of wind onshore in Brazil. In terms of solar capacity, 377 MW were added in Vietnam, 316 MW in the US, 230 MW in Singapore, 92 MW in the rest of APAC, 36 MW in Poland, 9 MW in Spain, and 8 MW in Portugal.

Pursuing its Asset rotation strategy, EDPR successfully concluded several Asset rotation deals that amounted to c.1 GW of capacity. In detail, EDPR sold a 100% stake in a 149 MW wind portfolio in Poland, a 181 MW wind portfolio in Spain, a 172 MW wind portfolio in Italy, a 260 MW wind portfolio in Brazil and in a 200 MWac solar project in the US, the latest under a Build & Transfer agreement. All in all, in 2022, EDPR consolidated portfolio net variation was of +1.2 GW.

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GRI EU2 – Net energy output broken down by primary energy source and by regulatory regime

ELECTRICITY GENERATED	UN	2022	2021	Δ% YoY
Europe	GWh	11,778	11,357	+4%
Spain	GWh	4,885	4,979	(2%)
Portugal	GWh	2,715	3,049	(11%)
Rest of Europe	GWh	4,178	3,329	+25%
North America	GWh	18,362	17,057	+8%
US	GWh	17,029	15,814	+8%
Canada	GWh	360	255	+41%
Mexico	GWh	973	987	(1%)
South America	GWh	2,625	1,888	+39%
Brazil	GWh	2,625	1,888	+39%
APAC	GWh	636	23	-
Vietnam	GWh	393	23	-
Singapore	GWh	184	0	-
Rest of APAC	GWh	59	0	-
TOTAL	GWh	33,401	30,324	+10%

EDPR produced 33.4 TWh (+10% YoY) of clean energy in 2022. The YoY evolution comes in line with a higher installed capacity in the period and a better renewable resource YoY. In 2022, EDPR achieved a 30% load factor (vs 29% in 2021) reflecting 98% of P50 long term average GCF, following a recovery of the renewable resource, especially in the first half of the year, mainly driven by North America. EDPR achieved a 95% technical availability in 2022, with the company continuing to leverage on its competitive advantages to maximise the projects' output and also on its diversified portfolio across different geographies to minimise the renewable resource volatility risk.

GRI 201-2 – Financial implications and other risks and opportunities for the organisation's activities due to climate change

The Earth's climate has changed throughout history. Scientists attribute the current global warming trend observed since the mid-20th century to the human expansion of the "greenhouse effect" – warming that results when the atmosphere traps heat radiating from Earth toward space. Over the last century, the burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO_2).

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and seamless execution, supported by core competences that yield superior profitability, all embedded within a distinctive and self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate changing business and economic environments, EDPR remains today as a leading company in the renewable energy industry. As reflected in its 2021-25 Business Plan, EDPR plans to add 20 GW in the 2021-2025 period, of which 11.2 GW are already secured. In the coming future, EDPR will continue diversifying its portfolio at geographical and technology levels, developing more wind onshore, solar, wind offshore, green hydrogen and storage technology projects along with the entrance in new markets.

During 2022, EDPR added a total of 2,121 MW, including the successful expansion in APAC through the acquisition of Sunseap, that now represents 5% of EDPR's portfolio. The Company has successfully generated 33.4 TWh of renewable energy, avoiding the emissions of 20 million tons of CO_2[1], +9% YoY due to increase in production (+10% YoY), impacted by higher net installed capacity (+1.2 GW YoY). Capital expenditures and financial investments with capacity additions, ongoing construction and development works during the year totalled €3,446 million.

[1] According to the calculation methodology described in GRI 305-5.

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However, EDPR faces climate change not only as a business opportunity, but also as an opportunity to innovate. EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

Nevertheless, on the risk side, meteorological changes may pose a risk for EDPR's activities and results since they are carried out in areas of the planet that are being affected by climate change. In addition, future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years and they are considered representative of the future. However, relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data. Thus, when evaluating a new investment, EDPR considers potential changes in the production forecasted but, even so, the size of the potential deviation in the case of relevant meteorological changes is uncertain. Moreover, renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc., which depend on the location of assets. At EDPR, all plants are insured from the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident will also be partially insured to revenue losses due to the event. Thus, no material impacts are identified in the EDPR's consolidated financial statements as a consequence of climate change.

As a sector leader, EDPR is aware of the urgency to fight climate change and even though its business inherently implies a positive impact on the environment, the Company continues to work on a daily basis to hold itself to a higher standard and to incorporate innovation in its value chain in order to further contribute to the protection of the climate.

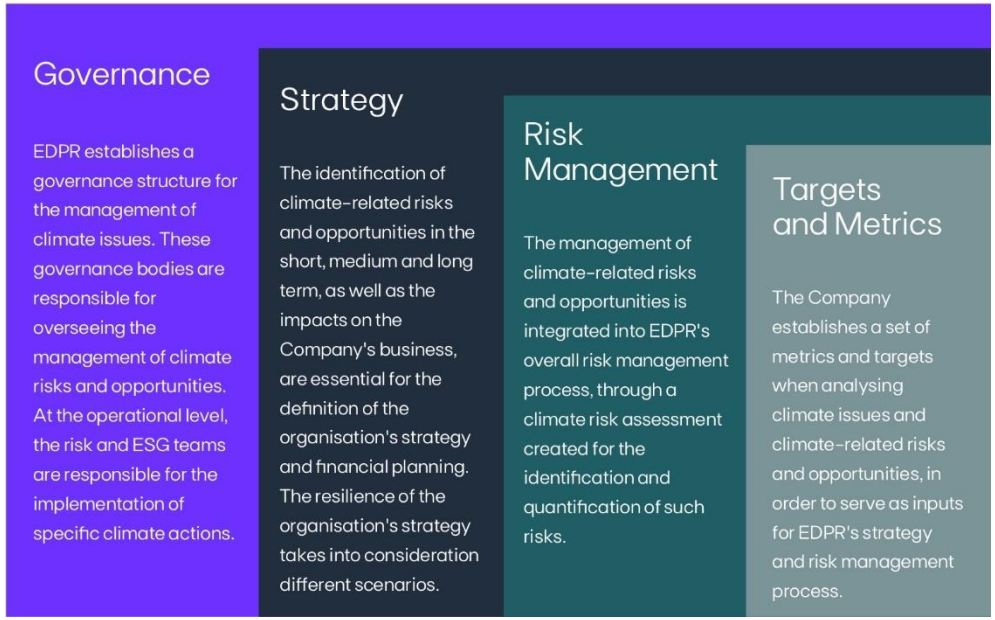
Given the relevance of climate-related risks and opportunities for the resilience of companies, EDPR has taken a step forward in 2022 to manage these aspects and integrate them into its decision-making process.

EDPR's TCFD Alignment

EDPR reports for the first year its approach to TCFD recommendations. The measures implemented by the Company to integrate climate-related risks and opportunities are summarised below, as well as in Annex I - TCFD Alignment.

The image bellow summarises TCFD's main areas and how EDPR integrates the recommendations into its risk management and decision-making processes.

EDPR's TCFD alignment



See Annex I – TCFD Alignment for more information on the EDPR TCFD framework, in relation to the different areas of recommendations.

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GRI 302-1 – Energy consumption within the organisation

Wind turbines and solar panels require a small amount of electricity to operate. This energy consumption is generally self-consumed. Given the intermittency of wind generation, sometimes it is needed to consume electricity from the grid.

ENERGY CONSUMPTION	UN	2022	2021	Δ% YoY
Wind farms and solar plants	GJ	329,839	323,462	+2%
Electricity consumption	GJ	329,839	323,462	+2%
Offices	GJ	19,543	13,205	+48%
Electricity consumption	GJ	16,467	9,586	+72%
Gas	GJ	3,076	3,619	(15%)
Fleet	GJ	30,834	33,018	(7%)
Petrol consumption	GJ	26,921	27,441	(2%)
Diesel consumption	GJ	3,804	5,469	(30%)
Bioethanol consumption	GJ	108	108	+0.3%
TOTAL	GJ	380,216	369,686	+3%

Note 1: Gas conversion factor according to Agência Portuguesa de Ambiente.
Note 2: Fleet energy consumption refers to O&M fleet.
Note 3: Please note that variation in energy consumption in offices is mainly impacted by data in 2021 only including 4Q21 (due to the remote work model implemented the rest of the year), except for O&M offices in NA.

GRI 302-4 – Reduction of energy consumption

EDPR's activity is based on clean energy generation, and it produces about 316 times the energy consumed by itself. Nonetheless, the Company is conscious about promoting a culture of rational use of resources and promotes many internal campaigns to encourage sustainable behaviours. In this context, EDPR is promoting the transition of its fleet to electric and hybrid vehicles. As of December 2022, 37% of EDPR's service fleet is hybrid or electric (+4pp YoY).

GRI 305-1 – Direct (scope 1) GHG emissions

EDPR's Scope 1 emissions represent 2,399 tons of CO_2 equivalent, -8% vs 2021. 1,910 tons are emitted by transportation related to the sites' operation, 174 tons by gas consumption in the Company's offices and the rest of it is related to SF_6.

Part of the equipment used for electricity generation purposes contains SF_6 gasses and during 2022, EDPR registered emissions of 14 kg of this gas, which is equivalent to 316 tons of CO_2 eq.

Note 1: Emissions were estimated according to GHG protocol (including official sources such as IPCC or the US department of energy).
Note 2: Data from offices in 2021 refers to 4Q21 data (due to the remote work model implemented the rest of the year), except for O&M offices in NA.

GRI 305-2 – Energy indirect (scope 2) greenhouse gas (GHG) emissions

EDPR's CO_2 indirect emissions (scope 2) represent 29,956 tons, +10% vs 2021. Of the 2022 scope 2 emissions, 28,431 tons are driven by electricity consumption by the wind farms and solar plants and 1,525 tons by electricity consumption in the offices.

EDPR offsets 100% of its Scope 2 CO_2 emissions since 2018 through Certifications of Origin in Spain and Renewable Energy Certifications (RECs) for the remaining geographies (sourced in the US), obtained from renewable energy generation.

Note 1: The emission factors used are based on the following sources: Portugal – EDP, Turbogás, Tejo energia, Rede Eléctrica Nacional (REN), and Entidade reguladora dos serviços energéticos (ERSE); Spain – Red Eléctrica de España (REE); Brazil – Ministry of Science and Technology – SIN (national interconnected system); Other European countries and Canada – IHS Markit.
Note 2: Electricity consumption emissions were calculated with the global emission factors of each country and state within the US.
Note 3: Data from offices in 2021 refers to 4Q21 data (due to the remote work model implemented the rest of the year), except for O&M offices in NA).
Note 4: 2021 data was restated.

GRI 305-3 – Other indirect (scope 3) greenhouse gas (GHG) emissions

EDPR's CO_2 indirect emissions (scope 3) in 2022 are 2,736,347 tons, which represent c.99% of the Company's global emissions. EDPR's scope 3 is divided into those related to the activity of its employees and those related to the supply chain and its activity linked to the Company.

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Scope 3 emissions from employees' activity

EDPR's work requires employees to travel and commute. Based on the estimates, employees' business travels (GHG Protocol Category 6) accounted for a total of 3,367 tons of CO_2 emissions, +186% vs 2021 due to travel restrictions due to the pandemic. In relation to employees' commuting (GHG Protocol Category 7), the emissions generated in 2022 are 2,163 tons of CO_2, +454% YoY mainly due to the fact that the Company only reported the emissions generated in the last quarter of 2021, due to the remote work model implemented the rest of the year.

Note 1: Emissions were estimated according to GHG protocol, by following the Defra standard.
Note 2: Employee commuting emissions were calculated from data collected in a survey to all employees, and in 2021 only corresponds to 4Q21 data (due to the remote work model implemented the rest of the year).
Note 3: When calculating employees transportation by air, the radioactive factor is not considered.

Scope 3 emissions from EDPR's supply chain

EDPR's biggest contribution to decarbonisation is its core business, since it inherently implies the reduction of GHG emissions, contributing to the world's fight against climate change and its impacts. Even though, the Company is conscious about its practices regarding emissions and the importance of aligning its supply chain with the Company's climate ambition. As a 100% renewable company, EDPR has identified the supply chain (scope 3) and its climate performance as the main area of action to reduce its global emissions.

EDPR has been working in 2022 on a methodology to account and disclose its upstream emissions. Following the GHG Protocol, the Company has assessed its suppliers' emissions when providing the Company with services, modules, turbines and other components and materials for the construction of its wind farms and solar plants. EDPR includes information on the major sources of emissions generated in the development of the main materials for its facilities, including information from manufacturing to the construction of its wind farms, as well as emissions generated by the transportation of components and materials.

Emissions from the supply chain correspond to the following GHG Protocol categories:

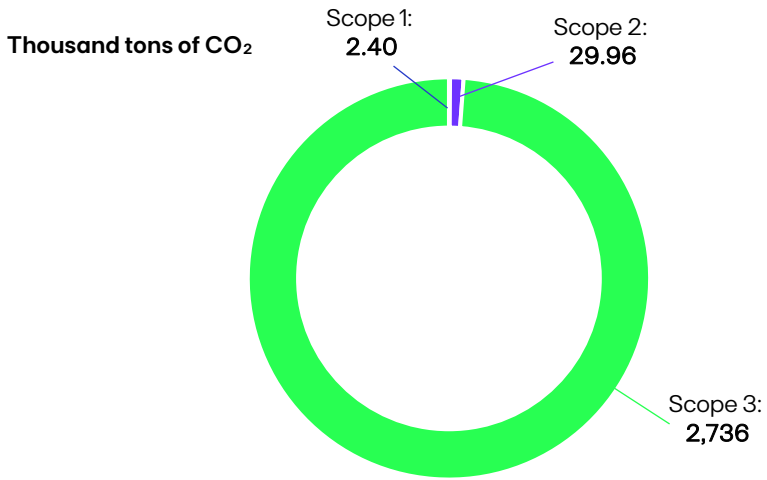
- **Category 1. Purchased Goods and Services:** This category includes all emissions linked to purchases classified as operational expenditure (Opex) and all emissions generated by suppliers during the operation and maintenance phase of wind farms and solar plants.
- **Category 2. Capital Assets:** This category includes all emissions linked to purchases classified as capital expenditure (Capex) and those from the main components of the Company's wind farms and solar plants (modules and turbines). For this exercise, EDPR has carried out an engagement with suppliers in order to have information on the emissions generated upstream for each of the models (LCAs, EPDs and other environmental declarations).
- **Category 5. Waste Generated in operations:** This category includes emissions generated by non-recovered waste from the Company's operating phase.
- **Other emissions** from the transportation and logistics of materials required for the construction of its wind farms and solar plants are also included in this scope 3 disclosure.

Note 1: Emissions have been calculated based on the specific emission factors of the turbine and module models. For the rest of the materials and purchases, publicly available sources of information have been used: DEFRA, EPA or NREL.
Note 2: Scope 3 emissions related to the supply chain include all emissions generated up to the construction of the facilities.
Note 3: The Company includes a large part of the emissions generated in the transport of materials and components, although the information from different models and suppliers is not always homogeneous.

Total emissions generated by EDPR's supply chain are 2,730,817 tons of CO_2. EDPR is aware of the importance of its supply chain to achieve its climate objectives and therefore engages with them in order to communicate its priorities in this regard.

Total 2022 CO_2 emissions

EDPR's total emissions are 2,768,702 tons of CO_2. Given its activity, scopes 1 and 2 emissions represent a low percentage with compared to the emissions generated indirectly in the Company's value chain. Within scope 3 emissions, the supply chain and emissions generated in the upstream component manufacturing and construction processes are the most relevant, accounting around 99% of the Company's total emissions.



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GRI 305-5 — Reduction of greenhouse gas (GHG emissions)

EDPR's core business activity inherently implies the reduction GHG emissions. Wind and solar energy have zero carbon emissions, contributing to the world's fight against climate change and does not produce harmful SOx, NOx, or mercury emissions, protecting valuable air and water resources. It is estimated that the Company's activities during 2022 avoided the emission of 20 million tons of CO_2.

The Company's emissions -including all the scopes- represent 14% of the total amount of emissions avoided, and c.99% of the total emissions are from our supply chain. Even though EDPR's activity is based on the clean energy generation, it is conscious about promoting a culture of rational use of resources and, in this context, the Company is promoting the transition of its fleet to electric and hybrid vehicles. As of December 2022, 37% of EDPR's service fleet is hybrid or electric (+4pp YoY).

Nevertheless, even though EDPR activity inherently implies the reduction GHG emissions, the Company goes one-step forward by compensating 100% of the scope 2 emissions. In 2022, 100% of the emissions related to electricity consumption in windfarms and offices in all EDPR countries have been compensated through Certifications of Origin in Spain and Renewable Energy Certifications (RECs) for the remaining geographies (sourced in the US), obtained from renewable energy generation.

Note 1: To calculate the emissions avoidance, the energy generation has been multiplied by the CO_2 eq. emission factors of each country and state within the US. EDPR considers the emission factor of just fossil fuel energy, as it is considered that by increasing the generation of renewable energy, there is a displacing of these technologies, while other renewable technologies and nuclear plants will continue with its quota of generation.
Note 2: The emission factors used are based on the following sources: Portugal - EDP, Turbogás, Tejo Energia, Rede Eléctrica Nacional (REN), and Entidade reguladora dos serviços energéticos (ERSE); Spain - Red Eléctrica de España (REE); Brazil - Ministry of Science and Technology — SIN (national interconnected system); USA - emissions & generation resource integrated database (EGRID) for each state emission factor; other European countries, Mexico and Canada - IHS Markit.

Internal carbon pricing

At Group level, a carbon price is used company-wide to assess the impact of current and future carbon regulation and carbon taxes on energy prices, energy volumes, and existing assets' value, as well as to evaluate capital investments in building or acquiring new electricity generation assets across the globe. Meaningful carbon prices strongly benefit EDP's business strategy, fully align with the Paris Agreement, and contribute decisively to its commitment to be carbon neutral by 2040.

GHG-related regulation considered the European Union Emissions Trading System (EU-ETS), which applies to our thermal power generation assets in Europe (Portugal and Spain), as well as in possible future markets in the only other geography where we currently own thermal power plants (Brazil).

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4.3. Economic business sustainability

For information regarding GRI 3-3 – Management of material topics, please refer to section Financial Performance of the chapter Performance.

GRI 201-1 – Direct economic value generated and distributed

ECONOMIC VALUE GENERATED AND DISTRIBUTED	UN	2022	2021
Economic value generated	€m	3,757	2,487
Revenues	€m	2,138	1,526
Other Income	€m	760	813
Share of profit in associates	€m	179	41
Financial Income	€m	681	107
Economic value distributed	€m	2,438	1,170
Supplies and services	€m	439	325
Other costs	€m	240	164
Personnel costs	€m	241	175
Financial expenses	€m	1,130	347
Current tax	€m	234	45
Dividends	€m	155	114
ECONOMIC VALUE ACCUMULATED	€m	1,320	1,317

PROFIT BEFORE INCOME TAX	UN	2022	2021
Spain	€m	237	9
Portugal	€m	139	420
France & Belgium	€m	-5	-7
Poland	€m	122	65
Romania	€m	67	77
Italy	€m	322	66
Greece	€m	-5	-10
UK	€m	-7	-2
Brazil	€m	126	27
Colombia	€m	-107	-12
Chile	€m	-4	-2
US	€m	76	252
Canada	€m	5	3
Mexico	€m	21	20
Others	€m	-25	-4
TOTAL	€m	962	903

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Value creation

In a context in which climate change is one of the great challenges that society faces, and under the implementation of an integrated risk model, EDPR promotes clean energy through the development, construction and operation of wind farms and solar plants. Throughout its business model, EDPR transforms its industrial, financial, human, social, natural and intellectual capital, generating a competitive return for its shareholders, generating quality employment, promoting the development of the communities where it operates, having a positive impact on the environment and generating business and innovation together with the supply chain.

All the components of value creation are included in different chapters throughout the Annual Report:

- **Context** – Challenges and Opportunities: Chapter 2. Strategic approach (General context)
- **Risks**: Chapter 2. Strategic approach (Risk management)
- **Business Model**: Chapter 1. The company (Business description)
- **Capitals**: Chapter 3. Performance (Financial Capital, including Industrial Capital in the section Operational Performance; Human Capital; Social Capital, in the subchapters Social Capital and Supply Chain Capital; Natural Capital; and Intellectual Capital in the Innovation Capital and Digital Capital subchapters).
- **Key stakeholders return**: Chapter 3. Performance (Financial Capital, Human Capital, Social Capital, Natural Capital and Supply Chain Capital).

EU Taxonomy Regulation

The European Commission's Sustainable Finance Taxonomy Regulation has been considered as one of the main elements to move capital flows towards a more sustainable economy. It is a key classification system to promote climate neutrality by identifying those activities considered as environmentally sustainable.

In accordance with the EU taxonomy and what it establishes, EDPR has reported since 2021 on the 3 KPIs requested: the proportion of its turnover, capital expenditure (Capex), and operational expenditure (Opex). In 2021, EPDR disclosed its eligible economic activities associated to one of the environmental objectives, the climate change mitigation. EDPR determines the Taxonomy eligible and aligned KPIs in accordance with the legal requirements.

Considering that its core business is the planning, construction, operation and maintenance of electricity generating power stations using renewable energy sources (mainly wind and solar), EDPR assigned the Taxonomy-eligible economic activities to the electricity generation from wind and solar power utility scale (economic activities 4.1 and 4.3) and as a novelty in 2022, in order to report its distributed solar activity, it includes the economic activity of installation, maintenance and repair of renewable energy technologies (7.6) – in accordance with Annex I of the Climate Delegated Act (EU 2021/2139). The economic activities in this category could be associated mainly with NACE codes D35.11 and F42.22, in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

The different EDPR technologies and the economic activity identified by the taxonomy are the following ones: Solar Utility Scale Energy (Solar PV) as "*Electricity generation using solar photovoltaic technology (4.1)*"; Wind Energy as "*Electricity generation from wind power (4.3)*"; and Solar Distributed Solar Energy (DG) as *"Installation, maintenance and repair of renewable energy technologies (7.6)"*. In order to disaggregate, under Article 8 of the EU Taxonomy Regulation (EU) 2021/2178 of 6 July 2021, the Turnover, Capex and Opex volume for each of the economic activity mentioned above (4.1, 4.3 and 7.6), EDPR has used the proportion of each technology on generation, capacity under construction and EBITDA capacity respectively. Taking this into account, there is no risk of double counting the reported indicators in the numerator.

Eligible and Aligned Turnover in 2022

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL ELIGIBLE TURNOVER (€m)	PROPORTION OF TAXONOMY ELIGIBLE TURNOVER (%)	PROPORTION OF TAXONOMY ALIGNED TURNOVER (%)
Electricity generation using solar photovoltaic technology (4.1)	€ 87	3.62%	3.62%
Electricity generation from wind power (4.3)	€ 2,262	94.63%	94.63%
Installation, maintenance and repair of renewable energy technologies (7.6)	€ 29	1.23%	1.23%
TOTAL	€ 2,378	99.5%	99.5%

Note: Refer to Annex II for more information related to taxonomy and how EDPR meets alignment requirements.

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Definition

The proportion of Taxonomy-eligible and aligned turnover was calculated as the portion of the turnover derived from products and services associated with electricity generation from wind and solar in the reporting period and those related to sales such as RECs and renewable energy guarantees of origin (numerator) divided by the total turnover in the reporting period (denominator).

The numerator of the KPI is defined as the net turnover derived from electricity sales, from advisory and management services provided to third parties, from other goods and materials sales such as guarantees of origin and RECs and financial guarantees of subsidiaries for the development of their activity. The third parties include entities to whom EDPR sold assets in the context of its Asset Rotation strategy, and partners in EDPR controlled entities.

The denominator of the turnover KPI is based on the Company's consolidated revenues in accordance with IAS 1.82(a).

Reconciliation

There is no direct reconciliation in the Consolidated Financial Statements. For the calculation of this KPI, the Company has taken into account the total turnover and not only the disclosed revenues and gross profit. Compared to EDPR revenues disclosed, the turnover also includes the costs of raw materials and consumables. Please refer to page 3 of EDPR's 2022 Consolidated Financial Statements (line "*Revenue*") for the gross profit information.

Eligible and Aligned Capex in 2022

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL ELIGIBLE CAPEX (€m)	PROPORTION OF TAXONOMY ELIGIBLE CAPEX (%)	PROPORTION OF TAXONOMY ALIGNED CAPEX (%)
Electricity generation using solar photovoltaic technology (4.1)	€ 2,112	61.28%	61.28%
Electricity generation from wind power (4.3)	€ 1,153	33.44%	33.44%
Installation, maintenance and repair of renewable energy technologies (7.6)	€ 164	4.76%	4.76%
TOTAL	€ 3,429	99.5%	99.5%

Note: Refer to Annex II for more information related to taxonomy and how EDPR meets alignment requirements.

Definition

The proportion of Taxonomy-eligible and aligned Capex was calculated as the portion of the total Capex derived from products and services associated with electricity generation from wind and solar power in the reporting period (numerator) divided by the total Capex in the reporting period (denominator).

The numerator consists of the Capex related to assets or processes associated with electricity generation from wind and solar power (considered as components necessary to execute the activity). Consequently, all Capex invested into planning, construction, operation and maintenance of wind farms and solar plants are considered in the numerator of the Capex KPI.

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). Additions resulting from business combinations are also included. Goodwill is not included in Capex, as it is not defined as an intangible asset in accordance with IAS 38.

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Reconciliation

There is no direct reconciliation in the Consolidated Financial Statements. For the calculation of this KPI, the Company has taken into account the total non-current assets. This Capex includes the Property, plant and equipment and the Intangible assets of EDPR in 2022. Pease refer to notes 16 (*Property, plant and equipment)* and 18 (*Intangible assets*) for further information.

Eligible and Aligned Opex in 2022

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL ELIGIBLE OPEX (€m)	PROPORTION OF TAXONOMY ELIGIBLE OPEX (%)	PROPORTION OF TAXONOMY ALIGNED OPEX (%)
Electricity generation using solar photovoltaic technology (4.1)	€ 18	7.02%	7.02%
Electricity generation from wind power (4.3)	€ 224	87.37%	87.37%
Installation, maintenance and repair of renewable energy technologies (7.6)	€ 10	3.76%	3.76%
TOTAL	€ 252	98.2%	98.2%

Note: Refer to Annex II for more information related to taxonomy and how EDPR meets alignment requirements.

Definition

The proportion of Taxonomy-eligible and aligned Opex is defined as the Opex considered sustainable in the reporting period (numerator) divided by the Company's total Opex (denominator).

The numerator consists of the Opex related to maintenance of assets or processes associated with electricity generation from wind and solar power (considered as components necessary to execute the activity). This Opex also include non-capitalised costs related to leases and rents activities. Consequently, all Opex related to the maintenance of wind farms and solar plants are considered in the numerator of the Opex KPI.

The denominator, total Opex, consists of direct non-capitalised costs that relate to leases and rents, and maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This value cannot be reconciled to Company's consolidated financial statements, as it includes:

The volume of non-capitalised leases, which excludes expenses for short-term leases.
Maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment were determined based on the maintenance and repair costs allocated to the Company's internal cost centres. The related cost items can be found in various line items in EDPR's income statement, including production costs (maintenance in operations), sales and distribution cost (maintenance logistics) and administration cost (such as maintenance of IT-systems).

EU taxonomy eligibility & alignment

During this 2022 exercise, all activity reported by EDPR as eligible in all three indicators of the taxonomy (Turnover, Capex and Opex) has met the alignment criteria. Compared to the 2021 eligibility exercise, there have been no significant changes: both turnover (+0.9pp YoY) and Capex (+0.2pp YoY) have increased in eligibility, while Opex slightly decreases (-0.2pp YoY).

Please refer to Annex II for more information on the EDPR EU taxonomy alignment process and its compliance with the requirements related to Do No Significant Harm and Minimum Safeguards.

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4.4. Health & safety

For information regarding GRI 3-3 – Management of material topics, please refer to section Health & Safety of the chapter Performance.

GRI 403-1 – Occupational health and safety management system

The management of all issues related to health and safety is collected and described in the integrated Health & Safety and Environment Management System (HSEMS), which covers all employees and operations of the Company. The processes and procedures regulated in the management system are developed to comply with the legal requirements of each country, the ISO 45001 standard, and the requirements that have been considered appropriate by EDPR to carry out a correct management of the related issues with the H&S of all workers.

GRI 403-2 – Hazard identification, risk assessment and incident investigation

The process to identify hazards and assess the H&S risks arising from the Company's activity and facilities is developed according to the Hazards Identification and Risks Assessment procedure of the HSEMS, in which responsibilities and methodologies are defined to ensure risks are reduced and, if possible, avoided. The Risk Assessment of each job position is reviewed and updated as applicable, pursuant to the Company's commitment to continuous improvement. The preparation of these risk assessments is carried out by senior H&S technicians. The risk assessments, as well as the risk assessment procedure itself, are audited every year with an internal audit and the external audit of ISO 45001 certification. All the findings, conclusions, and recommendations that emerge from the audits, monitoring and other reviews are managed according to the Findings Management procedure of the HSEMS, and an action plan is drawn. The results of this action plan are reviewed in subsequent audits.

In addition, the Communication, Consultation & Participation procedure of the HSEMS includes information on hazards communication management. The process of risks communication is an effective tool to establish an active information channel, fast and effective among employees, managers and the top management, to act in the fastest way possible and avoid risks that may arise. To promote the participation and commitment of the entire Company, any employee may report anomalies or detected risks on H&S and environmental issues. When an unsafe act or condition is detected, the employee may report it in an internal tool, specifying whether an immediate action is required. EDPR's commitment not to retaliate against any worker who expresses a concern about safety issues or who has intervened in any incident is included in the Company's Health & Safety Policy. The Policy also indicates that workers should remove themselves from work situations that they believe could cause injury or ill health, as no situation can justify endangering someone's life.

To know how to report, investigate and follow-up on an incident, the Incidents Management procedure is available in the HSEMS. The purpose of this procedure is to define the process to identify, respond, report, analyse and investigate incidents and respond to emergency situations, as well as to take the necessary actions to prevent and/or mitigate them.

GRI 403-3 – Occupational health services

EDPR ensures that medical examinations are provided to the employees according to the legal requirements of each country, to determine whether employees are medically fit to carry out their specific duties. EDPR has external medical services for all employees[2] for the medical follow-up, whose management is carried out directly by the medical service of the joint prevention service of the EDP Spain company. The detailed results of the medical examinations are confidential but shared with the employee, as EDPR receives only the conclusion of the examination: apt, not apt or apt with restrictions, indicating the restrictions.

GRI 403-4 – Worker participation, consultation, and communication on occupational health and safety

A significant part of the Company plays a fundamental role in the implementation of its Health & Safety Policy. In this context, EDPR created health and safety committees that collect information from different operational levels.

In addition, the H&S Policy, Management System and its procedures, as well as other H&S aspects are communicated to employees using a multi-tier approach. The Policy is published on EDPR's website and intranet, and is also printed and posted at each facility, as the HSEMS and its documented procedures are automatically available in every employee's computer desktop for easy access. Moreover, the Company shares monthly H&S reports with its employees.

[2] Except for employees working from the Oviedo office

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GRI 403-5 – Worker training on occupational health and safety

The Company's commitment to ensure high safety standards for employees and contractors make EDPR an increasingly safe place to work, prioritising the safety and wellbeing of all stakeholders with the objective of zero accidents overall. In order to achieve this goal, EDPR provides training to both its employees and its contractors regarding both generic occupational health & safety aspects as well as training on specific work-related hazards.

In 2022, EDPR provided more than 19,500 hours of training on H&S topics to its employees, which corresponds to over 7 hours of training per employee on average.

GRI 403-6 – Promotion of worker health

During 2022, both physical and mental health were once again a global priority. In this context, EDPR has several initiatives focusing on employees' health and wellbeing to ensure the continuity of care, providing employees with different tools and services such as access to online medical consultations, TelePharmacy, physiotherapy and psychological therapy sessions.

To raise awareness on mental health in particular, EDPR launched the *Mind Your Mind* campaign in October, which promoted educational talks with specialists, employees and other key stakeholders on how to approach the topic, especially in the current social context. In addition, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other.

GRI 403-7 – Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

To guarantee that the suppliers comply with EDPR's requirements regarding sustainability in the supply chain, EDPR monitors strategic suppliers during their services delivery. EDPR performs internal inspections during the construction and operation phases to monitor the suppliers' performance regarding environmental and H&S aspects and to identify and consequently mitigate potential risks. In 2022, EDPR performed 2,196 inspections (+31% than in 2021) to 255 suppliers (-2% YoY) regarding health and safety procedures. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement.

Moreover, to prevent possible H&S risks to workers from other companies, EDPR provides a risk guide for the facility to all contractors before starting their work on the facility. In addition, the Company requires that the contractors participate in drills that are carried out at the facilities, so that everyone knows how to act in the event of an emergency. EDPR also has established, through the HSEMS's Safety Alerts Management technical instruction, the communication to contractors of any safety alert that may be applicable to the facility or the contractors.

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GRI 403-9 – Work-related injuries

RECORDABLE WORK-RELATED INJURIES	UN	2022			2021		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Fatal work-related injuries	**#**	**0**	**1**	**1**	**0**	**1**	**1**
Europe	#	0	0	0	0	1	1
North America	#	0	0	0	0	0	0
South America	#	0	1	1	0	0	0
APAC	#	0	0	0	0	0	0
High-consequence work-related injuries[1]	**#**	**0**	**2**	**2**	**1**	**2**	**3**
Europe	#	0	2	2	0	1	1
North America	#	0	0	0	1	0	1
South America	#	0	0	0	0	1	1
APAC	#	0	0	0	0	0	0
Work-related injuries with lost workdays [2]	**#**	**9**	**27**	**36**	**4**	**30**	**34**
Europe	#	1	17	18	2	16	18
North America	#	0	0	0	2	6	8
South America	#	1	10	11	0	8	8
APAC	#	7	0	7	0	0	0
Work-related injuries that result in fatalities and lost workdays	#	9	30	39	5	33	38
Europe	#	1	19	20	2	18	20
North America	#	0	0	0	3	6	9
South America	#	1	11	12	0	9	9
APAC	#	7	0	7	0	0	0

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RECORDABLE WORK-RELATED INJURIES	UN	2022			2021		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Recordable work-related injuries without lost workdays [3]	#	8	15	23	3	25	28
Europe	#	1	6	7	0	8	8
North America	#	7	9	16	3	8	11
South America	#	0	0	0	0	9	9
APAC	#	0	0	0	0	0	0
TOTAL RECORDABLE WORK-RELATED INJURIES [4]	#	17	45	62	8	58	66
Europe	#	2	25	27	2	26	28
North America	#	7	9	16	6	14	20
South America	#	1	11	12	0	18	18
APAC	#	7	0	7	0	0	0

[1] Excludes fatalities. Refers to work-related injuries that result in more than 6 months of lost workdays. [2] Excludes high-consequence injuries. [3] Includes injuries that result in restricted work or transfer to another job, minor first aid injuries, and injuries that required medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional. [4] Sum of recordable work-related injuries without lost workdays, and work-related injuries that result in fatalities and lost workdays. Commuting incidents are not included (5 commuting accidents in 2022 of EDPR employees, of which 3 resulted in lost workdays).

Note: From the 9 employees impacted by work-related injuries with lost workdays, 8 are male and 1 is female. Even though EDPR does not register H&S indicators by gender for contractors, normally the majority of contractors working on EDPR sites are men.

WORKED HOURS	UN	2022			2021		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	#	2,154,302	2,389,723	4,544,025	1,885,408	3,167,493	5,052,902
North America	#	1,744,415	2,933,039	4,677,454	1,732,120	4,128,270	5,860,389
South America	#	311,301	3,687,020	3,998,321	251,616	7,028,048	7,279,664
APAC	#	1,455,986	619,556	2,075,542	9,224	49,542	58,766
TOTAL	#	5,666,004	9,629,338	15,295,342	3,878,368	14,373,353	18,251,721

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LOST WORKDAYS DUE TO WORK-RELATED INJURIES	UN	2022			2021		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	#	1	1,254	1,255	6	905	911
North America	#	210	0	210	356	605	961
South America	#	7	1,003	1,010	0	532	532
APAC	#	69	0	69	0	0	0
TOTAL	#	287	2,257	2,544	362	2,042	2,404

Note: The number of lost days is calculated as the number of calendar days starting the day after the accident.

FREQUENCY RATE OF WORK-RELATED INJURIES	UN	2022			2021		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Rate of fatal work-related injuries	**x**	**0.0**	**0.1**	**0.1**	**0.0**	**0.1**	**0.1**
Europe	x	0.0	0.0	0.0	0.0	0.3	0.2
North America	x	0.0	0.0	0.0	0.0	0.0	0.0
South America	x	0.0	0.3	0.3	0.0	0.0	0.0
APAC	x	0.0	0.0	0.0	0.0	0.0	0.0
Rate of high-consequence work-related injuries [1]	**x**	**0.0**	**0.2**	**0.1**	**0.3**	**0.1**	**0.2**
Europe	x	0.0	0.8	0.4	0.0	0.3	0.2
North America	x	0.0	0.0	0.0	0.6	0.0	0.2
South America	x	0.0	0.0	0.0	0.0	0.1	0.1
APAC	x	0.0	0.0	0.0	0.0	0.0	0.0
Rate of work-related injuries with lost workdays [2]	**x**	**1.6**	**2.8**	**2.4**	**1.0**	**2.1**	**1.9**
Europe	x	0.5	7.1	4.0	1.1	5.1	3.6
North America	x	0.0	0.0	0.0	1.2	1.5	1.4
South America	x	3.2	2.7	2.8	0.0	1.1	1.1
APAC	x	4.8	0.0	3.4	0.0	0.0	0.0

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FREQUENCY RATE OF WORK-RELATED INJURIES	UN	2022			2021		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Rate of work-related injuries that result in fatalities and lost workdays	x	1.6	3.1	2.5	1.3	2.3	2.1
Europe	x	0.5	8.0	4.4	1.1	5.7	4.0
North America	x	0.0	0.0	0.0	1.7	1.5	1.5
South America	x	3.2	3.0	3.0	0.0	1.3	1.2
APAC	x	4.8	0.0	3.4	0.0	0.0	0.0
Rate of recordable work-related injuries without lost workdays [3]	x	1.4	1.6	1.5	0.8	1.7	1.5
Europe	x	0.5	2.5	1.5	0.0	2.5	1.6
North America	x	4.0	3.1	3.4	1.7	1.9	1.9
South America	x	0.0	0.0	0	0.0	1.3	1.2
APAC	x	0.0	0.0	0	0.0	0.0	0.0
RATE OF TOTAL RECORDABLE WORK-RELATED [4]	x	3.0	4.7	4.1	2.1	3.9	3.5
Europe	x	0.9	10.5	5.9	1.1	7.6	5.1
North America	x	4.0	3.1	3.4	3.5	3.4	3.4
South America	x	3.2	3.0	3.0	0.0	2.6	2.5
APAC	x	4.8	0.0	3.4	0.0	0.0	0.0

[1] Excludes fatalities. Refers to work-related injuries that result in more than 6 months of lost workdays. [2] Excludes high-consequence injuries. [3] Includes injuries that result in restricted work or transfer to another job, minor first aid injuries, and injuries that required medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional. [4] Corresponds to the sum of recordable work-related injuries without lost workdays, and work-related injuries that result in fatalities and lost workdays. Commuting incidents are not included (there were 5 commuting accidents in 2022 related to EDPR employees, of which 3 resulted in lost workdays).

Note: Frequency rate calculated as [# of work-related injuries/Hours worked * 1,000,000].

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SEVERITY RATE OF WORK-RELATED INJURIES	UN	2022			2021		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	x	0	525	276	3	286	180
North America	x	120	0	45	206	147	164
South America	x	22	272	253	0	76	73
APAC	x	47	0	33	0	0	0
TOTAL	x	51	234	166	93	142	132

Note 1: Severity rate calculated as [# of Lost workdays/Hours worked*1,000,000].
Note 2: Fatal accidents are not included in the severity rates since each fatal accident is methodologically associated with a total of 6,000 lost days, which would misrepresent the reported data. If these were included in 2021, the Total Severity Rate for EDPR would be 461 and the Total Severity Rate for contractors in Europe would be 2,180. In 2022, Total Severity Rate for EDPR would be 559 and the Total Severity Rate for contractors in South America would be 1,899.

During 2022, EDPR registered 39 work-related injuries that resulted in lost workdays for employees and contractors (+3% YoY). One of these injuries was fatal and EDPR has defined an action plan with corrective measures to further mitigate these incidents, which was revised and approved by the Company's Management Team.

In 2022, the injury and the lost day rate were 2.5 work injuries per million hours worked (+22% YoY) and 166 days lost due to work accident per million hours worked (+26 YoY), respectively. The interannual variations of these ratios are mostly impacted by a decrease in worked hours (-16% YoY) mainly in Brazil due to the conclusion of construction works carried out during 2021, as the country had 580 MW under construction by the end of 2021 and none by the end of 2022.

However, EDPR continuously works to improve these ratios and to bring awareness to the best H&S practices. This is reinforced by the integrated Health & Safety and Environmental Management System, developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS, where synergies play a fundamental role, was implemented and jointly certified by an independent certifying organisation. The implementation of this integrated system allows for better management and prevention of accidents, with the objective of zero accidents overall. The commitment to health & safety is further supported through the ISO 45001 certification, which covers c.100%[1] of EDPR's installed capacity by the end of 2022.

[1] Calculation based on 2021YE installed capacity (EBITDA MWs). EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2022 will be certified in 2023.

GRI 403-10 – Work-related ill-health

EDPR has no knowledge of any cases of occupational diseases in the company. EDPR is working to systematise the registration of this type of diseases, if detected.

GRI EU17 – Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities

Contractors involved in construction, operation and maintenance activities worked an average of 1,203,667 days during 2022, which represents a decrease of 33% when compared to the previous year.

GRI EU25 – Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases

EDPR has no knowledge of any legal judgments, settlements and pending legal cases of diseases in 2022, neither in 2021.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2022 recorded in the contingencies reporting system.

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Absenteeism

ABSENTEEISM BY COUNTRY	2022	2021
	HOURS (#)	HOURS (#)
Europe	19,357	75,759
Spain	13,853	67,817
Portugal	759	2,880
France & Belgium	1,062	119
Italy	756	1,023
Poland	2,528	1,984
Romania	376	1,936
Greece	0	0
Hungary	24	0
United Kingdom	0	-
North America	28,563	28,740
North America	28,563	28,740
South America	1,094	1,327
Brazil	568	687
Colombia	288	640
Chile	238	0
APAC	26,308	-
Singapore	26,308	-
TOTAL	75,322	105,826

Note 1: EDPR defines absenteeism as total of non-worked hours in workable periods. including absence hours due to accidents, absence hours due to diseases and absence hours due to other not justified motives.
Note 2: Excludes employees from Rest of APAC.
Note 3: The YoY variation is mainly due to the fact that the methodology for calculating the data in the 2022 financial year has improved.

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4.5. People management

For information regarding GRI 3-3 – Management of material topics, please refer to section Human Capital of the chapter Performance. Moreover, please find other people management related topics at the end of this section.

GRI 2-7 –Employees

EDPR had 3,086 employees in 2022, +44% vs 2021 mainly due to the acquisition of Sunseap, a renewable energy company in the APAC region.

In the table below, the number of full-time / part-time employees in 2022 is disclosed by age group, gender and professional category.

By the end of 2022, 99% of EDPR's employees worked full-time (vs 98% in 2021).

FULL-TIME / PART-TIME EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Full-time	#	259	494	622	1,343	90	238	3,046
Senior managers	#	1	3	75	210	15	73	377
Managers	#	10	21	83	158	10	30	312
Specialists	#	220	274	415	758	47	121	1,835
Technicians	#	28	196	49	217	18	14	522
Part-time	#	1	0	29	2	6	2	40
Senior managers	#	0	0	2	0	1	1	4
Managers	#	0	0	2	0	0	0	2
Specialists	#	1	0	21	2	5	0	29
Technicians	#	0	0	4	0	0	1	5
TOTAL	#	260	494	651	1,345	96	240	3,086

Note: The number of part-time employees includes employees with reduced working day due to maternity/paternity, which represent 73% of the part-time employees.

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In the table below, the number of full-time / part-time employees in 2021 is disclosed by age group, gender and professional category.

FULL-TIME / PART-TIME EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Full-time	#	173	291	424	1,006	65	155	2,114
Senior managers	#	0	3	61	155	9	55	283
Managers	#	5	10	47	127	5	13	207
Specialists	#	155	194	281	626	35	77	1,368
Technicians	#	13	84	35	98	16	10	256
Part-time	#	0	0	30	2	4	0	36
Senior managers	#	0	0	2	0	1	0	3
Managers	#	0	0	1	0	0	0	1
Specialists	#	0	0	23	2	3	0	28
Technicians	#	0	0	4	0	0	0	4
TOTAL	#	173	291	454	1,008	69	155	2,150

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EDPR fosters quality employment with 98% (vs 99.7 in 2021) of permanent contracts throughout the year (based on the proportion of permanent and temporary contracts at the end of each month). Temporary employees represent 2% of EDPR's team along the year, and therefore the Company does not report the average contracts.

In the table below, the number of permanent / temporary employees in 2022 is disclosed by age group, gender and professional category.

PERMANENT / TEMPORARY EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Permanent	#	252	486	639	1,329	89	216	3,011
Senior managers	#	1	3	77	210	16	74	381
Managers	#	10	21	85	158	10	29	313
Specialists	#	219	267	431	744	52	99	1,812
Technicians	#	22	195	46	217	11	14	505
Temporary	#	8	8	12	16	7	24	75
Senior managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	1	1
Specialists	#	2	7	5	16	0	22	52
Technicians	#	6	1	7	0	7	1	22
TOTAL	#	260	494	651	1,345	96	240	3,086

Note 1: EDPR keeps a constant number of employees throughout the year, which makes the difference between the final number of employees and the average not significant. In 2022, this difference (13%) is slightly higher than previous years due to the incorporation of Sunseap.
Note 2: 92% of the temporary employees are located in North America, 7% in Europe and 1% in Asia-Pacific.

The average number of contractors' workers during 2022 was 1,209 in Europe, 1,484 in North America, 1,924 in South America and 355 in APAC.

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In the table below, the number of permanent / temporary employees in 2021 is disclosed by age group, gender and professional category.

PERMANENT / TEMPORARY EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Permanent	#	172	290	454	1,004	69	154	2,143
Senior managers	#	0	3	63	155	10	55	286
Managers	#	5	10	48	127	5	13	208
Specialists	#	154	193	304	624	38	76	1,389
Technicians	#	13	84	39	98	16	10	260
Temporary	#	1	1	0	4	0	1	7
Senior managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0
Specialists	#	1	1	0	4	0	1	7
Technicians	#	0	0	0	0	0	0	0
TOTAL	#	173	291	454	1,008	69	155	2,150

Note 1: EDPR keeps a constant number of employees throughout the year, which makes the difference between the final number of employees and the average not significant (9% in 2021).
Note 2: All temporary employees in 2021 were located in Europe.

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In the table below, the number of employees in 2022 is disclosed by age group, gender, region and professional category.

EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Spain	#	74	89	204	304	23	65	759
Senior managers	#	1	1	34	55	6	31	128
Managers	#	1	4	23	35	2	4	69
Specialists	#	71	83	143	212	14	30	553
Technicians	#	1	1	4	2	1	0	9
Portugal	#	9	13	20	84	4	21	151
Senior managers	#	0	0	2	11	0	8	21
Managers	#	0	0	0	7	0	2	9
Specialists	#	9	13	17	66	3	11	119
Technicians	#	0	0	1	0	1	0	2
Rest of Europe	#	33	51	91	181	7	18	381
Senior managers	#	0	0	7	20	1	5	33
Managers	#	1	5	8	22	3	3	42
Specialists	#	28	38	72	136	2	10	286
Technicians	#	4	8	4	3	1	0	20
USA	#	92	209	187	426	53	99	1,066
Senior managers	#	0	2	28	90	7	26	153
Managers	#	6	9	21	45	3	13	97
Specialists	#	71	96	100	206	28	47	548
Technicians	#	15	102	38	85	15	13	268

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EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Rest of North America	#	3	2	2	16	0	5	28
Senior managers	#	0	0	0	4	0	0	4
Managers	#	0	0	0	1	0	2	3
Specialists	#	2	2	0	10	0	3	17
Technicians	#	1	0	2	1	0	0	4
South America	#	15	8	45	85	5	5	163
Senior managers	#	0	0	1	10	1	2	14
Managers	#	0	0	8	10	1	0	19
Specialists	#	15	8	36	65	3	3	130
Technicians	#	0	0	0	0	0	0	0
Singapore	#	28	114	66	213	4	22	447
Senior managers	#	0	0	5	15	1	2	23
Managers	#	1	2	17	30	1	3	54
Specialists	#	23	27	43	45	2	15	155
Technicians	#	4	85	1	123	0	2	215
Rest of APAC	#	6	8	36	36	0	5	91
Senior managers	#	0	0	0	5	0	0	5
Managers	#	1	1	8	8	0	3	21
Specialists	#	2	7	25	20	0	2	56
Technicians	#	3	0	3	3	0	0	9
TOTAL	#	260	494	651	1,345	96	240	3,086

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In the table below, the number of employees in 2021 is disclosed by age group, gender, region and professional category.

EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Spain	#	54	76	176	302	23	53	684
Senior managers	#	0	1	32	49	5	24	111
Managers	#	2	4	20	42	2	4	74
Specialists	#	50	70	119	210	14	25	488
Technicians	#	2	1	5	1	2	0	11
Portugal	#	6	9	15	74	2	18	124
Senior managers	#	0	0	2	10	0	7	19
Managers	#	0	0	0	5	0	2	7
Specialists	#	6	9	12	59	1	9	96
Technicians	#	0	0	1	0	1	0	2
Rest of Europe	#	31	28	74	144	3	14	294
Senior managers	#	0	0	5	20	0	4	29
Managers	#	1	0	6	17	2	1	27
Specialists	#	29	28	61	107	1	9	235
Technicians	#	1	0	2	0	0	0	3
USA	#	66	162	154	401	39	65	887
Senior managers	#	0	2	24	65	5	18	114
Managers	#	2	6	17	50	0	6	81
Specialists	#	54	71	85	189	21	31	451
Technicians	#	10	83	28	97	13	10	241

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EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Rest of North America	#	1	4	3	14	0	0	22
Senior managers	#	0	0	0	3	0	0	3
Managers	#	0	0	0	4	0	0	4
Specialists	#	1	4	0	7	0	0	12
Technicians	#	0	0	3	0	0	0	3
South America	#	15	11	29	65	2	5	127
Senior managers	#	0	0	0	8	0	2	10
Managers	#	0	0	5	9	1	0	15
Specialists	#	15	11	24	48	1	3	102
Technicians	#	0	0	0	0	0	0	0
APAC	#	0	1	3	8	0	0	12
Senior managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0
Specialists	#	0	1	3	8	0	0	12
Technicians	#	0	0	0	0	0	0	0
TOTAL	#	173	291	454	1,008	69	155	2,150

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GRI 2-30 – Collective bargaining agreements

According to its Code of Ethics, EDPR undertakes to respect freedom of trade union association and recognise the right to collective bargaining.

At EDPR, from 3,086 employees, 12% were covered by collective bargaining agreements in 2022. Collective bargaining agreements include different topics such as career development, mobility, salaries, health & safety etc. and apply to all employees working under an employment relationship with some companies of EDPR group, regardless of the type of contract, the professional group into which they are classified, their occupation or job. However, matters relating to the corporate organisation itself, the laws of each country or even usage and custom in each country result in certain groups being expressly excluded from the scope of collective bargaining agreements.

The collective bargaining agreements that are applied at EDPR are usually negotiated at state level or regional level, and EDPR may be just one of the players among other leading sectorial companies in the negotiation with employees' representatives, and in some cases, governmental representatives. In Portugal and Brazil, EDP negotiates its own agreements with employees, and those apply to any employee working for companies of the Group, including EDPR.

During the last years, EDPR has performed different benchmark analysis of the benefits stated at the different collective bargaining agreements that apply to its employees, comparing them against the benefits offered by the Company and, in general terms, the Company offers a more competitive benefits package compared to what is stated in the collective bargaining agreement.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS	UN	2022	2021	UN	2022	2021
Europe	#	295	243	%	23%	22%
Spain	#	41	36	%	5%	5%
Portugal	#	135	89	%	89%	72%
Rest of Europe	#	119	118	%	31%	40%
North America	#	0	5	%	0%	1%
US	#	0	5	%	0%	1%
Rest of North America	#	0	0	%	0%	0%
South America	#	67	77	%	41%	61%
Brazil	#	66	76	%	62%	83%
Rest of South America	#	1	1	%	2%	3%
APAC	#	0	0	%	0%	0%
TOTAL	#	362	325	%	12%	15%

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GRI 401-1 – New employee hires and employee turnover

Throughout the year, EDPR hired 1,217 employees, +87% vs 2021 mainly due to the incorporation of Sunseap.

NEW HIRES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	#	52	75	49	108	5	8	297
North America	#	36	99	48	95	9	14	301
South America	#	7	2	18	25	2	2	56
APAC	#	37	137	104	254	6	25	563
TOTAL	#	132	313	219	482	22	49	1,217

In 2021, EDPR hired 652 employees.

NEW HIRES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	#	43	61	61	101	2	6	274
North America	#	44	80	53	125	7	12	321
South America	#	9	4	8	21	0	3	45
APAC	#	0	1	3	8	0	0	12
TOTAL	#	96	146	125	255	9	21	652

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During 2022, 399 employees left the Company, resulting in a turnover ratio of 13%.

TURNOVER	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	%	9%	14%	8%	11%	0%	3%	9%
North America	%	13%	22%	15%	23%	19%	13%	19%
South America	%	20%	38%	7%	8%	0%	40%	11%
APAC	%	15%	11%	6%	7%	50%	4%	9%
TOTAL	%	12%	17%	10%	14%	13%	8%	13%

Note: Turnover calculated as departures / 2022YE headcount.

During 2021, 277 employees left the Company, resulting in a turnover ratio of 13%.

TURNOVER	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	%	7%	11%	5%	7%	4%	15%	7%
North America	%	21%	22%	18%	22%	10%	17%	20%
South America	%	0%	18%	10%	12%	0%	40%	12%
TOTAL	%	12%	17%	10%	13%	7%	17%	13%

Note: Turnover calculated as departures / 2021YE headcount.

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Of the 399 departures registered in 2022, 8% were dismissals.

DISMISSALS	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0
Specialists	#	1	4	1	7	1	2	16
Technicians	#	1	4	0	8	1	0	14
TOTAL	#	2	8	1	15	2	2	30

Of the 277 departures registered in 2021, 7% were dismissals.

DISMISSALS	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior managers	#	0	0	0	1	0	2	19
Managers	#	0	0	1	1	0	0	0
Specialists	#	1	1	3	3	0	1	0
Technicians	#	0	1	0	3	1	0	0
TOTAL	#	1	2	4	8	1	3	19

GRI 401-2 – Benefits provided to full-time employees that are not provided to temporary or part-time employees

As a responsible employer, a quality employment that can be balanced with personal life is a priority for EDPR. In this sense, the package of benefits provided to full-time employees does not differ from that offered to part-time employees. This benefits package, depending on the country, includes medical insurance, life insurance, pension plan and conciliation measures.

GRI 402-1– Minimum notice periods regarding operational changes

In EDPR, it is customary to communicate significant events and organisational changes to the affected groups in advance.

As an employer in the United States, EDPR complies with the Worker Adjustment and Retraining Notification (WARN) Act Guide to Advance Notice of Closings and Layoffs.

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

In 2022, EDPR invested more than €2.2 million in training.

The total number of training hours increased +31% vs 2021, +23% for women employees and +34% for male employees.

AVERAGE TRAINING HOURS	UN	2022			2021		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Senior managers	#	29	27	56	27	27	27
Managers	#	26	46	72	48	38	41
Specialists	#	24	30	54	26	33	30
Technicians	#	17	52	68	26	64	54
TOTAL	#	24	36	32	28	37	34

Note: Average training hours are calculated as total training hours / YE average headcount.

TOTAL TRAINING HOURS	UN	2022			2021		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Europe	#	13,726	31,904	45,630	12,646	26,753	39,400
Senior managers	#	1,895	4,645	6,540	1,590	4,032	5,623
Managers	#	1,338	6,012	7,350	1,798	3,648	5,446
Specialists	#	10,215	21,087	31,303	8,612	19,017	27,630
Technicians	#	277	160	437	645	56	701
North America	#	3,750	18,701	22,451	2,474	18,034	20,508
Senior managers	#	423	1,580	2,003	151	872	1,022
Managers	#	444	1,128	1,572	186	1,336	1,523
Specialists	#	1,971	4,276	6,247	1,079	3,844	4,923
Technicians	#	912	11,717	12,629	1,058	11,982	13,041
South America	#	1,185	4,952	6,136	1,957	4,607	6,564
Senior managers	#	2	253	255	5	567	572
Managers	#	144	485	628	368	320	688
Specialists	#	1,040	4,214	5,254	1,585	3,719	5,304
Technicians	#	-	-	-	-	-	-
APAC	#	2,359	10,611	12,970	11	89	99
Senior managers	#	217	489	706	-	-	-
Managers	#	364	822	1,186	-	-	-
Specialists	#	1,596	2,016	3,613	11	89	99
Technicians	#	182	7,284	7,466	-	-	-
TOTAL	#	21,020	66,167	87,187	17,088	49,483	66,571

GRI 404-2 – Programs for upgrading employee skills and transition assistance programs

To address the needs for reinforcing a one company mindset, EDPR must foster an impactful development environment that translates into a holistic assessment that integrates individual's past (performance), present (skills), and future (agility), addressing business and people needs. A new global development mindset that also includes development conversations, a key tool and moment to foster an impactful experience. This ongoing cycle is supported by a new learning experience and culture that is flexible and led by everyone, according to their needs.

In this sense, EDPR is committed to the development of its employees, offering them an attractive professional career, and aligning their capabilities and skills with the current and future needs of the company. The growth and development of the Company's business leads EDPR to invest in the employees by discovering, improving, and emphasising the potential of each mainly through internal mobility, training, and development actions.

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Holistic assessment

For an impactful and comprehensive development experience, EDPR strives to have a whole perspective of the employee, by learning how they perform, what skills they have, and their agility to evolve under new or unexpected conditions. To better develop its team, the Company must consider the infinite connection between past, present, and future. This connection gives EDPR different ingredients and insights that it should consider while assessing its people, in order to bring out their best self.

- **Performance (past)**: Performance monitoring is quite essential for EDPR, from an individual perspective and for the organisation, since it:
    - Enables people to perform to the best of their abilities and produce the highest-quality work;
    - Provides feedback and support on their progress about what is expected from them according to each function/level, while allowing accountability;
    - Promotes greater differentiation between employees, fostering a fair and transparent consequent management.

- **Skills (present):** It is essential to realise that the skills that EDPR's employees have are, by consequence, also the Company' s competencies. Therefore, EDPR benefits from mapping the skills it has in house in order to fulfil skills gaps, and guide and tailor its development initiates considering its business and people needs.
- **Agility (future):** EDPR is committed to lead the energy transition and has an ambitious Business Plan accordingly. The best way for the Company to be prepared for this future and quickly adapt to market changes is by being flexible, creative, and resilient. To do this, EDPR fosters development also considering future needs, preparing the team for upcoming challenges and ensuring business continuity.

Learning

EDPR offers job-specific ongoing learning opportunities to contribute to the self-development of employees according to the new learning model as part of the Global Development Mindset. Regular and continuous Development Conversations with the Manager contribute to identify learning needs along the year in close relationship with strategic goals and the main business challenges, so they are anticipated and prioritised. This approach implies a fluid learning process that happens in the pace of work, anytime, anywhere, anyhow.

A mature Learning culture requires a proper environment that stimulates curiosity, autonomy and share of learning among employees, not only through formal but also through informal ways. The offer has evolved to a more on-demand approach where employees have online learning contents and resources to personalise the learning experience. The Udemy's portfolio with over 11,000 online courses, Campus Online open contents, workshops and global talks or shared contents in EDPR's Global Communities online are part of this diversified learning experience.

The annual Training Plan also includes business specific programs (technical, management, behavioural), digital training focused on the digital upskill roadmap, mandatory topics addressed (safety, ethics, compliance, cybersecurity) aligned with the Company's challenges and new markets or technologies to ensure the sustainability of EDPR's business.

During 2022, EDPR delivered a total of 87,187 training hours throughout 4,828 sessions that included 44,551 participants. This translates into an average of 32 hours of training per employee and results in 96% of EDPR's team receiving training. With lessons learnt after COVID-19 pandemic, EDPR has consolidated different learning methodologies and selected the best option who matches the requirements from both the contents and the participants: live online, e-learning, virtual remote formats and in-classroom training are part of the learning ecosystem in EDPR (a total of 74% of training hours or 94% of the attendances were delivered in online methodologies). Therefore, EDPR keeps on Digitalisation as one of the main training drivers that helped to accelerate and consolidate during 2022 because of the methodologies and by contents increasingly delivered on topics such as Collaborative Tools (Microsoft 365 suite), Agile or Design Thinking methodologies, Data Analyse tools, Digital Transformation, Cybersecurity, SMART business, IoT, Cloud or Artificial Intelligence.

Knowledge management

EDPR is aware of the importance of Knowledge as a valuable asset within the business and in employees' development. Thus, EDPR is boosting LINK as a knowledge platform, increasing the number of areas, domains and curated documents with valuable content captured and shared across the organisation encouraging the access to recommended documents. During 2022, EDPR organised a total of 3 sessions of *40fiveminutes*, an online initiative to easily share main business insights in a friendly and informal way to those employees who voluntarily register to the sessions.

Implementing a Global Development Mindset culture implies a strong knowledge sharing mindset, so EDPR strives to improve the use of knowledge by regularly distributing customised

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relevant documents or events, fostering the participation in Communities, offering regular talks, webinars, or clinics, working to adapt to new ways of learning reaching to all the generations present in the Company, and by establishing a hybrid work model.

Development Programs

To support the Company's growth and to align the current and future needs of the organisation with the skills of employees, as well as boost their professional growth, EDPR has included in the new global development mindset approach an holistic assessment (past, present, and future), development conversations and "anytime, anywhere" development tools, as long as different development programs that allow employees acquire the right tools to take on new responsibilities and adapt to new challenges:

- The **Lead Now Program** aims to support middle managers in their role as team leaders. As a result, participants have the possibility to self-assess their management style, improve the skills they need, and get to know the role they play in the different HR processes at EDPR, as well as the IT, internal tools and H&S systems that can help them develop their role. Through online sessions, two editions were delivered to 24 employees in 2022 in Europe and Latin America, and other five in North America in which 72 employees participated.
- The **Leader Coaching Program** in North America supports current and new leaders with focused leadership coaching via certified leadership coaches who provide Leadership Coaching, Transition Coaching for first-time managers, or Group Coaching for groups of leaders on leadership topics that align to current business environment. In 2022, 82 North America leaders attended Leader Coaching programs.
- The **Executive Development Program** is an advanced training with a similar philosophy of an MBA in which the main objective is to develop the vision, skills and management capabilities required to meet the many and diverse challenges that EDPR professionals must face. In January 2022, the edition launched in May 2021 ended with 30 participants. It was focused on different topics, such as Economic Outlook, Strategic Vision, Operational Excellence, Financial Management, Communication and Leadership, among others.

Mobility

EDPR considers both functional and geographical mobility as a tool that contributes to the organisational development by stimulating employees' motivation, skills, productivity, personal fulfilment and fostering the share of best practices. The mobility processes within EDPR aim to respond to the different challenges and needs of the Company, considering the characteristics of the different geographies. In 2022 there were 90 mobility processes, 40 of them functional, 34 geographical and 16 both functional and geographical. Entering in new geographies such as APAC has meant that new mobility opportunities have arisen. The different types of mobilities that we consider within the company are the indicated below:

- **Short-term assignments:** Applies to short-term international relocation (up to 1 year), not renewable, initiated by the Company, whose purpose is the development of projects or the development of the professional career of employees involved.
- **Expatriation:** This regulation applies exclusively to expatriation up to 3 years, renewable, (international assignment for the execution of management or mandate functions in the destination country or critical functions that may have been identified).
- **Commuting:** Applies to employees that perform simultaneously management and mandate functions in two companies located in different geographical regions or countries, one of them being the base location.
- **Local plus**: For employees going on long-term relocations (more than 1 year), through cessation of the work contract at the home company.

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

EDPR defines two assessment processes for its employees. The annual performance assessment, which covers all employees entitled to variable remuneration, and the potential assessment.

All EDPR employees, regardless of their professional category, are evaluated every two years to determine their development potential by providing the most suitable training. EDPR creates tailored development plan to address specific needs.

Moreover, EDPR offers the possibility to all employees to define an Individual Development Plan. This plan is a very effective tool that enable the Company to structure training actions for the employee aimed at widening their abilities and expertise since it requires a reflection upon the results of their skills assessment and identify the individual's strong points and

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improvement areas, taking into consideration the employee's development level, as well as the teamwork and organisational strategy.

The potential assessment process is independent from performance appraisal and is based on a 360 degree evaluation model which considers feedback from oneself, peers, subordinates and the manager.

GRI 405-1 – Diversity of governance bodies and employees

In the table below, the proportion of members of the Board of Directors by the end of 2022 is disclosed by age group and gender (no variation vs 2021).

BOARD OF DIRECTORS	UN	UNDER 30 YEARS OLD	BETWEEN 30 AND 50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Female	%	0%	17%	17%	33%
Male	%	0%	17%	50%	67%
TOTAL	%	0%	33%	67%	100%

In the table below, the proportion of members of the Board of Directors by the end of 2021 is disclosed by age group and gender.

BOARD OF DIRECTORS	UN	UNDER 30 YEARS OLD	BETWEEN 30 AND 50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Female	%	0%	17%	17%	33%
Male	%	0%	17%	50%	67%
TOTAL	%	0%	33%	67%	100%

Following the best Corporate Governance practices, in 2022 EDPR analysed and reviewed the possible criteria applicable in the selection of the new members of its Governing Bodies. For these purposes, there were taken into account the market trends and the specific needs of EDPR, in order to ensure the suitability of the roles, the contribution of the new profiles to a better performance, and the aim of ensuring a balanced composition in the bodies of the Company. As a conclusion, the Appointments and Remunerations Committee agreed to consider as a reference certain standards and requirements in accordance with the following:

- Individual attributes: education, competence, integrity, availability, and experience.
- Diversity: to be considered as a wide criteria, analysed in accordance with the nature and complexity of the businesses developed, as well as according to the social and environmental context from time to time, and that will include, among others, gender, age and culture.

It was expressly stated that this list should not be considered as an exhaustive nor limiting reference, and that in any case, depending on the needs and competences required, other criteria may be taken into account.

Based on the above criteria, after the previous advice of the Appointments and Remunerations Committee, the Board of Directors submits the related proposals to the General Shareholders' Meeting (including for sake of clarity, the curriculum vitae of the candidates, and the justifying report, which shall be publicly disclosed with the other supporting documents of the meeting).

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In the table below, the proportion of employees in 2022 is disclosed by age group, gender, and professional category.

EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior managers	%	0%	0%	2%	7%	1%	2%	12%
Managers	%	0%	1%	3%	5%	0%	1%	10%
Specialists	%	7%	9%	14%	25%	2%	4%	60%
Technicians	%	1%	6%	2%	7%	1%	0%	17%
TOTAL	%	8%	16%	21%	44%	3%	8%	100%

In the table below, the proportion of employees in 2021 is disclosed by age group, gender, and professional category.

EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior managers	%	0%	0%	3%	7%	0%	3%	13%
Managers	%	0%	0%	2%	6%	0%	1%	10%
Specialists	%	7%	9%	14%	29%	2%	4%	65%
Technicians	%	1%	4%	2%	5%	1%	0%	12%
TOTAL	%	8%	14%	21%	47%	3%	7%	100%

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GRI 405-2 – Ratio of basic salary and remuneration of women to men

Note 1: The tables below refer to average remuneration. 2022 values do not include expats and mobilities, totalling 4% of the employees. 2021 values do not include expats, 2021 mobilities, new hires from December, employees from OW (the offshore JV with ENGIE) and employees from Viesgo (a company acquired at the end of 2020), totalling 5% of the employees.
Note 2: The calculations are based on the December headcount. The base salaries of the new hires are annualised but the rest of the monetary and non-monetary benefits are not annualised, which may cause deviations.
Note 3: The wage gap is calculated based on GRI methodology (female/male remuneration). The calculation considers the employees' working hours.

In the table below, the average remuneration of employees in 2022 and 2021 is disclosed by age group, gender and professional category.

REMUNERATION	UN	2022		2021		Δ% YoY	
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Under 30 years old							
Senior managers	€	80,683	165,281	-	109,926	-	+50%
Managers	€	105,944	104,338	75,489	89,345	+40%	+17%
Specialists	€	51,908	54,122	50,686	55,554	+2%	(3%)
Technicians	€	41,824	39,708	46,859	62,280	(11%)	(36%)
Between 30 and 50 years old							
Senior managers	€	147,688	161,043	189,009	206,568	(22%)	(22%)
Managers	€	84,142	88,739	83,856	94,436	+0%	(6%)
Specialists	€	61,163	65,603	62,798	71,329	(3%)	(8%)
Technicians	€	52,137	38,091	56,420	73,698	(8%)	(48%)
Over 50 years old							
Senior managers	€	165,004	161,903	192,051	206,038	(14%)	(21%)
Managers	€	82,381	103,801	64,508	107,968	+28%	(4%)
Specialists	€	84,537	84,780	86,066	92,987	(2%)	(9%)
Technicians	€	59,240	54,073	66,921	80,351	(11%)	(33%)

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In the table below, the average total remuneration of employees in 2022 and 2021 is disclosed by region, gender and professional category. The total remuneration also includes remuneration supplements not consolidated during the year, variable remuneration and other monetary benefits.

WAGE GAP - TOTAL REMUNERATION	UN	2022			2021		
		FEMALE	MALE	F/M	FEMALE	MALE	F/M
Europe							
Senior managers	€	122,902	128,456	96%	119,874	134,156	89%
Managers	€	68,727	73,961	93%	67,246	76,154	88%
Specialists	€	47,853	49,953	96%	48,903	53,033	92%
Technicians	€	32,566	24,822	131%	34,513	25,561	135%
North America							
Senior managers	€	200,563	203,251	99%	302,801	311,568	97%
Managers	€	119,813	120,573	99%	116,502	124,660	93%
Specialists	€	97,509	100,496	97%	91,890	104,149	88%
Technicians	€	57,452	58,325	99%	62,909	69,619	90%
South America							
Senior managers	€	109,353	105,139	104%	-	98,368	-
Managers	€	51,942	51,563	101%	48,740	49,108	99%
Specialists	€	31,101	41,157	76%	30,274	38,107	79%
Technicians	€	-	-	-	-	-	-
APAC							
Senior managers	€	151,161	186,016	81%	-	-	-
Managers	€	82,789	82,490	100%	-	-	-
Specialists	€	39,970	40,102	100%	47,477	46,476	102%
Technicians	€	21,593	21,607	100%	-	-	-

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GRI 2-21 – Annual total compensation ratio

The ratio presented below represents of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees.

ANNUAL TOTAL COMPENSATION RATIO	UN	2022	2021	Δ% YoY
Spain	x	8.4	5.4	+54%
Portugal	x	6.6	4.7	+40%
US	x	8.7	11.2	(22%)

Note 1: Miguel Stilwell d'Andrade and Rui Teixeira did not receive any remuneration from EDPR. EDPR and EDP signed an executive management services agreement according to which EDPR paid to EDP a fee for the services rendered by these officers.
Note 2: X as unit means times.
Note 3: 2022 values do not include expats and mobilities, totalling 4% of the employees. 2021 values do not include expats, 2021 mobilities, new hires from December, employees from OW (the offshore JV with ENGIE) and employees from Viesgo (a company acquired at the end of 2020), totalling 5% of the employees.
Note 4: The calculations are based on the December headcount. The base salaries of the new hires are annualised, but the rest of the monetary and non-monetary benefits are not annualised, which may cause deviations.

Please note that the variation in the US ratio is mainly due to the inclusion of the LTIP payment in 2021.

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GRI EU15 – Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region

EMPLOYEES ELIGIBLE TO RETIRE	UN	2022		2021	
		IN 10 YEARS	IN 5 YEARS	IN 10 YEARS	IN 5 YEARS
By employment category					
Senior managers	%	9%	6%	10%	6%
Managers	%	4%	2%	2%	0%
Specialists	%	4%	2%	4%	2%
Technicians	%	3%	3%	5%	4%
By region					
Europe	**%**	**5%**	**3%**	**5%**	**3%**
Spain	%	4%	2%	4%	2%
Portugal	%	14%	10%	15%	11%
Rest of Europe	%	2%	1%	2%	1%
North America	**%**	**6%**	**4%**	**6%**	**4%**
US	%	6%	4%	6%	4%
Rest of North America	%	7%	4%	0%	0%
South America	**%**	**1%**	**1%**	**0%**	**0%**
Brazil	%	0%	0%	0%	0%
Rest of South America	%	4%	2%	0%	0%
APAC	**%**	**3%**	**1%**	**0%**	**0%**
TOTAL	%	5%	3%	5%	4%

Note: The employees eligible to retire in the next 5 years is with 60 years reference and in the next 10 years with 57 years reference.

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Other people management related topics:

Communication with employees

EDPR's global presence with employees from different regions, nationalities and generations requires the Company to listen and provide feedback on a range of ambitions, motivations, and prospects. In this regard, EDPR launches a Climate Survey every two years to support its active listening strategy and draws up an integrated action plan based on real current data.

Just as important as getting to know our people is ensuring that they have all the relevant information at their disposal, from onboarding through to the Company's business and strategy. To this end, there is a range of internal communication channels that complement each other and are reinventing themselves to meet the EDPR's needs following its exponential, multicultural growth over recent years:

- **Intranet:** The platform takes online interaction among employees to a new level by including social media-style features and advanced customisation options. It is a place to share information, work together, and learn about projects and news from EDPR and EDP Group.
- **Workplace:** The social network aims to strengthen internal communication by customising content according to the audience, bringing it closer to the company hierarchy, fostering top-down and bidirectional communication and improving teamwork.
- **EDP On Renew magazine:** The print magazine has been a mainstay of EDP Group's internal communications since 1988. The On Renew edition, specific to EDPR, shows the Company and its people through stories, interviews, and reports.
- **EDP On TV:** The TV channel broadcasts in EDPR and EDP offices and online. It includes dynamic news reports and interviews on news and events. It is the medium that truly puts a face on projects, employees and initiatives.
- **EDP On App:** T mobile app to access the Company's intranet, where corporate news can be consulted and the tools and services available to employees can be used.
- **Global newsletter:** A monthly newsletter gives a broader reach to news and information regarding the Company's projects, teams, successes, and strategies.
- **HR App:** EDPR has an app in place to offer employees news and access to recruitment processes or measures, all in a practical, simple way. This tool is particularly useful to keep traveling and geographically dispersed employees connected.

EDPR also holds regular global meetings for each platform, so employees can streamline their long-distance communication; furthermore, these meetings promote networking and proximity to leaders in order to share, first-hand, the business goals set by the management team for the near future, all with a view to meeting the overall objective of leading the energy transition.

Other global events also take place throughout the year, but in an online format, many of them hosted by our CEO to discuss and/or present relevant topics, make first-hand.

Employees with disabilities

In the companies in Spain where there is a legal obligation to have people with disabilities in the workforce to comply with the LISMI due to the number of employees, EDPR has opted for the exceptionality measures provided by the Law. The Company is able to comply with the quota that legally applies to it through contracts of goods or services with companies that promote the hiring of disabled people and also through donations. EDPR's companies under this obligation are covered with the exceptionality measures since February 2018 and for a period of three years. For the rest of EDPR countries, the approach is the same. Recently, as part of EDPR's global strategy, a Diversity and Equality Committee has been set up with the participation of the Management Team, whose objective is to integrate the commitment to this issue within the company. One of the objectives of this Committee is focused on the group of people with disabilities as one of the most important topics to be developed. Please note that by the end of the 2022, 1.7% of the Company's employees had disabilities.

Work organisation and implementation of "right to disconnect" policies

For EDPR, it is a priority to foster time efficiency of employees' daily tasks to balance their professional and personal life, while still delivering excellent results. In this context, the Company has been implementing several initiatives that contribute to achieve this, and even though currently EDPR does not have policies regarding the right of people to disconnect from work during non-work hours, messages of work organisation and disconnection will continue to be conveyed. For example, in 2017 EDPR designed Work Smarter, a Code that includes a set of guidelines to work efficiently by maximising the time efficiency of each daily task, mainly regarding work organisation, email & phone and meetings. Additionally, different initiatives took place during 2017 in order to involve employees around this different way of working. Some of the initiatives were placing inspiring sentences and clocks in the meeting rooms to remind the employees that their time is gold. Within Work Smarter, some of the initiatives were focused on the right to disconnect. In 2020, due to the COVID-19 and

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subsequent home office regime implemented, EPDR shared several tips in its intranet on how to better work from home, which included the separation between professional and personal life, setting a work schedule and taking breaks. Lastly, in 2021, EDPR introduced the *Golden Rules* initiative to provide guidelines for its employees on topics such as respecting routines, best practices when communicating through email and tips for organising their daily schedule. Later, together with the implementation of the new hybrid working model, the *Golden Rules 2.0* was created, which is an adaptation of the previous initiative to a new reality in which there are some employees working from home and others working at the office at the same time. By following these recommendations, people can be more efficient with their time and promote each other's wellbeing.

Work life balance

Both physical and mental health were once again a global priority. Accordingly, EDPR implements several initiatives focused on family, time, and health, offering its team a wide range of benefits that reinforce the Company's position as a flexible workplace with work-life balance policies; it also encourages an efficient use of time in employees' daily tasks to reconcile their professional and personal life while still achieving excellent results. As an outcome, EDPR's work-life balance practices have earned it the EFR Certification (Empresa Familiarmente Responsable) for eleven years, awarded by the Spanish *Fundación MásFamilia*. In 2022, EDPR maintained the level of excellence in this certification obtained in 2021, which recognises the Company's efforts to reconcile professional and personal life, excellence, and flexibility. To achieve this continuously, EDPR is committed to constantly improve the initiatives implemented, which will enable it to provide the most progressive and appropriate benefits to employees.

During 2022, the Hybrid Work Model was established in the Company, in which employees can work remotely 2 days a week, where feasible, as EDPR believes that remote work is crucial to improve flexibility, work-life balance and the overall well-being of its team while remaining productive. The *Flex Fridays* initiative was implemented globally, which implies having Fridays' afternoon off through an intensive working schedule. In the EU&LATAM platform specifically, different initiatives to foster networking, communication, and relationship among employees in physical areas were put in place, such as the *Juice UP your morning* breakfasts which aim to foster moments that allow employees to interact in a relaxed atmosphere.

In addition, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other. To raise awareness on mental health, EDPR launched once again the *Mind Your Mind* campaign in October, which promoted educational talks with specialists, employees, and other key stakeholders on how to approach the topic, especially in the current social context.

Furthermore, EDPR has a volunteer program addressed to its employees in order to promote social responsibility, giving them the opportunity to grow not only at work but also personally while also contributing to the society.

Equality plans

EDP Renováveis S.A. has an Equality Plan for the period 2020-2022 in accordance with the Spanish Organic Law 3/2007 which has already achieved 92% compliance at a global level and has taken the appropriate steps to comply with local legislation on equality as required.

Adopted measures to promote employment related to equality

As it looks forward, EDPR continues to evolve its organisation and is dedicated to fostering a culture of human equality and valuing the strengths of our differences, as it builds a more inclusive, sustainable environment for future generations. The Company wants to lead by example to create an equal, sustainable future. EDPR's goal is to contribute to improving the quality of life of its employees, removing professional barriers, and promoting gender equality, to ensure a transparent workplace environment where mutual respect and equal opportunities prevail. In accordance, there is a Diversity, Equity, and Inclusion Committee at EDP Group level to promote its commitment to these fundamental principles. The main objectives of the Committee are to reflect the Group's strategy on diversity, equity, and inclusion, including the definition and development of initiatives that contribute to a global action plan and local action plans, and to foster the exchange of knowledge and best practices. However, as a responsible company, the EDPR's goal is to actively promote these values in its team.

In this context, EDPR celebrated different milestones in terms of diversity like Women Month in March, Diversity Week in May and Disability Day in December, during which different trainings, initiatives and talks were carried out to raise awareness among employees on these important topics. The Company believes that with the right tools and knowledge, we will be able to have a truly inclusive culture and a more sustainable future.

In addition, EDPR is part of the "Empowering Women's Talent" program for the development of female talent promoted by *Equipos & Talento*. The program helps companies to learn, share,

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communicate and inspire about gender diversity, with the aim of promoting female empowerment and leadership.

At local level, EDPR organised multiple initiatives in Europe & Latin America during the year to promote diversity, inclusion and equity in different groups such as different generations, genders, abilities, and cultures. To this end, internal meetings focused on these topics have been held to promote activities and raise awareness in each of them and in all geographies within the region. These encounters, called *Waves*, were organised with different periodicity in each country, and interesting initiatives have arisen from them such as WomEng, aiming for the promotion of scientific-technological vocation among girls, based on awareness-raising and guidance actions, delivered by EDPR professionals in the world of engineering. Group mentoring is used to encourage girls' and primary school students' interest in STEM (Science, Technology, Engineering and Maths).

In North America, the Company made an investment to charter a corporate Toastmasters program with a DEI focus and the development of the team's underrepresented talent. This is a learn-by-doing program that focuses on effective communication and leadership skills. EDPR also had three of its employees participating in a book to promote women in STEM. The book is titled "Everyday Superheros". This multi-cultural children's book shares the colourful stories and energy careers of 26 diverse women powering our planet. Additionally, in September EDPR launched *Women Who Rise*, a specialised developmental program through a book club for women to advance their careers.

Not only does EDPR look within the organisation to institute change in its own DE&I, but the Company also participates in volunteer committees to support its local communities and create partnerships with non-profit organisations. One of these organisations is Black Girls Do Engineering, which focuses on STEM education of young black girls in middle and high school. Another organisation EDPR partners with is Easter Seals, which provides resources for veterans and individuals with disabilities, and Dress for Success that helps to provide business attire and development tools to help women thrive in work and life.

As a result of its commitment and practices, EDPR was recognised again in the Bloomberg Gender-Equality Index (GEI) in 2022, a benchmark index that selects the listed companies most involved in the development of gender equality in the world. EDPR's inclusion as part of this index highlights the Company's work to promote equal opportunities for women through development, representation, and transparency policies. In addition, during 2022, the Company was honoured with two Culture Excellence Awards in the US for its diversity, equity, and inclusion practices and for being a woman-led company.

EDPR is dedicated to continuously fostering a culture founded on human equality and the strength in diversity and will continue to lead by example. The Company upholds its commitment to Diversity, Equity & Inclusion not only through words, but through actions that truly make a positive impact on people.

Sexual harassment protocol

Currently, EDPR does not have a specific sexual harassment protocol. Nevertheless, as stated in its Code of Ethics, EDPR promotes a culture free from any sort of harassment, understanding this to be systematically undesired behaviour of a moral or sexual nature, in a verbal, non-verbal or physical form, which has the goal or effect of disturbing or embarrassing another person, or affecting their dignity or creating an intimidating, hostile, degrading, humiliating or destabilising environment.

Harassing forms of behaviour in a business context violate the victims' labour rights, and may affect their value as people and workers, causing harm that can have an impact on their self-esteem, physical and mental health, life project and family relationships. Therefore, in addition to the legal obligations to which EDPR is subject to, the Code of Ethics also states that it is the duty of all employees to prevent, confront and report any and all behaviour that may preclude a situation of harassment. In this regard, the Code of Ethics has its own regulation that defines a process and channel, open to all stakeholders, to report any potential claim or doubt on the application of the Code.

Universal accessibility

Most of the offices in which EDPR has its operations are not owned by the Company. Therefore, EDPR is limited in the implementation of accessibility measures in its offices. However, in other topics in which EDPR has decision-making power, such as the creation of its website, the company took measures to comply with the accessibility specifications that help blind people to use it.

Long-term incentive plans

EDPR globally assigns long-term incentive plans to the Top Management segment and critical positions in the Senior Management segment. The Company's Management Team considers the attribution of these incentives as a tool for attracting and retaining talent, focusing on achieving results, and complying with the business plan.

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4.6. Corporate governance

For information regarding GRI 3-3 – Management of material topics, please refer to section Organisation of the chapter The company.

Remuneration of EDPR's Board of Directors

The table below includes the list of Directors that composed EDPR's Board during 2022, and the amounts paid by EDPR either (i) as remuneration to them for their functions at the Board level or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration). The following figures reflect the period of 2022 in which each relevant Director was member of the Board:

DIRECTOR	REMUNERATION	FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR	
EXECUTIVE DIRECTORS		Fixed component	Variable component
Miguel Stilwell d' Andrade	-	384,000€*	173,664.84€
Rui Teixeira	-	290,000€*	131,153.13€
NON-EXECUTIVE DIRECTORS		Fixed component	
António Mota	230,000€		-
Vera Pinto	-	65,000€*	-
Ana Paula Marques	-	65,000€*	-
Miguel Setas	-	65,000€*	-
Manuel Menéndez	65,000€		-
Acácio Piloto (**)	65,000€		-
Allan J.Katz (**)	65,000€		-
Rosa García (**)	65,000€		-
José Morgado (**)	65,000€		-
Kay McCall (**) (***)	37,917€		-
Joan Avalyn Dempsey (****)	2,446€		
Sub- Total	595,363€	869,000€	304,817.97€
Total		1,769,180.97€	

*These amounts correspond to the service fee paid by EDPR to EDP under the Management Services Agreement for the services rendered in 2022 by such director. In addition, EDPR pays to EDP a 5% of such service fee which is applied to the retirement savings plan for Executive Directors described in topic 76 of Chapter 5 of the Annual Report.
**These Directors also received remuneration for their participation in the Delegated Committees that is detailed at Chapter 6 of this Annual Report.
***The remuneration reflected for this Director corresponds to 2022, provided that she was appointed by co-option on May 3rd, 2022 (with effects June 1st, 2022).*
***** Joan Avalyn Dempsey presented the resignation to her positions as Board Members with effects January 13th, 2022, and therefore the amounts indicated in the table above reflect the remuneration accrued in 2022 until her resignation.*

In 2022, EDPR paid on average €191,727 (+110% vs 2021) to the Board of Directors' male members and €47,073 (+8% vs 2021) to female members. The interannual variations are mainly due to the changes in the Board's composition that occurred in 2021 and 2022.

Specifically, EDPR paid on average €489,409 to its Executive Directors in 2022 (all male), +6% vs 2021.

For further information on the topic please see chapter 5. Corporate Governance.

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4.7. Innovation

For information regarding GRI 3-3 – Management of material topics, please refer to section Innovation Capital of the chapter Execution.

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4.8. Community engagement

For information regarding GRI 3-3 – Management of material topics, please refer to section Support communities of the chapter Performance.

GRI 202-2 – Proportion of senior management hired from the local community

The Code of Ethics contains specific clauses of non-discrimination and equal opportunities in line with the Company's culture of diversity. This is reflected in the procedures for hiring people via a non-discriminatory selection process. A potential employee's race, gender, sexual orientation, religion, marital status, disability, political orientation or opinions of any other nature, ethnic or social origin, place of birth or trade union membership are not considered.

In this context, there are no specific procedures explicitly requiring local recruitment. Nevertheless, a high percentage of EDPR employees are hired from the same country in which the Company operates.

LOCAL RECRUITMENT	UN	2022	2021
Senior managers			
Europe	%	90%	89%
North America	%	85%	84%
South America	%	64%	50%
APAC	%	64%	-

Note: There were no senior managers in APAC in 2021. In 2022, EDPR acquired Sunseap, a company in the APAC region.

GRI 203-1 – Infrastructure investments and services supported

Wind and solar energy require infrastructure investments which benefit surrounding communities. This includes the reinforcement of existing electricity networks and the rehabilitation of existing roads or the construction of new roads.

The investment in roads is necessary in order to transport heavy equipment (wind turbine components, power transformers, etc.) to the site during construction. The improved road system facilitates future maintenance activities after construction works, as well as improves access to remote locations for the surrounding communities. During the operation of the wind farms and solar plants, these roads are maintained. The integration of the generation capacity may also require upgrades in the distribution and transmission grids that belong to the system operators. Those upgrades indirectly benefit the quality of service offered in the surrounding areas by minimising electricity supply interruptions. In 2022, EDPR invested €22 million in the development of community roads surrounding its projects.

GRI 203-2 – Significant indirect economic impacts

Renewable energy technologies are viewed not only as tools for mitigating climate change, but are also increasingly recognised as investments that can provide direct and indirect economic advantages by reducing dependence on imported fuels (and hence, improving trade balances), enhancing local air quality and safety, advancing energy access and security, propelling economic development and creating jobs. In 2022, EDPR implemented several economic development projects, which foster job creation and profit generation.

GRI 411-1 – Incidents of violations involving rights of indigenous peoples

EDPR has no knowledge of any incident of violations involving rights of indigenous people in 2022, neither in 2021.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable recorded in the contingencies reporting system, and claims/doubts reported in the Speak Up Channel and considered as founded.

GRI 413-1 – Operations with local community engagement, impact assessments, and development programs

The Company believes that besides excelling in the way it performs, there must be a main factor weighing in every action or activity EDPR does – people. The Company considers that in order to have a positive impact on society, it is vital to work for the common good by promoting and supporting social investment activities.

EDPR's strategy for social investment reinforces two major topics - Fair Energy Transition, and Culture - having defined concrete objectives for the allocation of social investment to each of these themes.

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- The **Fair Energy Transition** theme, which englobes social investment activities such as Closer2You, Keep it Local, Wind Experts and Your Energy, aims to promote energy efficiency, renewable energy and decarbonisation through increased awareness, supporting education on renewable energy for all. This thematic focus is greatly aligned with EDPR's business and therefore also promotes a more efficient use of the Company's skills, thus contributing to supporting communities in a more efficient manner.
- The **Culture** theme, which englobes EDPR's Powering Culture initiative, contributes to the protection and promotion of cultural heritage, local traditions and access to culture and art, contributing to a more vibrant and creative society.

In parallel and recognising the need to continue supporting projects that respond to other social needs of the communities where EDPR is present, the Company will maintain its investment in various topics such as health, social inclusion and response to emergency situations, among others.

In this context, and as an integral part of the communities where it operates, EDPR undertakes to maintain a relationship of proximity with the local communities engaging in regular and open dialogue, seeking to know their needs, respecting their cultural integrity and looking to contribute to improve the living conditions of local population, taking measures to consider and respect the community interests. Therefore, in line with its social investment strategy and the communities' needs and expectations, EDPR has defined a Catalogue of Activities that works as a tool for defining the social investment made in local communities. Nevertheless, in addition to the development of social activities, EDPR provides long-lasting economic benefits to the surrounding areas that include, but are not limited to, infrastructure investments, tax payments, landowners' royalty payments and job creation.

However, as a responsible company, EDPR works to promote the wellbeing and development of not only the communities where it operates but also of society in general, focusing on the people who contribute to the success of the Company's business and how society may benefit from it. In this context, and following the humanitarian crisis in Ukraine, EDPR made a €500 thousand donation to help support Ukrainian refugees in Poland. Specifically, the funds were used to distribute food to those in need in close partnership with NGOs that are very engaged in emergency support to the people fleeing the war to Poland. The donation adds up to the Group mobilising resources and equipment in affected communities as a response package for the humanitarian crisis. Aid was also sent to organisations working with victims on the front line – such as the Red Cross and Doctors of the World – in the form of the donation of essential goods and direct economic assistance.

Due to EDPR's presence in Poland, Romania and Hungary, there is regular contact with local authorities, to whom aid was also provided as required to support those communities on the border with Ukraine. In addition to this emergency response package, in-house action launched by volunteers of the Group was also carried out in the form of more local initiatives, helping refugees in Portugal and other countries.

Globally, during 2022, EDPR invested a total of €2.4 million in supporting communities, as a result of several activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities. 23% of EDPR employees participated in volunteering initiatives, contributing with more than 2,500 hours of their time to the development and wellbeing of the society.

GRI 413-2 – Operations with significant actual and potential negative impacts on local communities

Noise, visual impact, TV interferences and ice thrown from wind turbines are identified as EDPR's business environmental impacts within the category of disturbance to the local communities. EDPR implements the necessary measures to make these impacts as minor as possible. Moreover, during the operation phase, EDPR has grievance mechanisms in place available to the local communities to ensure that suggestions or complaints are properly recorded and addressed. This allows EDPR not only to solve the complaints but also to introduce improvements in all processes. In 2022, EDPR registered 52 complaints regarding potential impacts on the local communities, -30% when comparing to 2021. There were 35 complaints in the US, of which 15 were related to noise, 12 related to road drainage, 6 related to shadows and 2 related to possible interferences with the TV or radio signal. In France there were 15 complaints, of which 11 related to possible interferences with the TV or radio signal, 2 related to noise and 2 related to shadows. There was also 1 complaint in Italy related to noise and 1 in Poland related to a spill.

Please note that EDPR does not have individual consumers, according to the concept this term has associated in the Spanish regulation (Law 11/2018). Regarding the complaint systems, given the core business of the Company, EDPR does not deal directly with individual consumers. However, EDPR considers the local communities near its operations as its clients and makes different complaint channels available to them, among which is the Speak Up Channel.

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4.9. Suppliers management

GRI 204-1 — Proportion of spending on local suppliers

At EDPR, there is no specific policy or in-house procedure for preferring locally based suppliers. Nevertheless, under equal commercial terms, EDPR chooses local suppliers in order to enhance the socio-economic sustainability of the 28 markets where it is present.

In this way, 87% of vendor spending in 2022 was sourced from local suppliers.

Moreover, during the construction of the Company's projects, the local community can see an influx of temporary local construction workers and suppliers that provide a positive impact on the local economy.

Note: EDPR defines spending in local suppliers as purchases to suppliers in countries where EDPR is present divided by the total invoiced volume in 2022.

GRI 308-2 — Negative environmental impacts in the supply chain and actions taken

EDPR's Procurement Policy establishes the framework under which the Company's procurement process is developed. This process extends to direct and indirect suppliers and allows EDPR to establish practices and procedures that ensure a high-quality relationship with its suppliers and sustainability practices through the entire supply chain. Accordingly, EDPR has in place requirements related to ESG, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases: Registration and Qualification, Requests for Proposals and Contracting and, lastly, the Monitoring and Evaluation of the suppliers.

EDPR has a Corporate System of Supplier Registration that works as the support to search and select suppliers by providing detailed information, validated and updated by credible sources, in order to guarantee their accreditation through financial, technical quality and ESG criteria. EDPR has also a Supplier Qualification Process in place since 2020, which aims to provide an analysis on critical issues and establishes minimum requirements to ensure that the suppliers EDPR works with are qualified: Technical capabilities & Quality Management, Financial & Risk, Compliance & Integrity, Health & Safety and Environmental Management criteria. The Company regularly reviews and reassesses the Qualification System criteria to ensure that they reflect the main market trends and regulations and that a high level of quality of the information available from suppliers is maintained.

The incorporation of adequate criteria in the contracting processes of the Company is essential to ensure in-depth management, mitigation and avoidance of operational and ESG risks in the supply chain. In 2022, EDPR has included an additional analysis on 5 ESG priorities in its turbine and module tenders (RFPs): Decarbonisation, Circular Economy, Human Rights, Health and Safety, and Transparency and Reporting. EDPR analyses corporate policies, targets, strategies, statements, roadmaps and other corporate documents or procedures that show suppliers' commitment to EDPR's ESG priorities. This analysis also helps the Company to avoid and mitigate potential ESG risks. Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirements is essential to guarantee the correct performance of the contracted services and works. Aiming to ensure that suppliers comply with these requirements, the Company has established a disciplinary and sanctioning regime, which is included in all RFPs, contracts, and purchase orders so any provider will be always informed about the consequences of not complying with EDPR H&S and environmental requirements.

Moreover, EDPR has a Third-Party Integrity Due ncnce Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2022, 385 Compliance analysis of suppliers were performed (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended. These IDD allows the Company to verify public sanction lists, Political Exposed Persons lists (PEPs) and adverse media, in order to avoid any integrity risk.

In addition, during the contracting and awarding phase, the Company also establishes a fluent dialogue and shared of information with strategic suppliers through the traceability information requests and meetings. Technical components, including serial number and manufacturing origin must be provided by suppliers during this phase, ensuring traceability and enabling post-contracting manufacturing audits. This traceability information on the origin of the components allows the company to assess and avoid potential ESG risks. In parallel, financial capacity of the suppliers and their insurance policy are evaluated according to the EDPR's Credit-in procedure that defines the requirements to ensure the compliance with EDPR's Counterparty Risk Policy and the proper follow-up of active guarantees. EDPR Counterparty Risk Policy sets the methodology and process to measure counterparty risk of

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new contracts, monitor counterparty risk of existing contracts, define in which moments and situations it should be used and establish guidelines and mitigation instruments to reduce counterparty risk when they exceed established limits.

In order to guarantee that suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery and activity in EDPR's facilities. EDPR has two mechanisms to ensure that suppliers comply with its contractual obligations: passive mechanism and active mechanism:

- The **passive mechanisms** are those related to suppliers' disclosure when they identify any situation, infringement, or circumstance that may affect the agreement.
- The **active mechanisms** consist in:

  - Physical audits of the manufacturing process and the right from EDPR to audit/request information to the supplier. EDPR could audit those factories where its components are manufactured and produced.
  - Inspections that EDPR performs during the construction and operation phases, to monitor the suppliers' and contractors' performance regarding environmental and H&S aspects and to identify potential risks. In 2022, EDPR performed 1,425 inspections (-18% than in 2021) to 214 suppliers (-21% YoY) regarding environmental procedures. These inspections and audits are performed by EDPR to ensure best practices among contractors and to guarantee that these services are performed in a rigorous and standardised manner. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001.
  - EDPR hires an external party for additional supervision in these areas. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001.
  - In Europe & Latin America, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet, including H&S, environmental and ethical requirements. The guide includes H&S, environmental and ethical requirements such as compliance with applicable regulations, policies, internal norms, procedures, and systems in place.
  - In addition, in Europe & Latin America, EDPR classifies suppliers according to their HSE score and risk. This performance evaluation allows to classify suppliers and then implement an action plan according to other procurement processes, since adequate compliance by all EDPR suppliers with applicable H&S and environmental requirement is essential to guarantee the correct performance of the contracted services and works.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that 300-thousand-ton GHG emissions were associated to EDPR's direct and indirect purchases, only 5% of which related to direct purchases. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

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

EDPR's Procurement Policy establishes the framework under which the Company's procurement process is developed. This process extends to direct and indirect suppliers and allows EDPR to establish practices and procedures that ensure a high quality relationship with its suppliers and sustainability practices through the entire supply chain. Accordingly EDPR has in place requirements related to ESG, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases: Registration and Qualification, Requests for Proposals and Contracting and, lastly, the Monitoring and Evaluation of the suppliers.

EDPR has a Corporate System of Supplier Registration that works as the support to search and select suppliers by providing detailed information, validated and updated by credible sources, in order to guarantee their accreditation through financial, technical quality and ESG criteria. EDPR has also its own Supplier Qualification Process in place since 2020 focusing in additional aspects specific to EDPR business. It aims to provide an analysis on critical issues and establishes minimum requirements to ensure that the suppliers EDPR works with are qualified: Technical capabilities & Quality Management, Financial & Risk, Compliance & Integrity, Health & Safety and Environmental Management criteria. The Company regularly reviews and reassesses the Qualification System criteria to ensure that they reflect the main market trends and regulations and that a high level of quality of the information available from suppliers is maintained.

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The incorporation of adequate criteria in the contracting processes of the Company is essential to ensure in-depth management, mitigation and avoidance of operational and ESG risks in the supply chain. In 2022, EDPR has included an additional analysis on 5 ESG priorities in its turbine and module tenders (RFPs): Decarbonisation, Circular Economy, Human Rights, Health and Safety, and Transparency and Reporting. EDPR analyses corporate policies, targets, strategies, statements, roadmaps and other corporate documents or procedures that show suppliers' commitment to EDPR's ESG priorities. This analysis also helps the Company to avoid and mitigate potential ESG risks. Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirements is essential to guarantee the correct performance of the contracted services and works. Aiming to ensure that suppliers comply with these requirements, the Company has established a disciplinary and sanctioning regime, which is included in all RFPs, contracts, and purchase orders so any provider will be always informed about the consequences of not complying with EDPR H&S and environmental requirements.

Moreover, EDPR has a Third-Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2022, 385 Compliance analysis of suppliers were performed (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended. These IDD allows the Company to verify public sanction lists, Political Exposed Persons lists (PEPs) and adverse media, in order to avoid any integrity risk.

In addition, during the contracting and awarding phase, the Company also establishes a fluent dialogue and shared of information with strategic suppliers through the traceability information requests and meetings. Technical components, including serial number and manufacturing origin must be provided by suppliers during this phase, ensuring traceability and enabling post-contracting manufacturing audits. This traceability information on the origin of the components allows the company to assess and avoid potential ESG risks. In parallel, financial capacity of the suppliers and their insurance policy are evaluated according to the EDPR's Credit-in procedure that defines the requirements to ensure the compliance with EDPR's Counterparty Risk Policy and the proper follow-up of active guarantees. EDPR Counterparty Risk Policy sets the methodology and process to measure counterparty risk of new contracts, monitor counterparty risk of existing contracts, define in which moments and situations it should be used and establish guidelines and mitigation instruments to reduce counterparty risk when they exceed established limits.

In order to guarantee that suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery and activity in EDPR's facilities. EDPR has two mechanisms to ensure that suppliers comply with its contractual obligations: passive mechanism and active mechanism:

- The **passive mechanisms** are those related to suppliers' disclosure when they identify any situation, infringement, or circumstance that may affect the agreement.
- The **active mechanisms** consist in:

  - Physical audits of the manufacturing process and the right from EDPR to audit/request information to the supplier. EDPR could audit those factories where its components are manufactured and produced.
  - Inspections that EDPR performs during the construction and operation phases, to monitor the suppliers' and contractors' performance regarding environmental and H&S aspects and to identify potential risks. In 2022, EDPR performed 2,196 inspections (+26% than in 2021) to 255 suppliers (-6% YoY) regarding health and safety procedures. These inspections and audits are performed by EDPR to ensure best practices among contractors and to guarantee that these services are performed in a rigorous and standardised manner. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001.
  - EDPR hires an external party for additional supervision in these areas. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001.
  - In Europe & Latin America, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet, including H&S, environmental and ethical requirements. The guide includes H&S, environmental and ethical requirements such as compliance with applicable regulations, policies, internal norms, procedures and systems in place.
  - In addition, in Europe & Latin America, EDPR classifies suppliers according to their HSE score and risk. This performance evaluation allows to classify suppliers and then implement an action plan according to other procurement processes, since adequate compliance by all EDPR suppliers with applicable H&S and environmental requirement is essential to guarantee the correct performance of the contracted services and works.

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In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that more than 20,000 jobs related to EDPR's direct purchases were created, more than €735 million gross value added was associated to EDPR's purchases, and that ~0% of EDPR's direct purchases were identified as having significant risk for incidents of child labour, forced or compulsory labour or freedom of association. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

EDPR's due diligence process

EDPR makes it a priority to implement procedures and measures to ensure the absence of governance, environmental, and human rights and labour rights risks in its supply chain. To this end, the Company is committed to taking action and improving its supply chain management on a daily basis.

EPDR supply chain management policies and procedures

EDPR's due diligence process begins with its public commitments and policies that apply to the Company's activity, its suppliers, and its contractors. In this regard, the Company has a Supplier Code of Conduct and a Human and Labour Rights Policy, implementing the principles of set in the Code of Ethics. EDPR also makes available to anyone a Speak Up channel, to give voice to any complaint from any person or organisation.

The Company's due diligence process is triggered for all purchases >25,000 euros.

Risk screening due diligence

A supplier screening due diligence process to identify potential risks

EDPR performs a public information analysis prior to any tender process, screening scouting counterparts' compliance and integrity. By this first due diligence layer, the Company can identify any negative information and decide if the counterpart achieves EDPR's ethical standards. After the Compliance report, the Procurement team is able to verify if the counterpart profile stands for the purchase risk and goals.

Risk assessment and monitoring due diligence

Identification and assessment of risks in the supply chain

The first step to identify risks in the supply chain is the Company's criticality matrix. This matrix, that is independent of the supplier, includes the mapping of different supply categories, analysing the relevance of each purchase in relation to its activity for EDPR's business, the duration of its relationship with the Company and the potential environmental and social risks arising from its activity. The Company then carries out a qualification process of critical suppliers, in order to know the measures it has in place to manage any potential risk within the supply chain.

Engagement process to prevent and mitigate impacts

Next, through the Request for Proposal (RFP) process, EDPR conducts a screening process of module and turbine suppliers, in order to assess their commitments, measures and targets, and also to identify potential ESG risks. EDPR has implemented an additional measure of traceability meetings and share of information, in order to avoid any potential risk areas in its upstream processes. Through continuous dialogue with suppliers, EDPR is able to anticipate and take action on potential risks in the supply chain. During this phase, the Company also establishes contractual clauses to ensure the necessary measures in case a potential risk arises.

Continuous monitoring of the supply chain

The Company continuously monitors its suppliers and contractors. For those contractors working in the organisation's facilities, EDPR performs audits and inspections. For manufacturing suppliers, the Company conducts quality audits at the facilities where the components are developed. Finally, as part of its commitment to promote a sustainable supply chain, EDPR joins initiatives such as Solar Energy Industries Association or Solar Power Europe. In 2022, EDPR has also joined the Solar Stewardship Initiative. This initiative aims to bring together different players in the solar energy industry – from utilities to suppliers – to promote a transparent, responsible, and sustainable supply chain. One of the main actions of the initiative is to promote a standard audit process for the solar industry supply chain.

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ESG Criticality Matrix

The EDPR criticality matrix standardises the procurement risks according to each purchase category. The matrix drives the suppliers' scouting process, setting the minimum ESG thresholds and the development of the tender terms and negotiation, to ensure risks mitigation and monitoring obligations. During the contractual relationship, the matrix is the map that guides the supplier assessment and helps defining priorities. Annually, all critical suppliers are evaluated against the matrix criteria and the company can analyse suppliers' performance and drive improvements.

ESG aspects analysed by category of supplier
1 Supply Category (value chain sectoral risks: country/sector/activity)
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
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 risks from the contracted activity
13 Ethical, human and labour rights of the contracted activity

Sector level specific risk map

EDPR develops renewable energy facilities and, therefore, the core of its activity is the licensing, construction, and operation of facilities. Procurement is aimed at local companies that provide services to facilities and, upstream, at technological equipment for the power sector. EDPR acquires market available power technology and doesn't design technical equipments for manufacturing, therefore the Procurement is directed towards wholesale and brands.

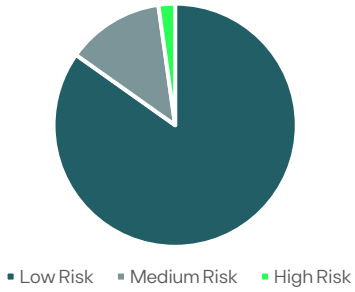
Salient Risks	Direct Tier 1 (scope 1+2)	Indirect/ Tier 2 + n (scope 3)	Procurement Spend 2022
Electrical/Industrial technology	-	ESG upstream footprint	656,878,046 €
Corporate Services and IT	Data Privacy, Cybersecurity, Integrity	-	845,127,752 €
Technical Services and Construction	Waste, Safety, Subcontracting, local impact	ESG upstream footprint	3,472,579,631 €
TOTAL			4,974,585,429 €

Overcoming solar modules risks through due diligence

Although EDPR purchases ready-to-install photovoltaic modules from licenced companies in its operating geographies, and therefore does not have direct impacts on the supply chain practices, the risk of being connected with any international convention's violations arising from upstream activities of unknow companies is still present and must be tackled to implement EDPR policies ("Guarantee it will not be complicit in human and labour rights abuses or disrespect"). Identification of upstream companies linked to module brands is a huge challenge for any individual company in the context of the global market's complexity and opacity. Moreover, the photovoltaic sector is high tech, especially regarding the manufacture of semiconductor materials and, to that extent, it is highly concentrated in a few producers and in a small number of countries. Estimated numbers for the year 2022 indicate that 98% of the world's crystalline wafers originated in China. Implementing deep due diligence to its direct counterparts and, at the same time, cooperating with industry initiatives aiming at developing the traceability of products is the approach that EDPR implements.

Spend exposure to country risks level

Below is a breakdown of EDPR's purchases according to the country risk level of the suppliers of contracted goods and services.



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4.10. Environmental management

For information regarding GRI 3-3 – Management of material topics, please refer to section Natural Capital of the chapter Performance.

GRI 304-2 – Significant impacts of activities, products, and services on biodiversity

As a responsible company, EDPR is aware of the sensitivity of natural ecosystems and the pressures affecting biodiversity. EDPR's Environmental Policy establishes the Company's specific commitments to contribute to the mitigation of climate change, the promotion of the circular economy and the protection of biodiversity. EDPR's commitment towards biodiversity protection is focused on the main impacts of its activities: migrating birds, bats and habitat fragmentation. As a result, the Company particularly commits to protect the wildlife surrounding its wind farms and solar plants.

The Company has implemented relevant measures to identify the impacts of its operations on biodiversity, including:

- **Environmental impact assessments and/or risk mapping**: During the development phase of any project of the Company, the potential environmental impacts are analysed in detail in the environmental impact studies and other specific environmental studies, always performed by professional external experts. These studies evaluate the possible impacts of the projects in factors such as fauna, flora, soil, air and water bodies, among others.
- **Monitoring of biodiversity indicators:** EDPR has established an environmental monitoring which is implemented by an external party. Even so, efforts are intensified with specific monitoring procedures in the small number of sites located inside or close to protected areas. During the construction and operational phases, EDPR conducts on-site environmental monitoring to identify and prevent possible impacts on the biodiversity.

In addition, the Company has defined general procedures in its Environmental Management System to prevent, correct or compensate impacts in the environment. By the end of 2022, ISO 14001 certification covers c. 100%[1] of EDPR's installed capacity. The environmental strategy of the Company complements this approach, with the ambition for a globally positive balance through projects focused on the conservation of wildlife.

Moreover, as a sustainable company, it is EDPR's duty to contribute to the development of research and conservation programs, as well as to broaden scientific knowledge on biodiversity matters by supporting institutions and strengthening dialogue and partnerships.

GRI 304-3 – Habitats protected or restored

EDPR's business is its best contribution to reduce biodiversity loss. Nevertheless, the Company's commitment to contribute to the protection of biodiversity leads to an active role in the conservation of wildlife surrounding its facilities.

Even though EDPR works to minimise any impact on the land surrounding its facilities, the construction and dismantlement processes of wind farms and solar plants are closely followed by EDPR teams, who work to reduce potential impacts or disturbances and to ensure proper restoration of the land once the works finish, cleaning up and rehabilitating the sites to return the area to its initial state.

In 2022, EDPR finished the land restoration of four projects after construction works, restoring 100% of the hectares that were vegetally affected by the projects in Europe. During 2022, in a solar project in Spain, EDPR has achieved more than 100% restoration rates, revegetating the area between the solar panels and around the plant, generating a positive impact on the beekeeping panels in the area.

In addition, EDPR actively participates in the protection of biodiversity mainly through collaborations with several organisations to further protect wildlife surrounding its facilities. In Europe the Company has collaborated with GREFA (Group for the Rehabilitation of Native Fauna and their Habitat in Spanish) to establish new pairs of Egyptian Vultures (*Neophron percnopterus*) in the province of Cádiz through the acclimatisation of rehabilitated, captive-bred or translocated specimens.

In the US, EDPR continues to support the Renewable Energy Wildlife Institute (REWI), a multi-stakeholder organisation whose focus is to conduct and support scientific research related to renewable energy and wildlife. In addition, EDPR is a member of the Renewable Energy Wildlife Research Fund and has provided funding for several research projects.

[1]Calculation based on 2021YE installed capacity (EBITDA MWs). EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2022 will be certified in 2023.

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GRI 304-1 – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

COUNTRY	FACILITY NAME	TYPE OF OPERATION	POSITION IN RELATION WITH PROTECTED AREA	FACILITY AREA IN PROTECTED NATURAL AREA (ha)	FACILITY AREA IN PROTECTED NATURAL AREA (%)	ATTRIBUTE OF THE PROTECTED AREA	STATUS OF THE PROTECTED AREA
Belgium	Sivry	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
Poland	Korsze III	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Area of protected landscape
	Ilza	Wind farm	Partially within	6.6	81%	Terrestrial	Regional park
	Tomaszow	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Natura 2000
Portugal	Pena Suar	Wind farm	Inside	6.3	100%	Terrestrial	Natura 2000
	Açor	Wind farm	Partially within	0.1	1%	Terrestrial	Natura 2000
	Açor II	Wind farm	Partially within	6.0	88%	Terrestrial	Natura 2000
	Cinfães	Wind farm	Inside	4.9	100%	Terrestrial	Natura 2000
	Bustelo	Wind farm	Inside	8.9	100%	Terrestrial	Natura 2000
	Falperra-Rechãzinha	Wind farm	Partially within	29.2	88%	Terrestrial	Natura 2000
	Fonte da Quelha	Wind farm	Inside	8.1	100%	Terrestrial	Natura 2000
	Alto do Talefe	Wind farm	Inside	9.2	100%	Terrestrial	Natura 2000
	Fonte da Mesa	Wind farm	Partially within	8.4	79%	Terrestrial	Natura 2000
	Madrinha	Wind farm	Inside	4.1	100%	Terrestrial	Natura 2000
	Safra-Coentral	Wind farm	Inside	19.7	100%	Terrestrial	Natura 2000
	Negrelo e Guilhado	Wind farm	Partially within	9.6	98%	Terrestrial	Natura 2000
	Testos	Wind farm	Partially within	3.6	25%	Terrestrial	Natura 2000
	Serra Alvoaça	Wind farm	Partially within	7.8	61%	Terrestrial	Natura 2000 National protected area
	Tocha	Wind farm	Inside	6.8	100%	Terrestrial	Natura 2000
	Padrela/Soutelo	Wind farm	Partially within	1.0	41%	Terrestrial	Natura 2000
	Guerreiros	Wind farm	Partially within	0.1	0%	Terrestrial	Natura 2000

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COUNTRY	FACILITY NAME	TYPE OF OPERATION	POSITION IN RELATION WITH PROTECTED AREA	FACILITY AREA IN PROTECTED NATURAL AREA (ha)	FACILITY AREA IN PROTECTED NATURAL AREA (%)	ATTRIBUTE OF THE PROTECTED AREA	STATUS OF THE PROTECTED AREA
	Vila Nova	Wind farm	Partially within	7.1	42%	Terrestrial	Natura 2000
	Vila Nova II	Wind farm	Partially within	9.1	34%	Terrestrial	Natura 2000
	Balocas	Wind farm	Partially within	0.4	1%	Terrestrial	Natura 2000
	Ortiga	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	S. João	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Alto Arganil	Wind farm	Partially within	0.8	5%	Terrestrial	Natura 2000
	Salgueiros-Guilhado	Wind farm	Partially within	0.3	3%	Terrestrial	Natura 2000
	Serra do Mú	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Barão de São João	Wind farm	Inside	22	100%	Terrestrial-marine	Natura 2000
Romania	Albesti	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Pestera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Sarichioi	Wind farm	Partially within	0.1	0.1%	Terrestrial	Natura 2000
	Burila Mica	Solar plant	Inside	23	100%	Terrestrial-freshwater	Natura 2000
Spain	Sierra de Boquerón	Wind farm	Inside	9.6	100%	Terrestrial	Natura 2000
	La Cabaña	Wind farm	Partially within	8.2	53%	Terrestrial	Natura 2000
	Corme	Wind farm	Partially within	4.7	31%	Terrestrial	Natura 2000
	Tahivilla	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000 National protected area
	Coll de la Garganta	Wind farm	Partially within	0.1	1%	Terrestrial-freshwater	Natura 2000
	Puntaza de Remolinos	Wind farm	Partially within	1.8	57%	Terrestrial	Natura 2000
	Planas de Pola	Wind farm	Partially within	6.1	55%	Terrestrial	Natura 2000
	Ávila	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Natura 2000
	Buenavista	Wind farm	Adjacent	0.0	0%	Terrestrial-Marine	Natura 2000
	Serra Voltorera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000

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COUNTRY	FACILITY NAME	TYPE OF OPERATION	POSITION IN RELATION WITH PROTECTED AREA	FACILITY AREA IN PROTECTED NATURAL AREA (ha)	FACILITY AREA IN PROTECTED NATURAL AREA (%)	ATTRIBUTE OF THE PROTECTED AREA	STATUS OF THE PROTECTED AREA
	Villoruebo	Wind farm	Partially within	2.1	43%	Terrestrial-freshwater	Natura 2000
	Villamiel	Wind farm	Partially within	1.9	29%	Terrestrial-freshwater	Natura 2000
	La Mallada	Wind farm	Partially within	1.4	7.9%	Terrestrial-freshwater	Natura 2000
	Las Monjas	Wind farm	Partially within	0.0	0%	Terrestrial-freshwater	Natura 2000
	Coll de la Garganta	Wind farm	Partially within	0.1	1%	Terrestrial-freshwater	Natura 2000
	Tejonero	Wind farm	Partially within	0.2	1%	Terrestrial	Natura 2000
	Ávila	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Natura 2000
	Sierra de los Lagos	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Mostaza	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Los Almeriques	Wind farm	Adjacent	0.0	0%	Terrestrial-freshwater	Natura 2000
	Suyal	Wind farm	Partially within	0.0	0%	Terrestrial	Natura 2000
	Serra Voltorera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Monseivane	Wind farm	Partially within	17	97%	Terrestrial-freshwater	Natura 2000
	La Celaya	Wind farm	Partially within	9.0	70%	Terrestrial-freshwater	Natura 2000
	Cerro del Conilete	Wind farm	Partially within	0.01	0.4%	Terrestrial	Natura 2000
		Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	La Victoria	Wind farm	Partially within	0.1	0.1%	Terrestrial	Natura 2000
	La Victoria	Wind farm	Partially within	0.1	0.1%	Terrestrial	Natura 2000
	Marquesado	Wind farm	Partially within	1.5	2%	Terrestrial	Natura 2000

Note 1: This table contains information regarding every EDPR operational sites in or adjacent to protected areas. EDPR does not own sites in or adjacent to protected areas in its remaining markets.
Note 2: Coll de la Garganta, Serra Voltorera, Ávila and La Victoria appear twice in the table as the first entry refers to a bird protected area and the second entry to a protected area due to the community importance of the site.

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

The waste generated by EDPR is not directly linked to the generation process. Most of them are related to turbines' operation and maintenance processes, and the rest is waste originated in facilities and offices. Despite this, the Company promotes proper waste management and the integration of circularity in all phases of its projects.

Accordingly, most of the hazardous waste produced by the sites is related to oil and oil-related waste such as oil filters or oil containers, used mainly for lubrication of the turbines. The consumption of this oil is based on certain pre-defined replacement time frequencies (between 2 and 5 years, based on the component, oil type and manufacturer). Annual fluctuations in hazardous waste generated are heavily dependent on the multiannual oil replacement programs mentioned. Non-hazardous waste generated by the Company includes mixed municipal waste, paper, metals, and plastics, among others.

GRI 306-2 – Management of significant waste-related impacts

EDPR promotes a rational use of resources and the reuse of components whenever possible. In addition, the Company integrates criteria for proper waste management in all phases of its projects. The Company promotes the recovery of waste rather than disposal through recycling and other means. In this context, during 2022, EDPR recovered 74% of the waste generated and 90% of the hazardous waste generated. Please see below the summary of waste generation and recovery ratios, considering that YoY variations are mainly due to increase in production & decrease in waste generation (-19% YoY), mainly due to less one-offs.

WASTE - RATIOS	UN	2022	2021	Δ% YoY
Total waste	kg/GWh	45	61	(26%)
Total hazardous waste	kg/GWh	15	26	(43%)
Total non-hazardous waste	kg/GWh	30	34	(13%)
Total waste recovered	%	74%	75%	(1.8 pp)
Hazardous waste recovered	%	90%	88%	+2 pp
Non-hazardous waste recovered	%	65%	66%	(0.4 pp)

GRI 306-3 – Waste generated

WASTE BY COMPOSITION	UN	WASTE GENERATED
Hazardous waste	t	482
Oil related waste	t	417
Contaminated packaging	t	34.3
Batteries	t	4.65
Antifreeze fluids	t	4
Electronic equipment containing hazardous waste	t	5
Other hazardous waste	t	17.1
Non-hazardous waste	t	969
Mixed waste	t	290
Paper and cardboard	t	146
Metals	t	262
Concrete	t	51
Electronic equipment	t	27
Iron and steel	t	26
Plastics	t	10.7
Wood	t	34
Septic tank sludge	t	90
Wiping cloths and protective clothing	t	6
Fiberglass	t	18
Biodegradable waste	t	0.5
Glass	t	0.5
Other non-hazardous waste	t	7.2
TOTAL	t	1,451

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GRI 306-4 – Waste diverted from disposal

WASTE RECOVERED	UN	2022	2021
Hazardous waste	t	435	684
Total hazardous waste recycled	t	177	279
Total hazardous waste with other recovery, except recycled	t	258	406
Non-hazardous waste	t	632	670
Total non-hazardous waste recycled	t	406	330
Total non-hazardous waste with other recovery, except recycled	t	226	340
TOTAL	t	1,067	1,355

GRI 306-5 – Waste directed to disposal

WASTE DISPOSED	UN	2022	2021
Hazardous waste	t	46	351
Total hazardous waste sent to landfill	t	30	333
Total hazardous waste with other disposal, except landfill	t	15	19
Non-hazardous waste	t	338	351
Total non-hazardous waste sent to landfill	t	325	333
Total non-hazardous waste with other disposal, except landfill	t	13	19
TOTAL	t	384	703

Notes to the waste indicators reported above:

- For the purposes of this report, all wastes have been classified as hazardous or non-hazardous according to European waste catalogue; however, in each country where EDPR has a geographic presence, each site is required to adhere to national law by following company procedures for handling, labelling, and storage of wastes to ensure compliance. In cases like in the United States, when the Company's operations generate small quantities of substances which fall into additionally regulated categories such as used oils and universal wastes, EDPR follows strict standards for handling and disposal of these waste types to ensure and remain compliant with all applicable laws.
- Includes waste both from operational facilities and offices. Waste from offices in 2021 only refers to 4Q21 data (due to the home office implemented the rest of the year).
- All waste is treated offsite.
- 2021 data restated to include all waste generated, not excluding waste caused by non-recurring events such as spills and fires.

Significant spills

Given EDPR's activity and its locations, oil spills and fires are the major environmental risks the Company faces. The Environmental Management System is designed and implemented to prevent emergency situations from happening. But, just to be cautionary, the system covers the identification and management of these, including the near miss situations.

EDPR defines significant spills and fires as any spill affecting water bodies/courses, protected soils or soils of interest because of its natural value, or fire affecting protected areas and/or species (according to local protection laws), derived from the O&M activities in the facilities. EDPR continues to register near miss situations, when a registered incident does not reach the category of significant spill. In 2022, there were no significant spills and fires, and there were 71 near miss situations registered during the year (-14% vs 2021).

In this context, EDPR performs regular environmental drills to guarantee that all employees and suppliers are familiar with the risks and have received the appropriate training to prevent and act, if necessary.

Other environmental management related topics

Despite EDPR's core activities do not pose any threats of serious or irreversible damage to the environment, the Company, in compliance with the Precautionary Principle, applies cost-effective measures to prevent environmental degradation such as provisions for dismantling and decommissioning of property, plant and equipment to dismantle and decommission those assets at the end of their useful lives. Consequently, EDPR has booked provisions for property, plant and equipment related to electricity wind and solar generation for the responsibilities of restoring sites and land to its original condition, in the amount of €264,756 thousand as at 31 December 2022 (-16% vs 2021).

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4.11. Communication and transparency

Contributions to foundations and non-profit entities

EDPR contributed with more than 540 thousand euros to Foundations, +80% vs 2021. Regarding non-profit organisations and NGOs, EDPR donated more than 660 thousand euros, +51% YoY. The interannual variations are mostly due to EDPR's solidarity campaign carried out in 2022 in response to the humanitarian crisis in Ukraine.

GRI 2-28 – Membership of associations

The EDP Group raises awareness to policy makers and legislators about the interests of the business sector and/or its own. Globally, EDP Group's activities include participation in industry associations ("Industry Institutions") comprising multiple industry participants that work to advance shared policy objectives. EDPR's approach and involvement with Industry Institutions is in accordance with EDP Group's internal regulations, policies and procedures, including the principles of integrity and transparency expressed in the Code of Ethics. In Europe, activities are monitored by means of voluntary registration on a platform created for that purpose by the European Commission – "Transparency Register". EDP has been registered since the creation of this platform in 2011. In North America, relevant Industry Institutions are required to disclose and/or register campaign finance and lobbying activities in accordance with applicable local, state, or federal law.

In the following table are presented the contributions concerning the activities of representation of interests of EDPR:

ACTIVITIES OF REPRESENTATION OF INTEREST	UN	2022	2021
Trade associations or tax-exempt groups	€k	1,536	1,700
Lobbying, interest representation or similar	€k	295	549
Other	€k	20	29
Local, regional or national political campaigns / organisations / candidates	€k	0	0
TOTAL	€k	1,851	2,278

The table below contains the most relevant contributions for associations in 2022:

MOST RELEVANT CONTRIBUTIONS	UN	2022
Solar Energy Industry Association	€k	147
American Energy Action	€k	111
Renewable Energy Wildlife Institute	€k	83
Funseam	€k	60
Asociación Empresarial Eólica (AEE)	€k	58

GRI 201-4 – Financial assistance received from government

EDPR has not received any financial assistance from the government in 2022, neither in 2021.

Note: The American legislation foresees – and has foreseen in the past – several tax incentives for the production of renewable energy in the United States. Some examples are the production tax credits, the research and development tax credits, the former cash grant, the so-called MACRS (a way of accelerated depreciation), etc. These tax credits are in most cases are part of the renewable energy remuneration scheme.

GRI 206-1 – Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

EDPR has no knowledge of any legal actions for anti-competitive behaviour, anti-trust or monopoly practices in 2022, neither in 2021.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2021 recorded in the contingencies reporting system.

GRI 2-27 – Compliance with laws and regulations

EDPR has no knowledge of any non-compliance with laws and regulations in 2022, neither in 2021.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable recorded in the contingencies reporting system and that have obtained an unappealable judgement.

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GRI 415-1 – Political contributions

The Integrity Policy, in line with the principles defined in the Code of Ethics, prohibits any contribution or association of the EDPR brand to political parties, candidates, campaign structures / political candidacy or to related persons or entities, namely through the delivery of goods or the provision of services, directly or indirectly, on behalf or representation of EDPR, since it may jeopardise the integrity of the Group entities, unless otherwise required by law. In addition, EDPR should make available the necessary arrangements for employees to take part, in their strictly personal capacity, in political processes, under applicable law.

In North America, EDPR retains political consultants for lobbying activities. However, these political consultants are prohibited from making contributions to political candidates, campaigns or parties on behalf of or in the name of EDPR. Additionally, EDPR has provided financial support for the activities of America Energy Action, a welfare organisation organised under Section 501(c)(4) of the US Internal Revenue Code. Such social welfare organisations may participate legally in some political activity on behalf of or in opposition to candidates for public office. However, any such political activity must be completely independent of any political candidate or political campaign.

Finally, in accordance with US law, and at the request of US employees, EDPR provides properly regulated mechanisms for employees' participation in political processes and has enabled the establishment of a political action committee (PAC) called the EDPR NA PAC. The EDPR PAC is funded entirely by voluntary personal monetary contributions made by members of the PAC, who are eligible employees in accordance with US law, and decisions on which political campaigns to support are made with the approval of the PAC governing board, which is made up of elected members of the PAC, also in accordance with US law.

These activities are then aligned with the above-mentioned principles of the Integrity Policy and the Code of Ethics.

GRI 207-1 – Approach to tax

EDPR's fiscal strategy is based on five main pillars:

1) EDPR has an ethical and civic duty to contribute to the financing of the general functions of the States in which it operates, by paying the taxes, levies and other contributions that are due, contributing to the well-being of citizens and to the development of the Group's local business. In this context, it carries out its fiscal function with rigor and professionalism, in line with the "EDPR Fiscal Mission", in accordance with the following principles:

- Implements the options which are most appropriate to the business and to the shareholders, in faithful compliance with the spirit and letter of the Law;
- Pays the taxes that are due in all the geographical areas where it carries out its activity;
- Adopts the arm's length principle in intra-group transactions, in the context of the applicable international transfer pricing rules, guidelines and best practices, by transversally implementing an internal transfer pricing policy based on three main principles:

  - All intra-group transactions of a commercial or financial nature have a pre-defined pricing, with terms and conditions that are in line with what would normally have been practised between independent entities, in comparable operations;
  - The definition of the transfer price is based on the economic rationale of the intra-group transaction and, in accordance with the internal rules of the EDPR, not constituting an instrument for tax planning and / or tax evasion;
  - The documentation of intra-group transactions is fully compliant with the Guidelines of the Organisation for Economic Co-operation and Development (OECD), without prejudice to the specific aspects of the internal legislation of each geographical area.

- Adopts tax practices based on principles of economic relevance and commonly accepted business practices;
- Discloses true and complete information concerning relevant transactions; and,
- Seeks to defend its legitimate interests by administrative means and, when appropriate, judicially, when the payment of any taxes, contributions and levies reasonably raises doubts regarding its legality.

2) EDPR reconciles the responsible compliance with tax obligations, with the commitment to create value for its shareholders, efficiently managing its tax burden and using the available

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tax benefits and incentives applicable in each region, taking into account the Group's global interest and foreseeing significant tax risks.

3) EDPR is committed to maintain a relationship with the Tax Authorities of the countries where it operates based on principles of trust, good faith, transparency, cooperation and reciprocity, aiming to facilitate the application of the Law and to minimise litigation.

4) EDPR applies responsible policies, striving to maintain a low-risk tax profile in order to avoid conducts that could generate significant tax risks. To this end, EDPR implemented a global risk management policy with the objective of identifying, quantifying, managing, monitoring and minimising the tax risks, in close connection with the highest levels of control and decision.

5) EDPR considers transparency a core principle of its fiscal function, particularly through:

Not resorting to opaque structures or operating in jurisdictions for reasons that do not have a close connection with the economic activity developed within them. EDPR does not have subsidiaries in territories considered to be noncooperating in accordance with Spanish and Portuguese legislations and / or with the OECD benchmarks; and,
Disclosure of tax information in accordance with the best international practices and recommendations, to facilitate the understanding of the global contribution for the economies and the principles governing its fiscal policies and practices.

GRI 207-2 — Tax governance, control and risk management

The process of management and control of the tax risk begins with the identification and mapping of the risks to which the EDPR is subject. In this sense, EDPR continuously assesses the tax risks and uncertainties, conducting regular exercises in order to identify, quantify and monitor risks that arise from external events with potential material impact.

Accordingly, the Group implemented a risk management policy for identifying, quantifying, managing, monitoring and mitigating, among others, the tax risks, particularly the risk of materialisation of the tax contingencies. Indeed, EDPR, through a specialised team, continuously monitors the processes associated with tax risks and contingencies (related and not related to ongoing litigation), in close cooperation with the respective Business Units, corporate legal services and external lawyers and consultants.

In addition, the EDPR's Management Team is involved in the decision-making process of the relevant operations, being its tax impact, if any, analysed, documented and included in the documentation submitted for approval, in particular when it may constitute an important element for the final decision, in order to ensure long-term value creation for shareholders. EDPR also has an Audit, Control and Related-Party Transactions Committee, whose main mission, upon delegation of the BoD, includes the permanent monitoring and supervision of any matters related to the internal control system over financial information and the risk management process, particularly in its fiscal aspects.

GRI 207-3 — Stakeholder engagement and management of concerns related to tax

The EDP Group reconciles responsible compliance with tax obligations, with the commitment to create value for its shareholders, advocating efficient management of its tax burden through the use of legally available tax benefits and incentives applicable in each region and which are appropriate to the business carried out. The EDP Group is specifically committed to maintain a relationship with the Tax Authorities of the countries where it operates based on principles of trust, good faith, transparency, cooperation and reciprocity, aiming to facilitate the application of the Law and to minimise litigation.

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GRI 207-4 – Country-by-country reporting

CORPORATE INCOME TAX PAID	UN	2022	2021
Spain	€M	25	4
Portugal	€M	33	28
France / Belgium	€M	0	1
Poland	€M	26	11
Romania	€M	0	0
Italy	€M	18	3
Greece	€M	0	0
UK	€M	0	0
Brazil	€M	10	5
Colombia	€M	4	0
Chile	€M	0	0
US	€M	1	1
Canada	€M	0	0
Mexico	€M	7	10
Others	€M	0	0
TOTAL	€M	125	63

Note 1: The American legislation foresees – and has foreseen in the past – several tax incentives for the production of renewable energy in the United States. Some examples are the production tax credits, the research and development tax credits, the former cash grant, the so-called MACRS (a way of accelerated depreciation), etc. these tax credits, that in most cases are part of the renewable energy remuneration scheme, have accumulated during the last years, allowing the minimisation of CIT cash-out in this geography.
Note 2: As a general rule, the corporate income tax cash-out detailed above considers both the down payments corresponding to the fiscal year in course (where applicable) and the balance of the corporate income tax corresponding to the previous year.
Note 3: For information regarding Profit before income tax, please refer to 4.3 Economic Business Sustainability. For the number of employees by country, please refer to 4.5 People Management, GRI 2-7.

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4.12. Digital transformation

For information regarding GRI 3-3 – Management of material topics, please refer to section Digital Capital of the chapter Performance.

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4.13. Ethics and compliance

For information regarding GRI 3-3 – Management of material topics, please refer to section Integrity and ethics of the chapter The Company.

GRI 205-1 – Operations assessed for risks related to corruption

EDPR analyses all the new markets where it operates through a market overview including ESG topics such as human rights, labour, and environment. This study also evaluates the corruption risk.

EDPR has a Third Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2022, 692 Compliance analysis of third parties were performed (considering closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended.

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

In 2021, EDPR modified its Anti-Corruption Policy and it is now called Integrity Policy. This document was reviewed and updated in October 2022. EDPR's Integrity Policy aims to define the general principles of action and the duties for the Company, its employees, and business partners, in order to avoid the commission of criminal and administrative offences, in particular, conducts associated with crimes of corruption and bribery, money laundering and terrorism financing, antitrust/anti-competitive practices and non-compliance with data protection requirements.

The Integrity Policy is complemented by other procedures that facilitate the application of this Policy. Among others: (i) the Donations and Sponsorships Procedure, (ii) the Offers and Events Procedure and (iii) the Conflict of Interest Procedure. During 2022, the following Procedures have reviewed and updated: Offers and Events, Relationships with Public Officials, and Politically Exposed Persons and Integrity Due Diligence. Additionally, in 2022, a new Procedure has been approved: the Intermediary Agreements Procedure.

All this normative development has implied a strong work to make the new policies and procedures of the Group known, having deepened this year a lot in training and communication in the anti-corruption area.

Training and communication are fundamental tools to strengthen and disseminate the ethic and integrity culture. In that sense, the following activities have been developed: (i) Training for specific areas (M&A, Legal, Procurement) on the Integrity Due Diligence Procedure; (ii) Transversal trainings based on the Compliance Management System, integrity and personal data protection (iii) Training on Ethics for Middle Management, (iv) Training sessions in person in different geographies (Italy, Greece, France, Romania, Brazil, Colombia and Hungary) and (v) training on Ethics and Criminal Compliance to the new hires.

These trainings have been complemented with communication activities: (i) the monthly Ethics and Compliance Comic which shows practical cases of application of the Code of Ethics and the Compliance policies and procedures, (ii) Global Ethics Day campaign, (iii) periodic posts on intranet and internal platforms over compliance topics and (iv) different thematic campaigns as the Privacy Day, GRPD anniversary or anticorruption.

GRI 205-3 – Confirmed incidents of corruption and actions taken

EDPR has no knowledge of any confirmed incident of corruption in 2022, neither in 2021.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2022 recorded in the contingencies reporting system and claims/doubts reported in the Speak Up Channel and considered as founded.

GRI 406-1 – Incidents of discrimination and corrective actions taken

EDPR has no knowledge of any incident of discrimination in 2022, neither in 2021.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2022 recorded in the contingencies reporting system and claims/doubts reported in the Speak Up Channel and considered as founded.

GRI 407-1 – Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses to respect freedom of trade union association and recognise the right to collective bargaining. During 2022, neither in 2021, EDPR did not

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register any claims/doubts in the Speak Up Channel regarding operations with significant risk where the right to freedom of association and collective bargaining may be at risk.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were identified in which the right to exercise freedom of association and collective bargaining may be at significant risk. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

GRI 408-1 – Operations and suppliers at significant risk for incidents of child labour

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses against child labour. During 2022, neither in 2021, EDPR did not register any claims/doubts in the Speak Up Channel regarding operations with significant risk for incidents of child labour.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were as having significant risk for incidents of child labour. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

GRI 409-1 – Operations and suppliers at significant risk for incidents of forced or compulsory labour

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses against forced labour. During 2022, neither in 2021, EDPR did not register any claims/doubts in the Speak Up Channel regarding operations with significant risk for incidents of forced and compulsory labour.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were as having significant risk for incidents of forced or compulsory labour. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

Other corporate ethics topics

Money laundering

The money laundering risk involves acquiring, possessing, using, converting, or transmitting goods knowing that they have their origin in a criminal activity, or perform any other act that seeks to cover their illicit origin. EDPR has identified in its Compliance Model the money laundering risk and has developed several controls and measures to minimise the probability of occurrence. Currently, the money laundering risk is categorised as low.

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4.14. Reporting principles

This is the fourteenth year EDPR publishes an integrated report describing the Company's performance, with respect to the three pillars of sustainability: environmental, social and governance.

Information is presented with reference to Global Reporting Initiative (GRI) Standard 1 Foundation guidelines for Sustainability Reporting for the period between 1 January 2022 and 31 December 2022 and also provides information on the additional electricity sector supplement indicators directly related to the Company business, which is the power generation from renewable sources, basically wind. A full GRI standards content index for the report can be found in Annex IV of this chapter.

United Nations Global Compact

Global Compact is an initiative of the United Nations launched in 2000 that defines guideline directives for businesses that opt to contribute to sustainable development. EDPR has become signatory of this initiative and is committed to put these principles into practice, informing society of the progress it has achieved.

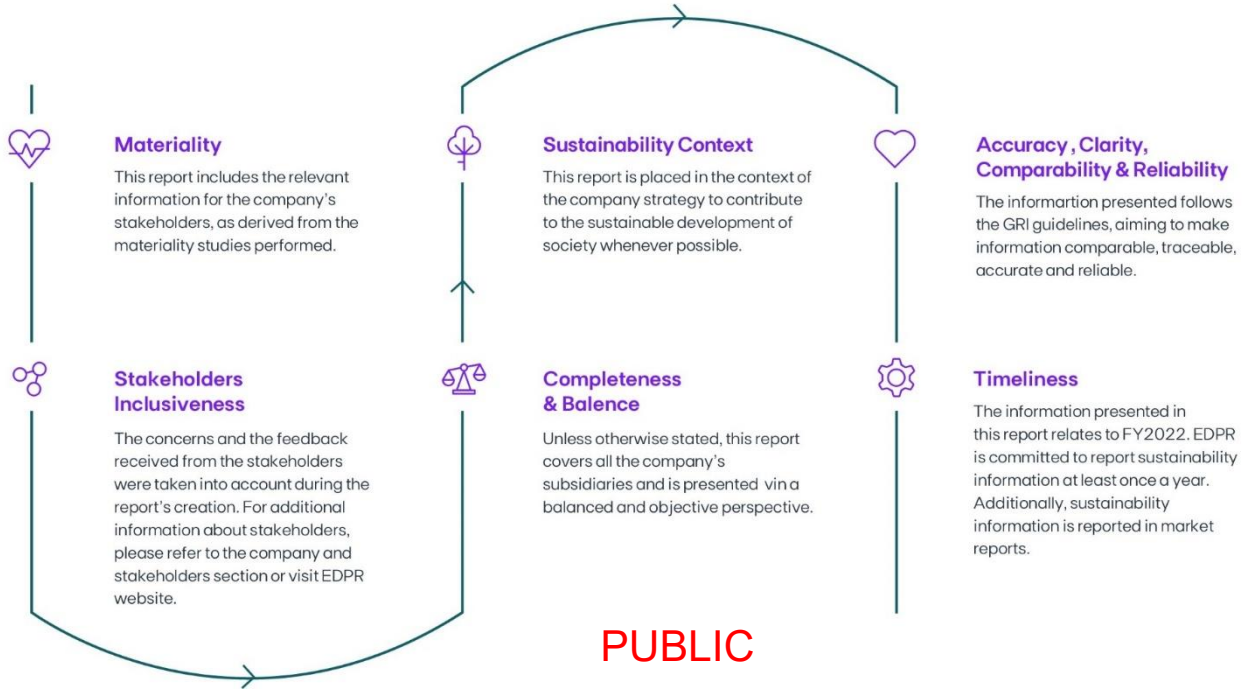
Additionally, in 2015, in the United Nations General Assembly, the world leaders decided to assume a set of global goals to change the world until 2030. The agenda that must guide the joint work of governments, citizens, companies, and organisations, consists of 17 Sustainable Development Goals (SDGs) with the ambition of ending poverty, fighting against inequality and stopping climate change. EDPR will direct its contributions to eight of the 17 Sustainable Development Goals.

To learn more about the UN Global Compact, please visit www.unglobalcompact.org.

Global Reporting Initiative

The GRI Standards are the first global standards for sustainability reporting, representing the global best practice for reporting on a range of economic, environmental and social impacts. A company's adherence to this initiative means that it concurs with the concept and practices of sustainability. This Annual Report has been prepared with reference with the GRI Standards in its Core option, and these Standards have been independently assured according to ISAE 3000 by PwC.

To learn more about the GRI guidelines, please visit www.globalreporting.org



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Annex I: Alignment with TCFD recommendations

Background of TCFD and climate-related risks and opportunities

Climate change has become one of society's greatest challenges in the short, medium and long term. In addition, international organisations such as the Intergovernmental Panel on Climate Change (IPCC) highlight the significant impact that changes in climate patterns may have in the coming future. Faced with this scenario, all organisations, from investors to companies themselves, are working to make their assets more resilient to changes in weather and climate patterns. Given the growing concern of various stakeholders about the resilience of companies to the risks and opportunities of climate change, the Task Force on Carbon Finance Disclosure (TCFD) published in 2017 a set of recommendations on how to analyse, incorporate and disclose climate transition and long-term resilience, with the aim of increasing transparency and information provided to stakeholders.

The EDP Group and EDPR have been adopting the recommendations issued by the TCFD, and in 2021 launched a project to deepen them, specifically in the integration of climate and its risks and opportunities within the governance, strategy, risk management and metrics and targets of the companies, as well as in the implementation of a regular process for assessing climate risks and opportunities (including their identification and quantification).

EDPR integrates weather patterns in its decision making and analysis of its assets, in order to anticipate and implement adaptation measures for any potential risk. The Company reports for the first time its approach to TCFD recommendations, and the measures implemented to integrate climate-related risks and opportunities are the following ones.

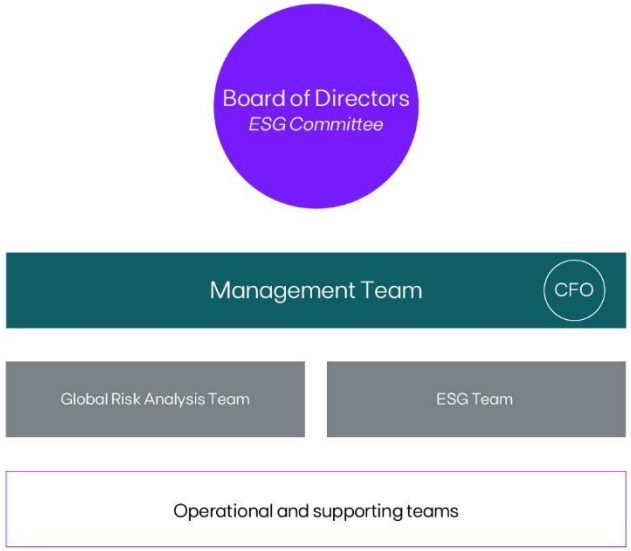
EDPR's Climate Governance

The organisation has an ESG Committee that leads and oversees the management of the Company's ESG aspects. This ESG Committee, which is part of the Board of Directors – composed of independent directors – is the highest governance body in the management of climate-related risks and opportunities. In addition, given the relevance of climate aspects for the financial performance of companies, the person responsible for the supervision of climate aspects at Management Team level is the Chief Financial Officer (CFO).

EDPR's governance receives regular updates on the identification and assessment of climate risks and opportunities, as well as the implementation of concrete measures in this regard. In addition, the Board of Directors' remuneration policy includes among its KPIs a series of ESG objectives for the Company, with climate action through an increase in installed capacity being one of the priorities.

Finally, at the technical and operational level, the process is led by the Global Risk and ESG Departments, with the collaboration of other departments. Different departments and teams contribute with their expertise in the process, in terms of technical knowledge, information in the field or in dealing with specific environmental issues. The following figure summarises the internal supervision and monitoring process for climate issues:

EDPR's Climate Governance



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Strategy, Climate Risks and Opportunities

Climate risks have an annual basis dedicated process, that aims to assess which are the most relevant climate risks and opportunities, in order to test financial resilience regarding climate transition. The main activity carried out is a quantification exercise led by Global Risk Department, analysing each significant risk according to three-time horizons (Business Plan horizon of 3 years, 10 and 30 years) and under three different climate scenarios. The exercise is later on consolidated at Group level to obtain a global result.

Climate-related time horizons and scenarios

To test resilience to climate change, three different scenarios are used to integrate physical and transition scenarios. A narrative was constructed for each scenario, based on the RCP (Representative Concentration Pathway) scenarios of the IPCC for the analysis of physical risks, and on the IEA (International Energy Agency) scenarios, with some internal adjustments to better reflect our reality, for the analysis of transition risks. This table below summarises the main risks and opportunities that the Company has analysed:

Physical Risks	Transition Risks	Transition Opportunities
Chronic risk • Rising temperatures • Rising sea levels • Water availability • Wind availability	Regulatory and legal risk	Energy sources
	Market risk	Products and services
	Technology risk	Resource efficiency
Acute risk • Days of extreme heat/cool • Consecutive days of extreme heat/cool • Extreme events (wind, precipitation, fires)	Reputacional risk	Markets
		Resilience

All of the above risks are aggregated into three main scenarios that have been used to quantify risks and opportunities:

	Narrative physical scenarios	Narrative transition scenarios
IEA SDS (with internal adjustments) + RCP 2.6	• **Compliance with the Paris Agreement** • Energy system achieves carbon **neutrality by 2070** • **Temperature increases between 1.5°C and 2°C** • Mean sea level rises 0.4m and ocean acidification begins to recover by 2050	• **Sustainable energy-related economic growth and job creation** • More **resilient and clean energy system** • Total **international cooperation** for **sustainable development** • **Lower fuel prices** and renewable generation • **Very high CO_2 price**
IEA STEPS (with internal adjustments) + RCP 4.5	• **Paris agreement not kept** • **Temperature increases between 2°C and 3°C** • Extreme temperatures become more frequent • Average sea level rises 0.5m and many species are unable to adapt	• **Announced policies are**, generally, **complied with** • Policies are adopted to **reduce** the use of **fossil fuels**, however **demand is still high** • **Increased price of fuels and cheaper renewables, with average CO_2 price**
IEA CP (with internal adjustments) + RCP 8.5	• **Paris agreement not kept** • **Temperature rises by more than 3°C** • Extreme events become more frequent • Wide variations in precipitation • Mean sea level rises 0.7m	• **No additional effort is made for sustainable development** • Limited policies for the reduction of fossil fuels and the promotion of sustainable sources • **High demand and high prices for fossil fuels** • **Share of fossil fuels and CO_2 emissions unchanged** • **CO_2 price remains low**

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Climate-related risks and opportunities

EDPR has three specific climate risk and opportunity taxonomies, which are aligned with the structure recommended by TCFD, and is validated and updated regularly. Climate risks are present in several risk categories, mainly the physical risks impact at business level, the energy market risks and other at the operational level such as damages, efficiency losses or delays. Transition risks and opportunities impact at strategic level, the surrounding context (technological disruption, changes in competitive paradigm...), at business level (commodity, pool prices, regulation...) and at an operational level (legal, compliance, ethics...).

When analysing the risks, both physical and transitional, the Company has taken into consideration the following descriptions and variables when determining whether or not they were significant in the different time horizons and scenarios:

Physical risks description in EDPR's climate scenarios

PHYSICAL RISKS		
RISK CATEGORY	RISK	VARIABLE
Chronic	Temperature increase	Average temperature rise
	Sea level rise	Rise of sea level
	Water availability	Average precipitation variation Average days with rainfall <1mm var
	Wind availability	Average wind speed
Acute	Extremely hot days	Days w/ temperature >35°C
	Extremely consecutive hot days	Consecutive days w/ temperature >35°C
	Extremely cold days	Days w/ temperature <0°C
	Extremely consecutive cold days	Consecutive days w/ temperature <0°C
	Extreme wind events	Extreme events per year
	Extreme rain events	
	Extreme wildfire events	Wildfires per 100ha

Transition risks description in EDPR's climate scenarios

TRANSITION RISKS	
RISK CATEGORY	VARIABLE
Regulatory and legal risk	Related to concerted government action to adopt climate mitigation and adaptation strategies, e.g. change in renewable energy support schemes
Market Risk	Resulted from changes in market dynamics, influenced, for example, by changes in customer behaviour and changes in market fundamentals
Technological Risk	Related to the adaptation of new technologies requiring greater investment by organizations
Reputational Risk	Referred to increased stakeholder concern and influence of public opinion

Transition opportunities description in EDPR's climate scenarios

TRANSITION OPPORTUNITIES	
TRANSITION CATEGORY	VARIABLE
Energy Source	Resulted from the use of incentive policies for renewable generation, leveraging on the existing generation portfolio
Products and Services	Driven by the development and expansion of low carbon products and services, and in the electrification of consumption as a measure to decarbonise the economy, and (potentially) in the increased demand for energy for heating/cooling due to the influence of physical risks
Resource Efficiency	Related to the reduction of operational costs by increasing efficiency in the processes of the value chain
Markets	Related to the access to new markets through geographic, technological, and business diversification. The issue of Green Bonds for low carbon generation is also a new opportunity
Resilience	Driven by the development of adaptive capacity to respond to climate change, to manage the associated risks and take advantage of the opportunities

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Quantification of climate-related risks and opportunities. Value@Risk

EDPR has identified and quantified a set of climate risks and opportunities assuming its current strategy, over the three scenarios and time horizons mentioned above. The quantification methodology is based on individual analysis of the impact on EBITDA of each risk (physical and transition) and opportunity, carried out for most of EDPR's portfolio. This quantification considers the identification of the physical variables and their evolution according to specialists, and the political/ social/ economic/ technological narratives related to the different scenarios.

The quantification method depends on each risk and opportunity, using, whenever possible, the direct method (expected loss/ gain and maximum loss/ gain P95%), or alternatively the indirect method (probability/ frequency, average impact, and maximum impact P95%).

This process enables the company to identify significant climate risks, manage them and implement mitigating measures to reduce their impact on financial results.

a. Physical and transition significant risks

CATEGORY	RISK	MAIN IMPACTS	ADAPTATION MEASURES
Physical Chronic Risk	Temperature increase	Rise of energy losses Loss of efficiency Demand increase	Diversification in geographies and technologies; Increase in demand as a natural mitigation; Firewalls in facilities; Emergency and Self Protection plans.
Physical Acute Risk	Extreme temperatures (heat or cold wave)	Unpredictability of consumption Malfunction of turbines and panels	Energy risk management through hedging strategy; Cooling systems in turbines; Assets strengthening and resilience; Firewalls in facilities; Emergency and Self Protection plans; Preventive shutdown systems for wind turbines in extreme situations.
Physical Acute Risk	Extreme events (wind and rain)	Disruption of generation activities and damage to assets Increase operating costs	Preventive maintenance Insurance plans; Asset resiliency and facility strengthening Strengthening of business continuity and crisis management plans.
			Preventive shutdown systems for wind turbines in extreme situations.
Transition Risk - Technology	Existing assets devaluation or substitution due to technological obsolescence	Devaluation/ replacement of assets due to technological obsolescence	Business Innovation; Repowering and dismantling processes; Monitoring of market trends.

b. Transition opportunities

CATEGORY	OPPORTUNITIES	MAIN IMPACTS AND BENEFITS
Transition opportunity- Energy Source	Use of lower-emission sources of energy	Resource efficiency
Transition opportunity- Products and Services	Rise of power demand	Increase in business opportunities
Transition opportunity- Markets	Access to new markets	Increase in installed capacity and different remuneration schemes

From the analysis, it was concluded that the geographical and technological diversification from EDPR's portfolio significantly helps mitigate this potential risk. In addition, for those risks that EDPR has quantified as significant, the Company has identified a series of adaptation measures that EDPR has currently in place in some markets and may replicate in others in the short, medium and long term.

This entire process of identifying, quantifying, and monitoring risks and opportunities allows the Company to integrate changes in weather patterns into its decision making, planning and financial strategy, thus improving the Company's resilience to a changing climate.

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Climate Metrics and Targets

The analysis and quantification of the above-mentioned climate issues establishes the criteria and variables that the Company has identified when evaluating these risks and opportunities.

To monitor compliance with the medium and long-term objectives established at Group level, a set of indicators and metrics has been defined to monitor EDPR's climate performance, including both contribution to climate change mitigation and how the Company adapts its assets.

Climate-related metrics and targets

INDICATOR	CATEGORIES	REFERENCE
Scope 1 emissions	Mobile combustion: car fleet emissions Fugitive emissions: e.g., SF6 Gas consumption in administrative buildings	GHG Protocol, TCFD, CDP, GRI
Scope 2 emissions	Electricity consumption in administrative buildings, if supplied by third parties Self-consumption of electricity in renewable power stations, provided that it is supplied by third parties	GHG Protocol, TCFD, CDP, GRI
Scope 3 emissions	Purchased goods and services Capital assets Wastes from operations Business travel Employees' commuting	GHG Protocol, TCFD, CDP, GRI
CO_2 specific emissions	GHG emissions (scope 1 or Scope 2 and 3)	GRI
% Renewable installed capacity	EU1 indicator GRI	GRI
% Renewable generation	EU2 indicator GRI	GRI
% Fleet electrification	305-1 Indicator GRI	GRI
Avoided CO2 (by renewable generation)	Emissions that would have occurred if electricity from renewable energy sources in each geography had been solely produced by the mix of thermoelectric power stations in that geography.	GRI

The consolidation of these indicators is done quarterly, at corporate level, in a climate dashboard, which reflects the overall performance of the EDP Group's climate action since 2015, with the possibility of disaggregating the information by quarter/year, geography, activity and technology. The climate dashboard thus enables the monitoring of indicators and the verification of compliance with the climate change public targets assumed by the EDP Group. This data is checked annually by an independent auditor. It is thus possible to monitor the evolution of the indicators against the defined targets, both quarterly and annually.

Regarding to its climate change mitigation and adaptation targets, EDPR's activity inherently contributes to the fight against climate change. Emissions generated by the Company and its supply chain in 2022 represent only 14% of avoided emissions. EDPR, aware of the importance of its supply chain in achieving its business objectives and reducing emissions, has launched an engagement effort with its main suppliers, with the aim of promoting decarbonization in the supply chain and in the emissions generated in the Company's upstream processes.

The Company is committed to broadening the scope of its climate risk measurement and monitoring, expanding the number of markets analysed. This additional analysis will allow the Company to launch the Climate Adaptation Plan for all its markets. The Company has started the compilation and implementation of adaptation measures, with the aim of replicating the adaptation measures it already has in place.

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Annex II: Taxonomy Alignment. KPIs under Article 8º of EU Taxonomy

Background and EDPR's taxonomy approach

The European Union Taxonomy Regulation published in the official journal of the European Union on June 18, 2020 (EU 2020/852) sets out the criteria for an activity to be qualified as environmentally sustainable. It is the key instrument to achieve the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European green deal. The Taxonomy has three main parts:

- The performance levels of activities which make a substantial contribution (SC) to at least one of the six EU's environmental objectives as defined in the articles 10º to 15º regulation of the Taxonomy (1. Climate change mitigation; 2. Climate change adaptation; 3. Protection and restoration of biodiversity & ecosystems; 4. Transition to a circular economy; 5. Sustainable use and protection of water and marine resources; 6. Pollution prevention and control).
- Do no significant harm (DNSH) to any of the other five environmental objectives as stipulated in the article 17º of Taxonomy and
- Comply with the minimum social safeguards (MSS) as stipulated in the article 18º of Taxonomy which meaning governance standards and do not violate social norms, including human rights and labour rights .

As part of this regulation, two delegated acts were published in 2021 in the official journal of the European Union, and one during 2022. These delegated acts listed the economic activities covered by the EU Taxonomy. which ones could be defined as sustainable and also how to report turnover, CAPEX and OPEX aligned with the EU Taxonomy:

- On December 9, 2021, the EU Taxonomy Climate Delegated Act on climate (EU 2021/2139), with application from January 1, 2022. Under this regulation, economic activity is environmentally sustainable where it: substantially contributes to climate change mitigation and adaptation objectives; does not significantly harm any of the other EU environmental objectives and is carried out in compliance with minimum safeguards;
- On December 10, 2021, the delegated act concerning Article 8 (EU 2021/2178), with application from January 1, 2022. Under this regulation, the companies covered by the Non-Financial Reporting Directive (which will be replaced by the Corporate Sustainability Reporting Directive and then implemented by member states within 18 months) are required to disclose the proportion of turnover, capital expenditure (CAPEX) or operating expenditure (OPEX) associated with economic activities that are environmentally sustainable;
- On July 15, 2022 the European Commission published in the official journal of the European Union the complementary delegated act EU 2022/1214 which, under strict restrictions includes gas and nuclear activities as eligible and amending Delegate Regulation EU2021/2178 as regards specific public disclosures for those economic activities. This delegated act will apply from January 1, 2023.

It is also expected that the European Commission should adopt several Delegated Acts to finalise the Taxonomy Regulation during the following years. EDPR follows up the main regulatory developments on taxonomy, including other ESG reporting and disclosure.

Relevant definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (i.e. the Climate Delegated Act as of now) irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy-aligned economic activity means an economic activity that complies with all of the following requirements:

- The economic activity contributes substantially to one or more of the environmental objectives;
- It does not significantly harm any of the environmental objectives;
- It is carried out in compliance with the minimum safeguards; and
- It complies with technical screening criteria in the delegated acts supplementing the Taxonomy Regulation (i.e., Climate Delegated Act as of now).

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EDPR follows the definitions of KPIs related to Turnover, capital expenditure (CAPEX) and operational expenditure (OPEX) in accordance with the sections 1.1.1, 1.1.2 and 1.1.3 of the Commission Delegated Regulation (EU 2021/2178) associated with Taxonomy-eligible economic activities, Taxonomy-non-eligible economic activities and Taxonomy- aligned economic activities as defined in its article 1(2) and (5). The disclosure of the proportion of the turnover, capital expenditure and operational expenditure eligible, non-eligible and aligned with the European Taxonomy is made under the templates of the annex II of the Commission Delegated Regulation (EU 2021/2178).

The eligibility by NACE code activity

- EDPR generation activity: D35.11 – Electricity generation using solar photovoltaic technology (activity 4.1); Electricity generation from wind power (4.3); and Installation, maintenance and repair of renewable energy technologies (7.6). Activity 7.6 (enablling activity) has been included for the first time in 2022.
- Supply: F42.22 – Construction of utility projects for electricity and maintenance and repair of renewable energy technologies.

This Annex II includes information on how EDPR complies with the taxonomy requirements:

- The substantial contribution to meet the climate change mitigation (TSC).
- The confirmation that its activities do no significant harm (DNSH) the remaining environmental objectives.
- The compliance with the Minimum Safeguards (MS).
- The turnover, the capital expenditures (CAPEX) and the operational expenditures (OPEX) associated eligible, aligned and non-eligible.

Technical criteria according to the EU taxonomy

EDPR's low carbon activities

- Wind and solar-based electricity production activities: Considering that EDPR's core business is the development, construction, operation and maintenance of electricity generating power stations using renewable energy sources (wind and solar), EDPR aligns it's the Taxonomy-eligible to the electricity generation from wind and solar power (economic activities 4.1, 4.3 and 7.6 in accordance with Annex I and II of the Climate Delegated Act). The economic activities in this category could be associated with NACE codes D35.11 and F42.2.2 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

EDPR's verification process regarding to DNSH requirements

In its Environmental Policy, EDPR outlines a set of commitments (Climate Change mitigation; Circular Economy promotion; and Biodiversity protection) that safeguard the implementation and maintenance of appropriate and effective environmental management systems.

EDPR's Environmental Policy provides the framework for determining material environmental issues. EDPR promotes environmental protection and integrates it into the decision-making processes in the different phases of the projects: 1) Development; 2) Construction; 3) Operation and maintenance; 4) Dismantling and Repowering. The Company also includes a previous prospection phase, in order to identify the best locations for the future facilities. This additional phase also includes the identification of potential environmental issues.

EDPR's approach in the different sections of DNSH criteria is detailed below.

Climate Change Adaptation

EDPR processes to evaluate climate risk and perform vulnerability assessment of its operations

Climate change related risks and opportunities are integrated into EDPR's risk management procedures, including:

- Phase 1 – EDPR ensures an identification of risks and opportunities in its main markets, under the TCFD's recommendations.
- Phase 2 – In its climate-related risk analysis, EDPR restricted the number of physical scenarios to three (RCP 2.6, RCP 4.5 and RCP 8.5) and for transitional risks EDPR is using the scenarios of International Energy Agency (IEA Sustainable Development Scenario; IEA STEPS (Stated Policies) and IEA CP).
- Phase 3 – Climate-risk quantification and analysis of the risks based on the aggregated climate-related value@risk (considering EBITDA@risk > €1M).

In 2022, EDPR has consolidated its TCFD framework, integrating recommendations for the management of climate-related risks and opportunities. EDPR's TCFD framework currently

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covers the main markets in which the company operates. Nonetheless, EDPR is working on broadening the scope of its methodology to all its markets.

This exercise has served as a starting point to identify climate risks and opportunities that may have a financial impact on the Company in the short, medium and long term. Through this identification, EDPR has begun to analyse climate change adaptation measures already in place or to be implemented in the coming future to mitigate the impact of the most significant climate risks.

Please, refer to Annex I for more information regarding EDPR's TCFD Alignment

Biodiversity and ecosystems

EDPR projects/operations comply with EU regulations or equivalent national provisions or international standards.

Through the prospection phase and prior to other procedures and EIAs (Environmental Impact Assessments), EDPR carries out an analysis of environmental constraints and other environmental issues, with the objective of selecting the best location for the project, based on various criteria.

The environmental studies and impact assessment (EIAs and other studies) procedures are developed and conducted to ensure that the necessary studies are carried out to identify the environment state and the potential impacts so that they are avoided, minimised and compensated -following the mitigation hierarchy- during all the project phases. EDPR is committed to protecting the environment and biodiversity, and therefore the scope of environmental assessment follows the regulation and legal requirements defined by Authorities. Based on the environmental impact assessments, the national authority approves or not the project's construction, by submitting a declaration through the Environmental Impact Statement (EIS) or other kind of declarations.

During the construction phase, the Company implements a set of minimisation, restoration and compensation measures, necessary to avoid and remediate potential impacts. The main preventive measure the Company has in place is the environmental surveillance during the construction phase. This surveillance enables EDPR to check that applicable requirements are fulfilled and preventive measures are implemented, as well as to control potential impacts not expected and manage them properly. In addition, the guarantee of a mitigation hierarchy approach is considered and incorporated into national laws. Under the responsibility of National Authorities, the licensing process is overseen throughout the project cycle; otherwise, the right to operate this project is inhibited.

EDPR interacts with relevant stakeholders such as wildlife regulatory agencies, in order to assess the best solutions to compensate environmental impacts of present and future operations.

Finally, EDPR has a Health & Safety and Environmental Management System, certified according to ISO 14001 and ISO 45001 by an accredited external independent third party. To obtain this certificate external audits are performed each year to assess:

- The implementation of Environmental Policy
- The internal procedures in place to minimise the potential effects of EDPR activity on the environment (mainly Climate Change, Biodiversity, Circular Economy).

EDPR has achieved 100% ISO 14001:2015 environmental certifications reinforcing its commitments and procedures for managing environmental aspects. The calculation is based on installed capacity EBITDA.

For the different markets, EDPR has procedures for compliance with applicable environmental regulations. This regulatory monitoring is reviewed periodically and allows establishing measures and action plans to ensure compliance.

EDPR implements any required mitigation and compensation measures for protecting the environment

Through its on-site management systems, EDPR promotes continuous improvement in its facilities, identifying any opportunity for improvement in its processes. All those projects located near or inside a protected area include the necessary studies and measures to protect biodiversity. EDPR's initiatives have the same mitigation hierarchy: avoid, minimise, restore and compensate all the negative impacts that our projects could have.

EDPR establishes several measures, procedures and commitments towards biodiversity protection:

- Contribute to preventing or reducing biodiversity loss by promoting dynamic, global and locally owned management, long-term thinking and the search for a positive global balance.

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- Contribute to deepening scientific knowledge on different aspects of biodiversity, including through the establishment of partnerships.
- EDPR has created landscape and wildlife protection programs in impacted areas, in partnership with local public entities. These efforts have been recognised as valuable to maintain biodiversity and natural heritage.
- Depending on the environment and its facilities' EDPR has compulsory and voluntary initiatives in place in terms of biodiversity and habitat conservation. The main environmental initiatives can be found on the Report of Environmental Activities.
- Not building new generation facilities in areas included in the UNESCO World Heritage List, ensuring that it continues to have no presence in these territories. EDPR monitors all its facilities located in protected areas in order to identify those wind farms and solar plants that may have a potential impact on biodiversity and ensuring that all the necessary measures are in place. This monitoring process helps the Company to implement actions to avoid and mitigate such impact. In Europe and Latin America, EDPR is working on a materiality analysis in 2023, which aims to identify potential impacts on biodiversity.
- The EDP Group is working on a document that will define the specific content of Biodiversity Action Plans (BAP). These BAPs will be implemented in those areas considered at risk for biodiversity. This document outlines the main components of a BAP, the biodiversity monitoring process and the reporting and communication process.
- During the construction and operation phases, EDPR conducts on-site environmental monitoring to identify and prevent possible impacts on biodiversity and the ecosystem.
- EDPR has mechanisms in place to fight biodiversity potential impacts within its facilities, such as: Monitor collisions of birds and bats and their cumulative effect on species while limiting indiscriminate accesses that disturb sensitive species and habitats, restoration of affected vegetation areas, etc.
- EDPR, as part of a group-wide initiative, is working on identifying Nature Based Solutions (NBs) that can be replicated by the different companies in their facilities and surrounding environments.

Circular economy

EDPR promotes Circular Economy and the efficient use of natural resources during all its value chain. The Company has a specific target in its BP 21-25 regarding the recovery for generated wastes. The Company is also working and engaging with its suppliers to include circular economy criteria during construction and dismantling phases.

The Company's Environmental Policy outlines the circular economy commitments and how EDPR promotes efficient use of natural resources in its activities, wherever possible, within the framework of a life-cycle analysis, in particular:

- Minimise the use of natural resources necessary to properly carry out its activities;
- Optimise and efficiently manage internal products and services, promoting a circular economy for our customers;
- Maximise the recovery of waste and its reintroduction into the economy as by-products.

Regarding circular economy, EDPR follows procurement criteria and standards

At Group level, EDP's supplier management approach is based on a holistic view of the sustainable supply chain which, through the EDPartners programme, enables the Group to ensure the integrated coordination of activities.

EDPR's supply chain management approach also includes waste management and circular economy. The Company also includes circular economy within its engagement process with suppliers:

- Sustainable Procurement Policy
- For EU&LATAM contract conditions: there are suppliers sustainability guides for construction and O&M phases, including recycling guidance and recommendations
- EDP Supplier Code of Conduct
- ESG priorities for strategic suppliers, including circular economy

Engaging with manufacturing suppliers to promote circular economy

EDPR has included ESG criteria in its last Request For Proposals (RFP), requesting turbine and module suppliers to share its ESG performance, commitments, targets and measures. One of this ESG priorities is circular economy. The Company has also engaged with suppliers to share their LCAs and environmental information about their products, including circular economy and recycling rates and information. During EDPR's engagement process with suppliers, the Company shares its ESG priorities with turbine and module suppliers.

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EDPR waste approach during operations and dismantling

EDPR promotes the recycling during its operations. The Company engages with waste treatment suppliers to find solutions that help the Company achieve its expected recovery rates.

In 2019 and in 2021, EDPR had repowered 3 wind farms (Corme, Zas and Blue Canyon II) with high levels of recycling rates. In addition, EDPR includes circular economy as a priority for the coming dismantling and repowering projects. Finally, the Company promotes and rewards those contracts that offer solutions and opportunities for circularity. In dismantling projects, the main challenge for the wind industry is not only the large amount of waste, but also the materials from the blades, which are not always easy to recover with current methods.

Joining industry initiatives, forums and pilot projects

Since 2017, the Company has joined some initiatives and projects, and has also worked with suppliers such as: the collaboration with Thermal Recycling of Composite (R3FIBER), RECICLALIA, the LIFE REFIBRE project or the pilot project with the Associação Portuguesa de Energias Renováveis (APREN). EDP is also a member of the Global Alliance for Sustainable Energy, which also addresses the circular economy.

Water

Given EDPR's activity and the criteria included in the EU Taxonomy through the technical criteria and DNSH, the Company has no impact on water and aquatic resources.

Prevention of pollution

Given EDPR's activity and the criteria included in the EU Taxonomy through the technical criteria and DNSH, the Company has no impact on pollution.

EDPR's verification process regarding to Minimum safeguards (MS) requirements

EDPR's approach to compliance with the established minimum safeguards is detailed below. Some specific procedures, policies and measures are established at EDP Group level and therefore cover all Business Units (BUs), including EDPR.

EDPR has several measures and procedures that allow the Company to manage the minimum safeguards requirements and ensure that risk situations do not occur, regarding to:

- Corruption and Bribery
- Fair Competition
- Taxation
- Human and Labour Rights

EDPR complies with guidelines pertaining to human rights and labour rights, as well as corruption, taxation and fair competition. EDP's policies are listed below:

- Human and Labour Rights Policy is publicly available in this link https://www.edpr.com/sites/edpr/files/2022-11/EDPR_IntegrityPolicy_2022.pdf
- The Integrity Policy (bribery and corruption) is available in this link https://www.edpr.com/sites/edpr/files/2022-11/EDPR_IntegrityPolicy_2022.pdf
- EDP Group Fiscal Policy is publicly available in this link https://www.edp.com/en/edp-group-fiscal-policy
- Healthy Competition Practices Commitment is publicly available in this link https://www.edp.com/en/healthy-competition-practices-commitment

EDPR's policies and procedures on human and labour rights, anti-bribery and anti-corruption are listed below:

EDPR has launched its Human and Labour Rights Policy where the Company commits to respect and undertakes to promote fair human and labour rights practices, being committed to guarantee responsible operations throughout the whole value chain.

In addition, the Company has an Integrity Policy that defines the general principles of action and duties for EDPR to prevent illegal conducts such as crimes of corruption, bribery, undue receipt of advantages, money laundering and terrorism financing, antitrust/anti-competitive practices and non-compliance with data protection requirements.

These policies allow the Company to comply with international guidelines such as:

- OECD Guidelines for Multinational Enterprises
- OECD Guidelines on Responsible Business Conduct
- UN Guiding Principles on Business and Human Rights

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- International Labour Organisation's (ILO) declaration on Fundamental Rights and Principles at Work
- The eight ILO core conventions
- International Bill of Human Rights

The Company's Code of Ethics also includes how the Company commits to ensure respect to human and labour rights and also how it prevents corruption and bribery situations.

EDPR's measures and processes to combat corruption, bribery, bribe solicitation and extorsion

The Company has internal control procedures, as well as ethics and compliance programs in place to detect and avoid potential corruption and bribery risks.

The Company has a Global Compliance Program which includes:

- Integrity Compliance Program
- Criminal Compliance Program for Spain
- Global Data Compliance Program
- And Local Compliance Program according to regulations

Ethics, Integrity and Compliance Governance within the Company

EDPR has also a Compliance Standard that formalise the mission and responsibilities of the Compliance functions and establishes different measures and procedures that enable the Company to fight and prevent corruption and bribery:

- Audit Control and Related Party Transactions Committee responsible for the supervision of the financial information and internal control, risk management and Compliance systems;
- EDPR Ethics Committee to ensure the Code of Ethics compliance within the Company. This Committee is composed of three members that must be the presidents of the Audit, Control and Related-Party Transactions Committee and of the Nominations and Remuneration Committee and the Compliance Officer;
- The Ethics Ombudsperson that receives ethical nature complaints and investigates them;
- Specific Compliance Department to lead all the ethical, integrity and compliance measures. The Compliance Officer is the Director of the Corporate Compliance Department. The Compliance Officer reports to the Audit, Control and Related Party Transactions Committee (hereinafter "CAUD") and to the CEO.

Risk Management, including ESG and integrity issues

- Risk identification and assessment processes for assessing the non-compliance risk
- Risk analysis and evaluation of the adequacy and effectiveness of existing control mechanisms
- Risk mitigation and control measures

Other policies and procedures to ensure integrity and ethics in the Company:

- EDPR Integrity Policy
- EDPR Code of Ethics
- EDP Code of conduct for Top Management and Senior Financial Officers
- EDP Suppliers Code of Conduct
- Third parties' Integrity Due Diligence (IDD) processes
- Interaction with Public Agents and Politically Exposed Persons procedure
- Prevention of Conflicts of Interests procedure
- Donations and Sponsorships procedure
- Offers and Events procedure
- Intermediary Agreements procedure

EDPR, only enters formalised legal transactions with third parties and other partners that comply with the laws of their countries and adopt internal procedures that are aligned with EDPR internal policies and standards.

The Company's Integrity Policy is based on zero-tolerance policy in dealing with the prevention and fight against this type of illicit acts, such as corruption and bribery. The Policy establishes a common commitment and minimum requirements for legal compliance.

The Policy sets out several measures and control mechanisms, such as those listed below:

- Procedures and Internal control mechanisms: As result of risk assessment, EDPR implements transversal and specific control mechanism to ensure the application of EDPR's Integrity Policy.
- Training and Communication: The procedures associated with the Global Compliance Program are shared to all employees by specific and transversal trainings. All current and

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employees must understand and commit to what the Policy outlines and global communication campaigns are often launched to all the employees.

- Contact and Reporting Channels (Whistleblowing): EDPR makes available several reporting channels for communicating irregularities and encourages its own employees to report any type of behaviour that breaches of this Policy. Some of these channels are: Speak Up Channel; Specific internal whistle-blower channels for EDPR companies, in which any whistleblowing related to matters provided for in the aforementioned legislation can be reported; Ethics Ombudsperson; and Compliance Department.
- Monitoring, Continuous Improvement and Report: Compliance teams are responsible for promoting appropriate mechanisms to monitor the Global Compliance Program, lead the analysis of misalignment situations and promote corrective actions.
- Audit: The Company has an Internal Audit Department in charge of ensuring that audits comply with the Global Compliance Program and that they guarantee the fight against corruption and bribery, as well as risk management. The Company also has an external audit process that allows EDPR to obtain a double certification from AENOR that verifies and accredits that the Company has developed a system of criminal and anti-bribery compliance based on UNE 19601 and ISO 37001 standards. The AENOR Certifications (UNE 19601 and ISO 37001) were obtained in 2021 and, in 2022, EDPR has renewed both Certifications.

Compliance with the fair competition requirements of the Minimum Safeguards

The Company follows the applicable regulations on fair competition, ensuring compliance in all markets in which it operates.

Through its Code of Ethics EDPR prioritises relationships of trust and fair competition with all its stakeholders, promoting an honest and respectful relationship with all of them. In this sense, it is fundamental for the Company to promote integrity in its business practices, through good practices of healthy competition.

In this sense, the Company establishes through its Code the guidelines for action and the situations that must be avoided, in order to ensure that no anti-competitive practices take place. EDPR, through training of new hires on the Company's Code of Ethics and periodic communications regarding the Code and its compliance.

Compliance with tax regulation, tax governance and tax risk management processes

The Company ensures compliance with applicable tax regulations and has certifications to support it. The EDP Group's Tax Policy establishes the Company's approach to tax management. In addition, EDPR reports in its Annual Report, Chapter 4 of GRI Reporting (GRI - 207), its approach to tax issues, as well as tax governance, risk management and its tax contribution country by country.

For more information, please refer to the EDP Group's tax policy.

Compliance with Human and Labour Rights and due diligence requirements from the EU Taxonomy and the Minimum Safeguards

The Company's commitment to respect human rights is part of its public statements and commitments, such as the Human and Labour Rights Policy, the Code of Ethics, the Integrity Policy and the Supplier Code of Conduct, among others.

EDPR identifies its supply chain as a key segment to achieve its sustainability goals and anticipate potential risks. The Company has a due diligence process for the management of the supply chain, which can be summarised as follows:

- Series of commitments established by the Company to ensure respect for human and labour rights in its activity;
- Supply chain screening process;
- Risk assessment;
- Monitoring of suppliers and continuous dialogue and engagement with the supply chain, in order to anticipate and avoid potential risks.

For the direct activity of EDPR and its contractors, the Company has a series of policies and procedures that outline its commitments and measures to manage human rights in its value chain.

In this Annual Report, through various sections such as the "*Social Capital*" subchapter and in Chapter 4 of "*GRI Reporting*", the Company includes information on its due diligence measures for the management of human and labour rights through its entire value chain.

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TURNOVER				SUBSTANTIAL CONTRIBUTION CRITERIA (5)								DNSH (6)									
ECONOMIC ACTIVITIES (1)	CODE (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS (7)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N-1	CATEGORY (ENABLING ACTIVITY) (8)	CATEGORY (TRANSITIONAL ACTIVITY)
		€ (m)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)(9)																				
Electricity generation using solar photovoltaic technology	4.1	87	3.62%	3.62%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3.62%	NA(13)		
Electricity generation from wind power	4.3	2,262	94.63%	94.63%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	94.63%	NA(13)		
Installation, maintenance and repair of renewable energy technologies	7.6	29	1.23%	1.23%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	1.23%	NA(13)	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned activities) (A.1.)		2,378	99.5%	99.5%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	99.5%	NA(13)	1	0
A.2. Taxonomy-Eligible but not Environmentally sustainable activities (not Taxonomy-aligned activities)(10)																				
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0	0.0%																	
Total (A.1 + A.2)		**2,378**	**99.5%**														**99.5%**			

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TURNOVER				SUBSTANTIAL CONTRIBUTION CRITERIA [5]								DNSH [6]								
ECONOMIC ACTIVITIES [1]	CODE [2]	ABSOLUTE TURNOVER [3]	PROPORTION OF TURNOVER [4]	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS [7]	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N-1	CATEGORY (ENABLING ACTIVITY) [8]	CATEGORY (TRANSITIONAL ACTIVITY)
		€ (m)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
B. Taxonomy-non-eligible activities																				
Turnover of Taxonomy-non-eligible activities [11]		12.47	0.5%																	
Total (A + B) [12]		2,390	100%																	

[1] Under the EU Taxonomy Regulation one activity could match the description of an activity and the technical screening criteria laid out the Climate Delegate Act. In EDPR's case the Annex I – climate change mitigation and activities from energy sector .

[2] The code assigned to each of the economic activities is that set out in Annex I of Delegated Regulation (EU) 2021/2178. In accordance with the economic activity number. EDPR activities are included within the numbers D35.11 and F42.22 of the Nomenclature of Economic Activities (NACE), the statistical classification of economic activities in the EU.

[3] Absolute turnover: The proportion shall be calculated as the weight of the amount of Turnover of the activity over the total Turnover of the Company.

[4] Proportion turnover: Percentage according to the contribution to each of the environmental objectives. In the case of EDPR, only the climate change mitigation objective is included.

[5] Substantial contribution to climate change mitigation: refers to the share of the revenues of each individual economic activity (indicated in the column Turnover) that contributes to climate change mitigation. This is the only objective of the EU taxonomy regulation alignment analysis shown in the table.

[6] DNSH: environmental objectives meeting the DNSH criteria are specified for each activity.

[7] Minimum safeguards: indicates whether the minimum safeguards are respected for each individual activity.

[8] Category: specifies whether the activity is an enabling or transitional activity.

[9] This section of the table includes Turnover figures for aligned activities (compliant with technical criteria, DNSH principles and minimum safeguards).

[10] This section of the table includes Turnover figures for activities that are eligible (present in the taxonomy), but do not meet the technical criteria and/or the DNSH principles.

[11] Difference between the total Turnover of the company and the sum of the Turnover of the aligned activities and the eligible non-aligned activities.

[12] The total Turnover of the Company. Please, refer to "*Business Economic Sustainability*" content for more information.

[13] Variation not available as this is the first reporting year.

PUBLIC

CAPEX				SUBSTANTIAL CONTRIBUTION CRITERIA [5]							DNSH										
ECONOMIC ACTIVITIES [1]	CODE [2]	ABSOLUTE CAPEX [3]	PROPORTION OF CAPEX [4]	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS	TAXONOMY ALIGNED PROPORTION OF CAPEX YEAR N	TAXONOMY ALIGNED PROPORTION OF CAPEX YEAR N-1	CATEGORY (ENABLING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
		€ (m)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)[9]																				
Electricity generation using solar photovoltaic technology	4.1	2,112	61.28%	61.28%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	61.28%	NA[13]		
Electricity generation from wind power	4.3	1,152.5	33.44%	33.44%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	33.44%	NA[13]		
Installation, maintenance and repair of renewable energy technologies	7.6	164.1	4.76%	4.76%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4.76%	NA[13]	E	
Capex of environmentally sustainable activities (Taxonomy-aligned activities) (A.1.)		3,428.6	99.5%	99.5%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	99.5%	NA[13]	1	0
A.2. Taxonomy-Eligible but not Environmentally sustainable activities (not Taxonomy-aligned activities)[10]																				
Capex of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0	0.0%																	
Total (A.1 + A.2)		**3,428.6**	**99.5%**														**99.5%**			

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CAPEX				SUBSTANTIAL CONTRIBUTION CRITERIA [5]								DNSH								
ECONOMIC ACTIVITIES [1]	CODE [2]	ABSOLUTE CAPEX [3]	PROPORTION OF CAPEX [4]	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS	TAXONOMY ALIGNED PROPORTION OF CAPEX YEAR N	TAXONOMY ALIGNED PROPORTION OF CAPEX YEAR N-1	CATEGORY (ENABLING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
		€ (m)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
B. Taxonomy-non-eligible activites																				
Capex of Taxonomy-non-eligible activities [11]		17.63	0.5%																	
Total (A + B)[12]		3,446	100%																	

[1] Under the EU Taxonomy Regulation one activity could match the description of an activity and the technical screening criteria laid out the Climate Delegate Act. In EDPR's case the Annex I – climate change mitigation and activities from energy sector .

[2] The code assigned to each of the economic activities is that set out in Annex I of Delegated Regulation (EU) 2021/2178. In accordance with the economic activity number. EDPR activities are included within the numbers D35.11 and F42.22 of the Nomenclature of Economic Activities (NACE), the statistical classification of economic activities in the EU.

[3] Absolute Capex: investments for each economic activity.

[4] Proportion of Capex: percentage impact of investments of each individual activity on the total investments. In the case of EDPR, only the climate change mitigation objective is included.

[5] Substantial contribution to climate change mitigation: refers to the share of the revenues of each individual economic activity (indicated in the column Turnover) that contributes to climate change mitigation. This is the only objective of the EU taxonomy regulation alignment analysis shown in the table.

[6] DNSH: environmental objectives meeting the DNSH criteria are specified for each activity.

[7] Minimum safeguards: indicates whether the minimum safeguards are respected for each individual activity.

[8] Category: specifies whether the activity is an enabling or transitional activity.

[9] This section of the table includes Capex figures for aligned economic activities (compliant with technical criteria, DNSH principles and minimum safeguards).

[10] This section of the table includes Capex figures for activities that are eligible (present in the taxonomy), but do not meet the technical criteria and/or the DNSH principles.

[11] Difference between the total Capex of the company and the sum of the Capex of the aligned activities and the eligible non-aligned activities.

[12] The total Capex and investments of the Company. Please, refer to "*Business Economic Sustainability*" content for more information.

[13] Variation not available as this is the first reporting year.

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OPEX				SUBSTANTIAL CONTRIBUTION CRITERIA (5)						DNSH (6)										
ECONOMIC ACTIVITIES (1)	CODE (2)	ABSOLUTE OPEX (3)	PROPORTION OF OPEX (4)	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS (7)	TAXONOMY ALIGNED PROPORTION OF OPEX YEAR N	TAXONOMY ALIGNED PROPORTION OF OPEX YEAR N-1	CATEGORY (ENABLING ACTIVITY) (8)	CATEGORY (TRANSITIONAL ACTIVITY)
		€ (m)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)(9)																				
Electricity generation using solar photovoltaic technology	4.1	18	7.02%	7.02%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	7.02%	NA[13]		
Electricity generation from wind power	4.3	224	87.37%	87.37%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	87.37%	NA[13]		
Installation, maintenance and repair of renewable energy technologies	7.6	9.65	3.76%	3.76%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3.76%	NA[13]	E	
Opex of environmentally sustainable activities (Taxonomy-aligned activities) (A.1.)		252	98.2%	98.2%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	98.2%	NA[13]	1	0
A.2. Taxonomy-Eligible but not Environmentally sustainable activities (not Taxonomy-aligned activities)(10)																				
Opex of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0	0.0%																	
Total (A.1 + A.2)		**251.6**	**98.2%**														**98.2%**			

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OPEX				SUBSTANTIAL CONTRIBUTION CRITERIA (5)								DNSH (6)								
ECONOMIC ACTIVITIES (1)	CODE (2)	ABSOLUTE OPEX (3)	PROPORTION OF OPEX (4)	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS	MINIMUM SAFEGUARDS (7)	TAXONOMY ALIGNED PROPORTION OF OPEX YEAR N	TAXONOMY ALIGNED PROPORTION OF OPEX YEAR N-1	CATEGORY (ENABLING ACTIVITY) (8)	CATEGORY (TRANSITIONAL ACTIVITY)
		€ (m)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
B. Taxonomy-non-eligible activites																				
Opex of Taxonomy-non-eligible activities (11)		4.7	1.8%																	
Total (A + B) (12)		256	100%																	

(1) Under the EU Taxonomy Regulation one activity could match the description of an activity and the technical screening criteria laid out the Climate Delegate Act. In EDPR's case the Annex I – climate change mitigation and activities from energy sector.

(2) The code assigned to each of the economic activities is that set out in Annex I of Delegated Regulation (EU) 2021/2178. In accordance with the economic activity number. EDPR activities are included within the numbers D35.11 and F42.22 of the Nomenclature of Economic Activities (NACE), the statistical classification of economic activities in the EU.

(3) Absolute OPEX : Opex for each individual economic activity.

(4) Proportion of Opex: percentage impact of OPEX of each individual economic activity on the Company`s total OPEX.

(5) Substantial contribution to climate change mitigation: refers to the share of the revenues of each individual economic activity (indicated in the column Turnover) that contributes to climate change mitigation. This is the only objective of the EU taxonomy regulation alignment analysis shown in the table.

(6) DNSH: environmental objectives meeting the DNSH criteria are specified for each activity.

(7) Minimum safeguards: indicates whether the minimum safeguards are respected for each individual activity.

(8) Category: specifies whether the activity is an enabling or transitional activity.

(9) This section of the table includes Opex figures for aligned economic activities (compliant with technical criteria, DNSH principles and minimum safeguards).

(10) This section of the table includes Opex figures for activities that are eligible (present in the taxonomy), but do not meet the technical criteria and/or the DNSH principles.

(11) Difference between the total Opex of the company and the sum of the Opex of the aligned activities and the eligible non-aligned activities.

(12) The total Opex of the Company. Please, refer to "*Business Economic Sustainability*" content for more information.

(13) Variation not available as this is the first reporting year.

PUBLIC

Annex III: Non-financial information statement

NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	**CONTENT**	**SCOPE/ PERIMETER**	**RELATED GRI STAND-ARDS**	**CHAPTER**
Business Model	Brief description of the Group's business model, which includes: · Its business environment · Its organisation and structure · The markets in which it operates · Its goals and strategies · The main factors and trends that may affect its future evolution.	Global	EU1; EU2; 2-1; 2-6; 2-9; 3-3; 201-2	1.1.2 EDPR in the world[1]; 1.1.3 Business description; 1.3 Organisation; 2.1 Business Environment; 2.2 Strategy; 3.1.2 Financial Performance; 4.2 Climate Change, GRI EU1, EU2 & 201-.
Policies	A description of the policies that the Group applies regarding these issues, which includes: · Due diligence procedures implemented for the identification, evaluation, prevention and mitigation of significant risks and impacts; · Verification and control procedures, including adopted measures.	Global	3-3; 2-23	1.1.1 Vision, Values & Commitments; 1.3.4 Integrity and Ethics; 3.2 Human Capital; 3.3 Supply Chain Capital; 3.4 Social Capital; 3.5 Natural Capital; 4.9 Suppliers management, section "EDPR's due diligence process"; 4. GRI Reporting, Annex I: TCFD Alignment.
Short, medium and long-term risks	The main risks regarding these issues related to the activities of the Group, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas, and · How the group manages these risks, · Explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject. · Information on the impacts that have been detected must be included, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	Global	201-2; 205-1; 304-2; 306-1; 306-2; 308-2; 407-1; 408-1; 409-1; 413-2; 414-2	2.3 Risk Management; 4.2 Climate Change, GRI 201-2; 4.8 Community Engagement, GRI 413-2; 4.9 Suppliers Management, GRI 308-2 & 414-2; 4.10 Environmental Management, GRI 304-2, 306-1 & 306-2; 4.13 Ethics and Compliance, GRI 205-1, 407-1, 408-1 & 409-1; 4. GRI Reporting, Annex I: TCFD Alignment.

[1] Secured MWs are not verified by PwC.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	**CONTENT**	**SCOPE/ PERIMETER**	**RELATED GRI STANDARDS**	**CHAPTER**
KPIs	Key indicators of non-financial results relevant to the particular business activity and that meet the criteria of comparability, materiality, relevance and reliability. - With the aim of facilitating comparison of information, both over time and between entities, standards for non-financial key indicators that can be generally applied and that comply with European Commission guidelines and Global Reporting Initiative standards will be used especially and the report must mention the national, European or international framework used for each matter. - The key indicators of non-financial results must apply to each of the sections of the non-financial information statement. - These indicators must be useful, taking the specific circumstances into account and they must be consistent with the parameters used in their internal management procedures and risk assessments. - In any case, the information presented must be precise, comparable and verifiable.	Global	-	Please refer to Annex IV: GRI Content Index.
Environmental topics	**Global Environment:** · Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety, environmental assessment or certification procedures; · Resources dedicated to the prevention of environmental risks; · The application of the Precautionary Principle, the amount of provisions and guarantees for environmental risks (e.g. derived from the law of environmental responsibility).	Global	3-3 2-23; 201-2; 305-1; 305-2; 305-3; 305-5	3.5 Natural Capital; 4.2 Climate Change, GRI 201-2, 305-1, 305-2, 305-3 & 305-5. 4.10 Environmental Management, section "Other environmental management related topics"; 4. GRI Reporting, Annex I: TCFD Alignment.
	Pollution		3-3	
	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including:	Global	302-4; 305-5	4.2 Climate Change, GRI 302-4 & 305-5.
	Noise	Global	413-2	4.8 Community Engagement, GRI 413-2.
	Light pollution	-	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Circular economy and waste prevention and management		3-3	
	Circular economy.	Global	306-2	3.5 Natural Capital; 4.10 Environmental Management, GRI 306-2.
	Waste prevention, recycling, reuse, other forms of recovery and disposal.	Global	306-1; 306-2; 306-3: 306-4; 306-5	4.10 Environmental Management, GRI 306-1, 306-2, 306-3, 306-4 & 306-5;
	Actions to combat food waste.	-	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Sustainable use of resources		3-3	
	Water consumption and water supply according to local constraints.	Global	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Consumption of raw materials and the measures adopted to improve the efficiency of their use.	Global	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies.	Global	302-1; 302-4	3.5 Natural Capital; 4.2 Climate Change, GRI 302-1 & 302-4.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STAND-ARDS	CHAPTER
				2.1.1 General Context
	Climate Change		3-3	2.1.2 The evolution of renewables around the world in 2022;
				3.5 Natural Capital.
	The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	Global	305-1; 305-2; 305-3	4.2 Climate Change, GRI 305-1, 305-2 & 305-3.
	The measures adopted to adapt to the consequences of climate change.	Global	201-2; 302-4; 305-5	4.2 Climate Change, GRI 201-2, 302-4 & 305-5.
	The reduction goals established voluntarily in the medium and long-term to reduce greenhouse gas emissions and the means implemented for that purpose.	Global	305-5	4.2 Climate Change, GRI 305-5.
	Protection of biodiversity		3-3	3.5 Natural Capital.
	Measures taken to preserve or restore biodiversity.	Global	304-2; 304-3	4.10 Environmental Management, GRI 304-2 & 304-3.
	Impacts caused by activities or operations in protected areas.	Global	304-1	4.10 Environmental Management, GRI 304-1.
Social and employees topics	**Employment**	Global	3-3	3.2 Human Capital.
	Total number and distribution of employees by gender, age, country and professional category.	Global	2-7; 405-1	4.5 People Management, GRI 2-7 & 405-1.
	Total number and distribution of work contract modalities.	Global	2-7	4.5 People Management, GRI 2-7.
	Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category.	Global	2-7; 405-1	4.5 People Management, GRI 2-7 & 405-1.
	Number of dismissals by gender, age and professional category.	Global	401-1	4.5 People Management, GRI 401-1.
	Average remunerations and their evolution disaggregated by gender, age and professional category or equal value. Wage gap, the remuneration of equal or average positions in the company.	Global	405-2	4.5 People Management, GRI 405-2.
	Avg. remuneration of directors and executives, incl. variable remuneration, allowances, compensation, payment to l/t savings forecast systems and any other perception disaggregated by gender.	Global	-	4.6 Corporate Governance.
	Implementation of labour disconnection policies.	Global	-	4.5 People Management, section "Work organisation and implementation of "right to disconnect" policies".
	Employees with disabilities.	Global	-	4.5 People Management, section "Employees with disabilities".
	Work organisation		3-3	
	Working hours organisation.	Global	EU17	4.4 Health & Safety, GRI EU17; 4.5 People Management, section "Work organisation and implementation of "right to disconnect" policies".
	Number of hours of absenteeism.	Global	-	4.4 Health & Safety, section "Absenteeism".
	Measures designed to facilitate the enjoyment of conciliation and encourage joint responsibility of these by both parents.	Global	-	4.5 People Management, section "Work life balance".

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STAND-ARDS	CHAPTER
	Health & Safety		3-3	
	Conditions of health and safety at work.	Global	3-3; 403-1; 403-2; 403-3; 403-5; 403-6; 403-7	3.4.1 Guarantee the highest health & safety standards; 4.4 Health & Safety, GRI 403-1, 403-2, 403-3, 403-5, 403-6 & 403-7.
	Work-related accidents, in particular their frequency and severity, occupational diseases, disaggre-gated by gender.	Global	403-9; 403-10	4.4 Health & Safety, GRI 403-9 & 403-10.
	Social Relations		3-3	
	Organisation of social dialogue, including procedures for informing and consulting employees and ne-gotiating with them.	Global	402-1	4.5 People Management, GRI 402-1.
	Percentage of employees covered by collective bargaining agreements by country.	Global	2-30	4.5 People Management, GRI 2-30.
	The result of collective bargaining agreements, particularly in the health & safety at work area.	Global	2-30	4.5 People Management, GRI 2-30.
	Mechanisms and procedures that the company has to promote the involvement of workers in the man-agement of the company, in terms of information, consultation and participation.	Global	402-1	4.5 People Management, GRI 402-1.
	Training		3-3	
	Policies implemented in the training area.	Global	404-2; 404-3	4.5 People Management, GRI 404-2 & 404-3.
	Total amount of training hours by professional categories.	Global	404-1	4.5 People Management, GRI 404-1.
	Universal accessibility for people with disabilities	Global	-	4.5 People Management, section "Universal accessibility".
	Equality		3-3	
	Measures taken to promote equal treatment and opportunities between women and men.	Global	405-1	4.5 People Management, GRI 405-1.
	Equality plans (Chapter III of Organic Law 3/2007, of the 22nd of March, for effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based har-assment, integration and the universal accessibility of people with disabilities.	Global	-	4.5 People Management, section "Equality plans".
	Policy against all types of discrimination and, where appropriate, management of diversity.	Global	-	1.3.4 Integrity and Ethics; 3.4.2. Respect human and labour rights; 4.5 People Management, section "Adopted measures to promote employment related to equality".
Human Rights	Application of due diligence procedures in the field of human rights; Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses.	Global	-	1.3.4 Integrity and Ethics; 3.4.2. Respect human and labour rights; 4.9 Suppliers management, section "EDPR's due diligence process".
	Complaints regarding cases of violation of human rights.	Global	411-1	1.3.4 Integrity and Ethics; 4.8 Community Engagement, GRI 411-1.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	**CONTENT**	**SCOPE/ PERIMETER**	**RELATED GRI STANDARDS**	**CHAPTER**
	Promotion and compliance with the provisions of the fundamental Conventions of the International Labour Organization related to respect for freedom of association and the right to collective bargaining.	Global	2-30; 407-1	4.5 People Management, GRI 2-30; 4.13 Ethics and Compliance, GRI 407-1.
	The elimination of discrimination in employment and occupation.	Global	406-1	3.4.2. Respect human and labour rights; 4.13 Ethics and Compliance, GRI 406-1.
	The elimination of forced or compulsory labour.	Global	409-1	3.4.2. Respect human and labour rights; 4.13 Ethics and Compliance, GRI 409-1.
	The effective abolition of child labour.	Global	408-1	3.4.2. Respect human and labour rights; 4.13 Ethics and Compliance, GRI 408-1.
Corruption and bribery	Adopted measures to prevent corruption and bribery.	Global	205-1; 205-2; 205-3; 415-1	4.11 Communication and Transparency, GRI 415-1; 4.13 Ethics and Compliance, GRI 205-1, 205-2 & 205-3.
	Measures to combat money laundering.	Global	-	4.13 Ethics and Compliance, section "Money laundering".
	Contributions to foundations and non-profit entities.	Global	413-1	4.8 Community Engagement, GRI 413-1;
Society	**Company's commitments to the sustainable development**		3-3	
	The impact of the society's activity on employment and local development.	Global	202-2; 203-1; 203-2; 413-1	4.8 Community Engagement, GRI 202-2, 203-1, 203-2 & 413-1;
	The impact of society's activity on local populations and in the territory.	Global	3-3; 413-1; 413-2	3.4.3. Supporting communities; 4.8 Community Engagement, GRI 413-1 & 413-2.
	The relationships maintained with the local communities and the modalities of dialogue with them.	Global	413-1; 413-2	4.8 Community Engagement, GRI 413-1 & 413-2.
	The association or sponsorship actions.	Global	2-28; 413-1	4.8 Community Engagement, GRI 413-1; 4.11 Communication and Transparency, GRI 2-28.
	Subcontracting and suppliers		3-3	
	The inclusion of social issues, gender equality and environmental issues in the Procurement Policy. Consideration of the suppliers and subcontractors' social and environmental responsibility when interacting with them.	Global	2-6; 3-3; 204-1; 308-2; 414-2	3.3 Supply Chain Capital; 4.9 Suppliers Management, GRI 2-6, 308-2 & 414-2.
	Supervision systems and audits and their results.	Global	414-2	3.3 Supply Chain Capital; 4.9 Suppliers Management, GRI 414-2.

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NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STAND-ARDS	CHAPTER
	Customers			
	Measures for the health and safety of consumers.	Global	EU25; 413-2	4.4 Health & Safety, GRI EU25; 4.8 Community Engagement, GRI 413-2.
	Complaining system, complaints received and their resolution.	Global	205-3; 406-1; 407-1; 408-1; 409-1; 413-2	1.3.4 Integrity and Ethics; 4.8 Community Engagement, GRI 413-2; 4.13 Ethics and Compliance, GRI 205-3, 406-1, 407-1, 408-1 & 409-1.
	Tax information			
	Profit before income tax, by country. Corporate income tax paid.	Global	201-1; 207-4	4.3 Business Sustainability, GRI 201-1; 4.11 Communication and Transparency, GRI 207-4.
	Financial assistance received from the government.	Global	201-4	4.11 Communication and Transparency, GRI 201-4.
Others	Annual total compensation ratio.	Global	2-21	4.5 People Management, GRI 2-21.
	Legal Actions for anti-competitive behaviour, anti-trust and monopoly practices.	Global	206-1	4.11 Communication and Transparency, GRI 206-1.
	Non-compliance with environmental laws and regulations.	Global	2-27	4.11 Communication and Transparency, GRI 2-27.
	Non-compliance with laws and regulations in the social and economic area.	Global	2-27	4.11 Communication and Transparency, GRI 2-27.
	Statement from senior decision-maker.	Global	2-22	Message from the CEO.
	Identifying and selecting stakeholders; Approach to stakeholder engagement.	Global	2-29; 3-3	1.1.5 Stakeholder focus.
	Key topics and concerns raised; List of material topics.	Global	3-2	4.1 Materiality Assessment, Materiality Matrix.
	Innovation	Global	3-3	3.7 Innovation Capital.
	Taxonomy Regulation	Global	-	4.3 Business Sustainability, section "Taxonomy Regula-tion"; 4. GRI Reporting, Annex II: Taxonomy Alignment. KPIs under Article 8º of EU Taxonomy.

Note: In addition to the indicators included in this table, non-financial information can be found in the following indicators: 2-2, 2-3, 2-4, 2-5, 2-25, 3-1, 3-2.

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Annex IV: GRI content index

External assurance: The GRI indicators included in the following table have been verified by PwC. See the correspondent Independent Verification Report in Annex V. Additionally, some GRI indicators refer to Notes in EDPR's 2022 Annual Accounts, which have been audited by PwC. See the correspondent Independent Auditor's Report on the consolidated annual accounts at the beginning of the document.

Statement of use: EDPR has reported the information cited in this GRI content index for the 2022 period with reference to the GRI Standards.

GRI STANDARD		DISCLOSURES	CHAPTER
GENERAL DISCLOSURES			
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
	2-1	Organisational details	2022 Consolidated Annual Accounts – Note 1; 1.1.2 EDPR in the world; 5. Corporate Governance (A. Shareholder Structure); EDPR head offices are located in Madrid (Spain).
	2-2	Entities included in the organisation's sustainability reporting	2022 Consolidated Annual Accounts – Note 6 and Annex I.
	2-3	Reporting period, frequency and contact point	4.14 Reporting Principles; "Contact us" at www.edpr.com.
	2-4	Restatements of information	2022 Consolidated Annual Accounts – Note 6.
	2-5	External assurance	4.14 Reporting Principles; 4. GRI Reporting, Annex V: Independent verification report.
	2-6	Activities, value chain and other business relationships	2022 Consolidated Annual Accounts – Note 6 & 41; 1.1.2 EDPR in the world; 1.1.3 Business Description; 3.1.2 Financial Performance; 3.3 Supply Chain Capital; 5. Corporate Governance (A. Shareholder Structure).
	2-7	Employees	4.5 People Management.
	2-9	Governance structure and composition	1.3.2 Governance Model; 5. Corporate Governance.

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GRI STANDARD		DISCLOSURES	CHAPTER
	2-21	Annual total compensation ratio	4.5 People Management.
	2-22	Statement on sustainable development strategy	Message from the CEO.
	2-23	Policy commitments	1.3.4 Integrity and Ethics; 2.3 Risk Management; 3.4.2 Respect human and labour rights; 4.9 Suppliers management, section "EDPR's due diligence process"; 5. Corporate Governance (C. Internal Organisation).
	2-25	Processes to remediate negative impacts	1.3.4 Integrity and Ethics; 3.4 Social Capital; 3.5 Natural Capital; 4.8 Community engagement; 4.9 Suppliers management; 4.10 Environmental management.
	2-27	Compliance with laws and regulations	4.11 Communication and Transparency.
	2-28	Membership associations	4.11 Communication and Transparency.
	2-29	Approach to stakeholder engagement	1.1.5 Stakeholders Focus; 4.1 Materiality Assessment; 4.14 Reporting Principles; Please visit our stakeholders' information on the sustainability section in our website, www.edpr.com.
	2-30	Collective bargaining agreements	4.5 People Management.
MATERIAL TOPICS			
Climate Change			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	2.1 Business Environment; 3.1.1 Operational Performance; 3.5 Natural Capital

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GRI STANDARD		DISCLOSURES	CHAPTER
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	4.2 Climate Change
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	4.2 Climate Change
	302-4	Reduction of energy consumption	4.2 Climate Change
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 Climate Change
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Climate Change
	305-3	Other indirect (Scope 3) GHG emissions	4.2 Climate Change
	305-5	Reduction of GHG emissions	4.2 Climate Change
GRI EU	EU1	Installed capacity, broken down by primary energy source and by regulatory regime	4.2 Climate Change
	EU2	Net energy output broken down by primary energy source and by regulatory regime	4.2 Climate Change
Economic Business Sustainability			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	2.2 Strategy;
			3.1.2 Financial Performance.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	4.3 Economic Business Sustainability
Health & Safety			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.4.1 Guarantee the highest health & safety standards
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	4.4 Health & Safety
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	4.4 Health & Safety
	403-3	Occupational health services	4.4 Health & Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Health & Safety
	403-5	Worker training on occupational health and safety	4.4 Health & Safety
	403-6	Promotion of worker health	4.4 Health & Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Health & Safety

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GRI STANDARD		DISCLOSURES	CHAPTER
	403-9	Work-related injuries	4.4 Health & Safety
	403-10	Work-related ill health	4.4 Health & Safety
GRI EU	EU17	Days worked by contractor and subcontractor employees involved in construction and O&M activities	4.4 Health & Safety
	EU25	Number of injuries and fatalities to the public involving company assets, including legal judgements, settlements and pending legal cases of diseases	4.4 Health & Safety
People Management			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.2 Human Capital
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.5 People Management
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.5 People Management
GRI 402: Labour / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.5 People Management
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.5 People Management
	404-2	Programs for upgrading employee skills and transition assistance programs	4.5 People Management
	404-3	Percentage of employees receiving regular performance and career development reviews	4.5 People Management
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.5 People Management
	405-2	Ratio of basic salary and remuneration of women to men	4.5 People Management
GRI EU	EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	4.5 People Management
Corporate Governance			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	1.3 Organisation
Innovation			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.7 Innovation Capital
Community Engagement			

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GRI STANDARD		DISCLOSURES	CHAPTER
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.4.3 Support communities
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	4.8 Community Engagement
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	4.8 Community Engagement
	203-2	Significant indirect economic impacts	4.8 Community Engagement
GRI 411: Rights of Indigenous People 2016	411-1	Incidents of violations involving rights of indigenous peoples	4.8 Community Engagement
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.8 Community Engagement
	413-2	Operations with significant actual and potential negative impacts on local communities	4.8 Community Engagement
Suppliers Management			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.3 Supply Chain Capital
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	4.9 Suppliers Management
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	4.9 Suppliers Management
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	4.9 Suppliers Management
Environmental Management			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.5 Natural Capital
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.10 Environmental Management
	304-2	Significant impacts of activities, products, and services on biodiversity	4.10 Environmental Management
	304-3	Habitats protected or restored	4.10 Environmental Management
GRI 306: Effluents and Waste 2020	306-1	Waste generation and significant waste-related impacts	4.10 Environmental Management
	306-2	Management of significant waste-related impacts	4.10 Environmental Management
	306-3	Waste generated	4.10 Environmental Management

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GRI STANDARD		DISCLOSURES	CHAPTER
	306-4	Waste diverted from disposal	4.10 Environmental Management
	306-5	Waste directed to disposal	4.10 Environmental Management
Communication & Transparency			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	1.1.5 Stakeholder focus
GRI 201: Economic Performance 2016	201-4	Financial assistance received from government	4.11 Communication and Transparency
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.11 Communication and Transparency
GRI 415: Public Policy 2016	415-1	Political contributions	4.11 Communication and Transparency
GRI 207: Tax 2019	207-1	Approach to tax	4.11 Communication and Transparency
	207-2	Tax governance, control, and risk management	4.11 Communication and Transparency
	207-3	Stakeholder engagement and management of concerns related to tax	4.11 Communication and Transparency
	207-4	Country-by-country reporting	4.3 Economic Business Sustainability, "Profit before income tax";
			4.5 People Management, GRI 2-7;
			4.11 Communication and Transparency;
			2022 Consolidated Annual Accounts - Note 1;
			2022 Consolidated Annual Accounts - Annex I;
			Reporting requirements iv, v, vii, ix and x of GRI 207-4 are omitted as the information is not available with the requested detail by tax jurisdiction. EDPR will work on obtaining the required details in a near future.
Digital Transformation			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	3.6 Digital Capital
Ethics and Compliance			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.1 Materiality Assessment
	3-2	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	3-3	Management of material topics	1.3.4 Integrity and Ethics

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GRI STANDARD		DISCLOSURES	CHAPTER
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	4.13 Ethics and Compliance
	205-2	Communication and training on anti-corruption policies and procedures	4.13 Ethics and Compliance
	205-3	Confirmed incidents of corruption and actions taken	4.13 Ethics and Compliance
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.13 Ethics and Compliance
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.13 Ethics and Compliance
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	4.13 Ethics and Compliance
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	4.13 Ethics and Compliance

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Independent verification report

To the shareholders of EDP Renováveis, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2022 of EDP Renováveis, S.A. (Parent company) and subsidiaries (hereinafter EDPR or the Group) which forms part of the accompanying EDPR's consolidated management report.

The content of the consolidated management report includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in tables: Annex I: "Statement of Non-Financial Information" and Annex II: "GRI content index". included in the accompanying consolidated management report.

Responsibility of the directors of the Parent company

The preparation of the NFIS included in EDPR's consolidated management report and the content thereof, are the responsibility of the directors of EDP Renováveis, S.A. The NFIS has been drawn up in accordance with the provisions of current mercantile legislation and using as a reference the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* ("GRI Standards") and Electric Utilities Industry Supplement as per the details provided for each matter in the tables: Annex I: "Statement of Non-Financial Information" and Annex II: "GRI content index" of the consolidated management report.

This responsibility also includes the design, implementation, and maintenance of the internal control considered necessary to allow the NFIS to be free of material misstatement due to fraud or error.

The directors of EDP Renováveis, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the information required to prepare the NFIS is obtained.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

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The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social, and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive than those carried out in a reasonable assurance engagement and, accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of EDPR that were involved in the preparation of the NFIS, of the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with EDPR personnel to understand the business model, policies, and management approaches applied, principal risks relating to these matters, and to obtain the information required for the external review.
- Analysis of the scope, relevance, and integrity of the content of the NFIS for the year 2022, based on the materiality analysis carried out by EDPR and described in section 4.1. "Materiality assessment", taking into account the content required by current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the NFIS for the year 2022.
- Review of information relating to risks, policies, and management approaches applied in relation to material matters presented in the NFIS for the year 2022.
- Verification, by means of sample testing, of the information relating to the content of the NFIS for the year 2022 and that it was adequately compiled using data provided by the sources of the information.
- Obtaining a management representation letter from the directors and management of the Parent company.

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFIS of EDP Renováveis, S.A. and its subsidiaries, for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and using as a reference the criteria of GRI and Electric Utilities as per the details provided for each matter in the tables: Annex I: "Statement of Non-Financial Information" and Annex II: "GRI content index" of the consolidated management report.

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Emphasis of matter

The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments establishes the obligation to disclose information on the manner and extent to which the company's activities are associated with economic activities aligned in relation to the objectives of climate change mitigation and adaptation to climate change for the first time for the year 2022, in addition to the information referring to eligible activities required in the year 2021. Consequently, comparative alignment information has not been included in the accompanying NFIS. On the other hand, to the extent that the information referring to eligible activities in the year 2021 was not required with the same level of detail as in the year 2022, detailed information regarding eligibility is not strictly comparable either in the accompanying NFIS. Additionally, it should be noted that EDPR's directors have incorporated information on the criteria that, in their opinion, best allow compliance with the aforementioned obligations and that are defined in the "Taxonomy Regulation" section of the "4.3 Economic Business Sustainability" chapter and in Annex II: "Taxonomy Alignment. KPIs and EDPR disclosure under Article 8º of EU Taxonomy" of the accompanying NFIS. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Ernesto Lluch Moreno

28 February 2023

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Our courage

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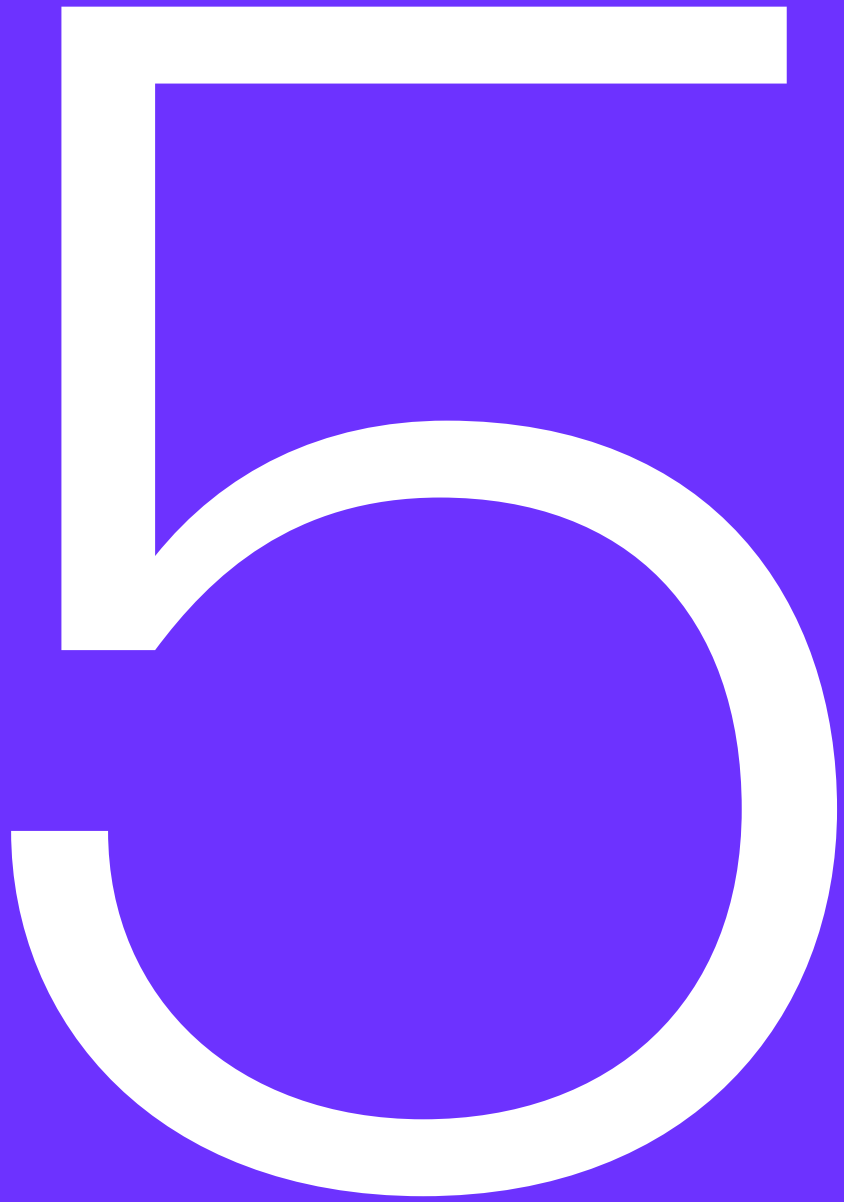
Corporate Governance



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PART I – Information on shareholder structure, organisation and corporate governance

A. Shareholder structure

I. Capital structure

1. Capital structure

EDP Renováveis, S.A. (hereinafter referred to as "EDP Renováveis", "EDPR" or the "Company") total share capital is 4,802,790,810€, since the Share capital increase in April 2021, where 88,250,000 new shares were issued at a subscription price of EUR 17.00 per share for a share premium of EUR 12.00. EDPR total share capital is composed of 960,558,162 shares with a nominal value of EUR 5.00 each, fully paid. All these shares are part of a single class and series and are admitted to trading on the Euronext Lisbon regulated market.

Codes and tickers of EDP Renováveis SA share: ISIN:ES0127797019 LEI:529900MUFAH07Q1TAX06

Bloomberg Ticker (Euronext Lisbon): EDPR PL Reuters RIC:EDPR.LS

EDPR main shareholder is EDP – Energias de Portugal, S.A., through EDP – Energias de Portugal, S.A. Sucursal en España, with 74.98% of share capital and voting rights. Excluding EDP, EDPR shareholders comprise close to 30,000 institutional and private investors spread across more than 35 countries with main focus in the United States and United Kingdom.

Institutional Investors represent about 96% of Company shareholders (ex-EDP Group), mainly investment funds and socially responsible investors ("SRI"), while Private Investors, mostly Portuguese, stand for the remaining 4 %.

For further information about EDPR shareholder structure please see chapter 1.3 of the Annual Report ("Organisation").

2. Restrictions to the transferability of shares

EDPR's Articles of Association have no restrictions on the transferability of shares.

3. Own shares

EDPR does not hold own shares.

4. Change of control

EDPR has not adopted any measures designed to prevent successful takeover bids, nor defensive measures for cases of a change in control in its shareholder structure or agreements subject to the condition of a change in control of the Company, other than in accordance with normal practice, and therefore, has not adopted any mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, or that could be likely to harm the free transferability of shares or shareholder assessment of the performance of the members of the managing body.

Notwithstanding the above, the following are normal market practice related to a potential change of control:

- In the case of financing of certain wind farm projects, lenders have the right to approve change in control at the borrower if the later ceased to be controlled, directly or indirectly by EDPR.
- In the case of guarantees provided by EDP Group companies, if EDP directly or indirectly ceases to have the majority of EDPR then EDP is no longer obliged to provide such services or guarantees. The relevant subsidiaries will be obliged to provide for the cancellation or replacement of all outstanding guarantees within approximately sixty (60) days of the change of control event.

In the cases of intra-group services agreements and according to the Framework Agreement signed between EDP Renováveis S.A. and EDP Energias de Portugal S.A., the contracts will maintain their full force as long as (i) EDP maintains its share capital above 50% or the right to exercise directly or indirectly more than 50% of voting rights on EDPR's share capital, or (ii) even if the share capital of EDP or its voting rights are below 50%, but more than half of the Members of the Board are elected through an EDP proposal.

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5. Special agreements regime

EDPR does not have a special system for the renewal or withdrawal of counter measures for the restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

6. Shareholders' agreements

The Company is not aware of any shareholders' agreement that may result in restrictions on the transfer of securities or voting rights.Shareholdings and bonds held.

II. Shareholdings and bonds held

7. Qualified holdings

Qualifying holdings in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholder's ownerships. The table below includes the information about the qualifying holdings of EDPR and their voting rights as of December 31st, 2022:

SHAREHOLDER	SHARES
EDP – ENERGIAS DE PORTUGAL, S.A. – SUCURSAL EN ESPAÑA	720,191,372
BLACKROCK INC.	32,115,908
Total qualified holdings	752,307,280

EDP detains 74.98% of EDPR capital and voting rights, through EDP – Energias de Portugal, S.A. – Sucursal en España.

As of December 31st, 2022, EDPR's shareholder structure consisted in a total qualified shareholding of 78.32%, corresponding to EDP Group and Blackrock Inc., with 74.98% and 3.34% of the capital, respectively.

8. Shares held by the Members of the Management and Supervisory Boards

As of December 31st 2022, none of the members of the Board of Directors /Delegated Committees of the Company directly or indirectly own EDPR shares.

9. Powers of the Board of Directors

The Board of Directors is vested with the broad-ranging powers of administration, management, and governance of the Company, with no other limitations besides the powers which are expressly assigned to the General Shareholders' Meetings in the Company's Articles of Association (specifically in article 13) or in the applicable law. In this regard, the powers of the Board include, without limitation[1] to:

- Acquire on lucrative or onerous title basis personal and real property, rights, shares and interests that may suit the Company;
- Sell and mortgage or charge personal and real property, rights, shares and interests of the Company and cancel mortgages and other rights in rem;
- Negotiate and enter into loans and credit operations that it may deem appropriate;
- Negotiate and formalize all sort of acts and contracts with public entities or private persons;
- Exercise civil and criminal actions and all further actions to be undertaken by the Company, representing it before governmental officers, authorities, corporations, governing, administrative, administrative-economic, administrative-litigation and judicial courts, labour courts and the labour sections of the Supreme Court and of the High Courts of the Autonomous Communities, with no limitations whatsoever, including before the European Court of Justice, and in general before the Government, in all its levels and hierarchies; to intervene or promote, follow and terminate, through all procedures and instances, the processes, court sections or proceedings; to accept decisions, to file any kind of appeal, including the cassation one and other extraordinary appeals, to discontinue or confess, to agree an early termination of a proceeding, to submit litigious questions to arbitration judges, and to carry out all sorts of notices and requirements and to grant a power of attorney to Court Representatives and other representatives, with the case-related powers and the powers which are usually granted to litigation cases and all the special powers applicable, and to revoke such powers;
- Agree the allotment of interim dividends;
- Call and convene the General Meetings and submit to them the proposals that it deem appropriate;
- Direct the Company and organize its operations and exploitations by acknowledging the course of the Company businesses and operations, managing the investment of funds, making extraordinary amortizations of bonds and realizing anything that it is considered appropriate for the best achievement of the Company's objectives;

[1] This list has a merely indicative nature, as the Board of Directors may perform all further powers expressly granted to the Board in the Articles or in the applicable law.

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- Appoint and dismiss Directors and other Company's technical and administrative personnel, defining their responsibilities and remuneration;
- Agree any changes of the registered office's address within the same municipal area;
- Incorporate legal entities as stipulated under the law; assigning and investing all sorts of assets and rights, as well as entering merger and cooperation agreements, association, grouping and temporary union agreements between companies or business and joint property agreements, and agreeing their alteration, transformation and termination.

Likewise, the General Shareholders' Meeting held in March 26th, 2020, approved the delegation to the Board of Directors of the power to issue in one or more occasions both:

- Fixed income securities or other debt instruments of analogous nature;
- Fixed income securities or other type of securities (warrants included) convertible or exchangeable into EDP Renováveis, S.A. shares, or that recognize at the Board of Directors' discretion the right of subscription or acquisition of shares of EDP Renováveis, S.A. or of other companies, up to a maximum amount of three hundred million Euros (EUR 300,000,000) or its equivalent in other currency.

As part of such delegation, the General Shareholder's Meeting delegated into the Board of Directors the power to increase the share capital up to the necessary amount to execute the related tasks above. Additionally, it was also approved to authorize the Board of Directors for the acquisition of own shares by the Company and/or the affiliate companies up to the maximum limit of 10% of the subscribed share capital. These delegations may be exercised by the Board of Directors within a period of five (5) years since the proposal was approved, and within the limits provided under the law and the By-Laws.

Likewise, on the General Shareholders' Meeting held on March 31st, 2022, it was also approved the delegation to the Board of Directors of the power to carry out increases of share capital with the exclusion of the pre-emptive subscription rights (on one or several occasions) within the maximum term of five years. The total maximum amount of the increase or increases decided upon under this authorization shall be no higher than 50% of the present share capital; or in the event that the increase of capital excludes the pre-emptive subscription right of shareholders, than the 20% of the present share capital. This authorization shall be extended, as broadly as may be required by Law, to the setting and determination of those terms inherent in each of the increases in order to obtain any authorizations required under the legal provisions in force (including, but without being limited to, the determination of the amount and date of implementation, the number of shares to be issued, with or without voting rights, with or without a share premium, consisting of the countervalue of the new shares to be issued in monetary contributions, and being able to determine the terms and conditions of the increase of capital and the characteristics of the shares). Should be noted that, it has been specifically stated with regards to this authorization that the total or partial exclusion of the pre-emptive subscription right shall be performed in terms of the corporate interest and pursuant to the legal requirements, and that the Board of Directors shall issue a report detailing those reasons that justify this in the corporate interest in each specific case, and which shall be made available to the shareholders and communicated at the first General Meeting of Shareholders held after the increase in capital.

Additionally, in compliance with its personal law and Company's internal regulations, some functions of the Board of Directors are non- delegable and, as such, have to be performed at this level, which are the following:

- Election of the Chairperson of the Board of Directors;
- Appointment of Directors by co-option;
- The supervision of the effective functioning of any committees that it may have incorporated and of the performance of any delegated bodies or managers it may have designated;
- The determination of the company's general policies and strategies;
- The authorization or waiver of the obligations arising from the Directors duty of loyalty;
- Its own organization and functioning;
- The formulation of the annual accounts and its submission to the General Shareholders' Meeting;
- The preparation of any type of report required from the board by law, when the underlying transaction to which the report refers cannot be delegated;
- The appointment and removal of the delegated directors ("*Joint Directors*") of the company, as well as the determination of their contract conditions;
- The appointment or removal of the members of the Management Team, as well as the determination of their basic contract conditions, including remuneration;
- Decisions relating to directors' remuneration, within the statutory framework and, if such is the case, within the remuneration policy approved by the General Shareholders' Meeting;
- Calling the General Shareholders' Meeting and preparing the agenda and proposed resolutions;
- The policy relating to own shares;
- Any powers that the General Shareholders' Meeting has vested to the board of directors, unless the board has explicitly authorized that they may be sub- delegated;
- The approval of the strategic or business plan, annual management objectives and budget, investment and financing policies, social sustainability policy and the dividends policy;

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- The determination of the risk control and management policy, including those related to tax matters, and the supervision of the internal information and control systems;
- The determination of the company's corporate governance policy as well as the one applicable to the group of which the company is the parent entity; its organization and functioning and, in particular, the approval and amendment of its own regulations;
- The approval of the financial information that the company must disclose periodically;
- The definition of the structure of the group of companies of which the company is the parent entity;
- The approval of all type of investments and transactions that due to their high amount or special nature are considered as strategic or that may imply a financial risk, unless their approval falls under the General Shareholders' Meeting. For the purposes of this paragraph, the following transactions shall be considered as included:
  i. The purchase and sale of assets, rights or shareholdings by EDPR, included in the business plan approved by the Board of Directors ("the Business Plan"), whenever their [A] (i) book value, or (ii) market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value, is over one hundred and fifty million Euros (150,000,000€)[2] (at present value), or [B] initial investment value consumes the total amount foreseen Business Plan for these type of transactions, whenever their (i) book value, or (ii) its market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value, is over seventy-five million Euros (75,000,000€) (at present value);
  ii. Agreements regarding (i) bank loans and (ii) credit facilities in an amount above two hundred and fifty million Euros (250.000.000€), provided that, as a result of such agreements, EDPR's overall indebtedness exceeds the amount set forth in the approved annual budget;
  iii. Total or partial opening or closure of establishments, as well as extensions or reductions of its activity, provided that, according to a reasonable estimate of the executive directors, they result in a change in the turnover or in the assets of the Company of over seventy-five million Euros (75,000,000€);
  iv. Other operations and relevant transactions, and in particular, those excluded from the scope of the Business Plan whenever their (i) book value or (ii) market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value is above seventy-five million Euros (75,000,000€)[3] (at present value);
  v. vi. Any operations not directly related to the energy sector which amount is above twenty million Euros (20,000,000€);
  vi. Setting up or terminating strategic partnerships or any other forms of enduring cooperation, in an amount above twenty million Euros (20,000,000€).[4]
- The approval of the creation or acquisition of shares in special purpose entities or registered in countries or territories considered tax havens, as well as any other transaction or operation of a similar nature that, due to its complexity, may undermine the transparency of the company and its group;
- The approval of Related Party Transactions, unless:
  i. its approval corresponds to the Shareholders' Meeting; or
  ii. transactions (i) between companies of the same group and that are performed in the ordinary management of the company and under market conditions, or (ii) closed under standardized conditions and wholesale applied to a high number of clients, and at prices or tariffs generally established by the supplier of the good or service, the amount of which does not exceed the 0.5% of the net annual company turnover ; which will be approved by the Audit, Control and Related Party Transactions Committee.
- The determination of the company's tax strategy;
- The supervision of the elaboration and submission process of the financial information and the management report, that will include, as the case may be, the required non-financial information; and the submission of the recommendations or proposals presented to the Board aimed to protect its integrity.

Should be noted that in case of duly justified urgency situations, or when considered convenient in an interim period between meetings of the Board of Directors, the decisions related to the reserved matters referred above may be adopted by the delegated bodies or individuals, and will be ratified at the first Board meeting to be held after the adoption of the decision.

Notwithstanding the above, considering that during 2022 it was identified that many transactions defined as reserved under the regulations of the Board were being approved through the exception process - adopted by the delegated bodies or individuals (as the Executive Directors), and then being ratified at the first Board meeting held after the adoption of the decision - and bearing in mind the estimates for next years regarding a high volume and ambitious timings for these type of the transactions, it was considered advisable to establish a mechanism that boosts the implication of the Board of Directors in the decision making

[2] For the purposes of this provision, the amounts of the respective financial guarantees shall be considered in aggregate.
[3] For the purposes of this provision, the amounts of the respective financial guarantees shall be considered in aggregate.
[5] For the purposes of this provision, partnerships or other forms of cooperation which do not have a strategic and lasting character, namely regarding cases where such partnerships are limited to specific transactions in predominantly commercial and operational matters, or which relate to the Company's core activities.

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process, and that also ensures the necessary agility can be guaranteed. In this context, and for these purposes, on October 25th, 2022, it was resolved to incorporate a fast-track procedure by the Board of Directors of EDPR for certain matters that require urgent approval, that is extensively ruled under the regulations of the Board of Directors, and that will operate as follows:

1. A justified request will be addressed by the CEO to the Chairman of the Board of Directors, framing the matter in question by providing a term-sheet template duly fulfilled;
2. The Chairman of the Board of Directors will submit the request and the information provided to the members of the Board of Directors, who shall have three business days counted from the receipt of the communication to issue their opinion on the matter;
3. Once this 3-business day-period has elapsed, the Directors that have not replied, will be deemed to have issued a favorable opinion;
4. The resolution adopted will be communicated to the CEO, and it will be recorded together with the supporting documents (including the related term-sheet), in the following Board of Directors meeting.

As per the governance model adopted, EDPR has to comply with the regulation established under the Spanish Companies Act, which among others, as mentioned above, stablishes that the approvals of the strategic lines and policies of the company are a reserved matters of the Board of Directors that cannot be delegated, and that shall be necessarily approved at this level. Therefore, in compliance with recommendation III.6 and its personal Law (Spanish one), in case of proposal of a new Business Plan, in EDPR such will be first assessed by the Audit, Control and Related Party Transactions Committee (as per its Governance Model does not have a Supervisory Body), and being the final proposal approved at the Board of Directors level.

10. Significant business relationships between the holders of qualifying holdings and the Company

Information on any significant business relationships between the holders of qualifying holdings and the Company is described on topic 90 of this Chapter 5 of the Annual Report.

B. Corporate Boards and Committees

I. General Shareholders' Meeting

On March 31st, 2022 the General Shareholders' Meeting resolved to approve the Regulations of the General Shareholders' Meeting of EDP Renováveis, S.A., which establishes the principles of its organization and operation, and, that contain the rules governing the convening, preparation, information, attendance and development of the General Shareholders' Meeting, as well as the exercise of the corresponding rights of the shareholders when it is convened and held, all in accordance with the applicable regulations in force. These regulations are available at the website of the Company www.edpr.com. Any amendment to these Regulations shall require the resolution to be adopted by the General Shareholders' Meeting but not with qualified quorum.

a) Composition of the Board of the General Meeting

11. Board of the General Shareholders' Meeting

Since 2021, EDPR adopted the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders' Meeting to be chaired by the Chairperson of the Board of Directors, and in the absence thereof, to the Vice-Chairperson (in the absence of both of them, it will be assigned to the oldest director).

As such, the Chairperson of the Board of Directors – or whoever acting as substitute – together with the remaining members of the Board, shall constitute the Board of the General Shareholders' Meeting; and its Secretary will be the Secretary of the Board of Directors. Therefore, as of December 31th, 2022 the role of Chairperson of the Shareholders' Meeting corresponds to António Gomes Mota, – who was appointed as member of the Board for a three-year (3) term by the General Shareholders' Meeting held in April 12th, 2021, and for the position of Chairperson of the Board of Directors on its meeting subsequently held on the same date—and the role of the Secretary of the General Shareholders' Meeting corresponds to the Secretary of the Board of Directors, María González Rodriguez, who was appointed for that position on November 2nd, 2021.

Should be also highlighted that accordance with article 180 of the Spanish Companies' Law, all the Board of Directors' Members are obliged to attend the General Meetings.

The Chairperson of the General Shareholders' Meeting of EDPR has at his disposal, the necessary human and logistical resources required for the performance of his duties. Therefore, in addition to the resources provided by the Company's General Secretary, in 2022 the Company hired a specialized entity to give support to the meeting and to collect, process and count the votes submitted by the shareholders on the Ordinary Shareholders' meeting held on March 31st,2022.

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b) Exercising the right to vote

12. Voting rights restrictions

Each EDPR share entitles its holder to one vote. Neither EDPR's Articles of Association, nor General Shareholders' Meeting Regulations establish any restriction regarding voting rights.

13. Voting rights

Neither EDPR's Articles of Association, nor General Shareholders' Meeting Regulations have any reference to a maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship. All shareholders, regardless the number of shares owned, may attend to the General Shareholders' Meeting and request the information or explanations that they consider relevant regarding the matters included in the Agenda of the convened meeting, and are entitled as shareholders of the Company, to take part in its deliberations and to participate in its voting process.

On 2022, the Board of Directors approved a Shareholder's Guide for the General Shareholders' Meeting held in March 31st, detailing among other matters, the procedure and requirements for the submission through mail and electronic communication of voting forms. This Guide was made available at the Company's website (www.edpr.com). As informed in the related Notice, in order to exercise their right to attend, the shareholders must have the ownership of their shares duly registered in the Book Entry Account at least five (5) days prior to the date of the General Shareholders' Meeting. At this meeting the Regulations of the General Shareholders' Meeting were approved, and will thereinafter be the document that will rule all these procedures.

Any shareholder may be represented at the General Shareholders' Meeting by a third party by means of a revocable Power of Attorney (even if such representative is not a shareholder). The Board of Directors may require shareholders' Power of Attorney to be in the Company's possession at least two (2) days in advance, indicating the name of the representative.

These Powers of Attorney shall be granted specifically for each General Shareholders' Meeting and can be evidenced in writing or by remote means of communication such as email or post.

According to the applicable law and the Company's Articles of Association, the notice of EDPR's General Shareholders' Meetings is published in the Official Gazette of the Commercial Registry and on the Company's website at least thirty (30) days prior to the meeting date. Likewise, the Notice of the General Shareholders' Meeting is published at the website of *Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A* ("Interbolsa") and on the website of the *Comissão do Mercado de Valores Mobiliários* ("CMVM") – at www.cmvm.pt - and of the *Comisión Nacional del Mercado de Valores* ("CNMV") – at www.cnmv.es. Simultaneously with the publication of the meeting Notice, the supporting documentation in relation to the General Shareholders' Meeting is published on the CMVM website. Likewise, as soon as the notice of the meeting was formally published, the following information and documentation related to the General Shareholders' Meeting was made available at the Company's website (www.edpr.com):

- The notice of the General Shareholders' Meeting;
- The total number of shares and voting rights at the date of the Meeting notice;
- The template of the letter of representation and the template of the ballot to be sent by mail, and also, the links to the electronic platform that the Company provides for the voting on the topics included in the Agenda;
- The full texts of the proposed resolutions (included when received if such were the case, those proposed by shareholders) and related supporting documentation, that will be submitted to the General Shareholders' Meeting for approval;
- The Shareholders' Guide;
- The consolidated texts in force (Articles of Association and the other applicable regulations).

In 2022, the Company included the English and Portuguese versions of the information and documents related to the Shareholders´ Meetings on its website (www.edpr.com) with the notice of the meetings being the Spanish version of the documents the one that prevailed.

Shareholders may vote on the topics included on the Shareholders' Meeting Agenda, in person (including by means of the corresponding representative) at the meeting, by ordinary mail, or by electronic communication (in this latest case, through a telematic vote platform made available at the Company's website or sending the related filled and signed templates by email), and in any case providing the documentation indicated in the General Shareholders' Meeting Regulations.

Pursuant to the terms of article 15 of the Articles of Association and Article 24.7 of the General Shareholders' Meeting Regulations, both electronic and mail-in votes must be received by the Company before midnight (24.00 hours) of the day before the scheduled meeting date of

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first call. Remote votes can be revoked subsequently by the same means used to cast them, always within the deadlines established for that purpose, or by personal attendance to the General Shareholders' Meeting of the shareholder who casted the vote to his/her representative.

14. Decisions that can only be adopted by a qualified quorum

According to EDPR's Articles of Association and the General Shareholders' Meeting Regulations, and as established in the law, both ordinary and extraordinary General Shareholders' Meetings are validly constituted when first called if the shareholders, either present or represented, jointly reach at least twenty-five percent (25%) of the subscribed voting capital. On second call, the General Shareholders' Meeting will be validly constituted regardless of the amount of the capital present or represented.

Notwithstanding the above percentages, to validly approve the issuance of bonds, the increase or reduction of capital, the transformation, global assignment of assets and liabilities, merger or spin-off of the Company, the transfer of the Registered Office abroad, the elimination or limitation of pre-emptive rights of new shares and in general, any necessary amendment to the Articles of Association, in the Ordinary or Extraordinary Shareholders' Meeting, it is required that on first call, the Shareholders, either present or represented, reach at least fifty percent (50%) of the subscribed voting capital and, on second call, at least twenty-five percent (25%) of the subscribed voting capital.

In relation to the quorum required to validly approve these matters, in accordance with the Law, the Articles of Association and the General Shareholders' Meeting Regulations, when the shareholders attending represent more than fifty percent (50%) of the subscribed voting capital, the above mentioned resolutions will be validly adopted by absolute majority, and in the case the shareholders attending represent between the twenty-five percent (25%) and the fifty percent (50%) – but without reaching it - the favorable vote of the two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting will be required to approve these resolutions.

EDPR has not established any mechanism that may intend to cause mismatching between the rights to receive dividends or the subscription of new securities and the voting right of each common share, and has not adopted mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided by the law.

II. Management and supervision

a) Composition

15. Corporate Governance model

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. The corporate organization of EDPR is subject to its personal law and to the extent possible, to the recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance ("IPCG"), resulted as of the Protocol signed on October 13th, 2017 between the Comissão do Mercado de Valores Mobiliários ("CMVM" – Portuguese Securities Market Commission) and the IPCG, which was last reviewed in July 2020. This governance code is available at the IPCG website (https://cam.cgov.pt/). As such, the Company intends to comply with both legal systems but always taking into account that its personal law is the Spanish one, and that in case of discrepancy, the aim is to adopt the law that entails more protectionism for its shareholders.

The governance structure of EDPR is the one applicable under its personal law, that comprises a General Shareholders' Meeting and a Board of Directors that represents and manages the Company. Additionally, parallelly seeks to correspond it to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit, Control and Related Party Transactions Committee. The organization and functioning of EDPR corporate governance model aims to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices.

In line with the governance model above referred, and as detailed along topics 15 - 29 of this Chapter 5 of the Annual Report and contemplated in the law and Articles of Association of the Company, as of December 31st, 2022, EDPR does not have a Supervisory Board, but its Board of Directors has set up three Delegated Committees entirely composed by Members of the Board of Directors: the Audit, Control and Related-Party Transactions Committee, the Appointments and Remunerations Committee and the Environmental, Social and Corporate Governance Committee. This structure and its functioning, enables a fluent workflow between all levels of the governance model, as: i) each of the Delegated Committees shall report the decisions taken to the Board of Directors (drafting the minutes of each of the meetings and also providing whatever further clarification is required by the Board), and ii) as the committees Members are also members of the Board, all of them will also receive the complete information at Board of Directors level (as convening of the meetings, supporting documents

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and related minutes) in order to take the corresponding decisions; and all in all, thus ensuring in time and manner the access to all the information to the whole Board of Directors in order to appraise the performance, current situation and perspectives for the further development of the Company.

The General Secretary constitutes the focal point in charge of the centralization of the reception and management of all the information and documents to be provided to the different Governing Bodies. This information is prepared by the different departments of EDPR, with the support when necessary of external experts, and always managed in a strictly confidential basis. Additionally, the corresponding duties and functioning procedures for the Governing Bodies (including but without limitation, the performance of their functions, their Chairmanship, periodicity of meetings, their functioning and the duties of their members) have been defined at the Articles of Association, the General Shareholders' Meeting Regulations, and Board of Directors and Delegated Committees Regulations (which are published at the website of the Company www.edpr.com), with the aim of ensuring the adequacy in terms of time and manner of the elaboration, management and access to the information in order to procced at each level with the corresponding acknowledgements and decisions. In line with the above, the General Secretary sends the notices and supporting documents of the topics to be discussed in each meeting of the Board and of each of its committees to their proper discussion during the meeting. Besides the above, Secretary to the Board of Directors also provides necessary legal advice to the Governing Bodies. Finally, the minutes of all meetings of the Board of Directors and Delegated Committees are drawn and also circulated by the General Secretary.

The governance model of EDPR was designed to ensure the transparent and meticulous separation of duties, management and the specialization of supervision, through the following governing bodies:

- General Shareholders' Meeting
- Board of Directors
- Audit, Control and Related Party Transactions Committee
- Appointments and Remunerations Committee
- Environmental, Social and Corporate Governance Committee

The experience gained operating the Company through this structure indicates that the governance model approved by EDPR shareholders, and adopted in EDPR, is the most appropriate in line with the corporate organization of its activity, especially because it affords transparency and a healthy balance between the management and the supervisory functions.

The links of the Company Website that refers to the information of the Governing Bodies and its regulations are indicated in topics 59-65 of this Chapter 5 of the Annual Report.

16. Rules for the nomination and replacement of directors

According to Article 29.5 of the Company's Articles of Association, the Appointments and Remunerations Committee is empowered by the Board of Directors to propose, advise and inform the Board regarding the appointments (including by co- option), re-elections, removals and remuneration of the Board Members, as well as the composition of the committees of the Board. This committee also advises on the appointment, remuneration and dismissal of top management officers.

As also referred in the Company Articles of Association (Article 21) the term of office of the Board Members shall be of three (3) years and may be re-elected once or more times for equal periods. The appointment proposals shall be approved by majority.

Following the best Corporate Governance practices, in 2022 there were analysed and reviewed the possible criteria applicable in the selection of the new members of its Governing Bodies. For these purposes there were taken into account the market trends and the specific needs of EDPR, in order to ensure the suitability of the roles , the contribution of the new profiles to a better performance, and the aim of ensuring a balanced composition in the bodies of the Company. As a conclusion of this reflection, the Appointments and Remunerations Committee agreed to consider as a reference certain standards and requirements in accordance with the following:

- Individual attributes: education, competence, integrity, availability and experience.
- Diversity: to be considered as a wide criteria, analyzed in accordance with the nature and complexity of the businesses developed, as well as according to the social and environmental context from time to time, and that will include, among others, gender, age and culture.

It was expressly stated that this list should not be considered as an exhaustive nor limiting reference, and that in any case, depending on the needs and competences required, other criteria may be taken into account.

Based on the above criteria, after the previous advice of the Appointments and Remunerations Committee, the Board of Directors submits the related proposals to the General Shareholders' Meeting (including for sake of clarity, the curriculum vitae of the candidates, and the justifying report, which shall be publicly disclosed with the other supporting documents of the meeting in the terms referred in topic 13 above). For more information about the composition of the Board of Directors please check the Sustainability Chapter of the Annual Report at its topic GRI 405-1, and the Annex I of this Chapter 5 of the Annual Report, which includes the curricular details of its Members.

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Additionally, in case of a vacancy, pursuant to the Articles of Association and the Spanish Companies Law, the Board of Directors may co-opt a new Board Member, who will occupy the position until the next General Shareholders' Meeting, to which a proposal will be submitted for the ratification of such appointment by co-option. Pursuant to the Spanish Companies Law, the co-option of Directors must be approved by absolute majority of the Directors at the Board meeting.

Finally, pursuant to Article 23 of the Articles of Association and article 243 of the Spanish Companies Act, shareholders may group their shares until constituting an amount of capital equal or higher than the result of dividing the company's capital by the number of Members of the Board, to be entitled to appoint a number of Directors equal to the result of the fraction using only whole amounts. Those shareholders making use of this power, cannot intervene in the nomination of the other members of the Board of Directors.

17. Composition of the Board of Directors

Pursuant to Article 20 of the Company's Articles of Association, the Board of Directors shall consist of no less than five (5) and no more than seventeen (17) Directors. Taking into account the size of EDPR and the complexity of the risks intrinsic to its activity, following the proposal of the Appointments and Remunerations Committee, the Board of Directors EDPR submitted to the Extraordinary Shareholders Meeting held on February 22nd, 2021 the proposal to adjust the number of Directors of the Company to a total of twelve (12) members. As also referred in the Company Articles of Association (Article 21) the term of office of the Board Members shall be of three (3) years and may be re-elected once or more times for equal periods.

On January 17th, 2022, the Board acknowledged the resignation of Joan Avalyn Dempsey to her position as Director (with effects January 13th, 2022), and on its meeting held on February 9th 2022, the Appointments and Remunerations Committee analyzed the criteria drivers for the recruitment process to be launched to cover this position, concluding that the most adequate profile to be considered would be an American person of the less represented gender to be appointed as a non-executive an independent Director, which would be a profile difficult to find before the next Shareholders' Meeting. In this context, the General Shareholders' Meeting held on March 31st resolved the continuation of the existing vacancy on the Board of Directors, leaving the position unfilled, and expressly setting forth that the Board of Directors may fill it by co-option after that General Meeting had been held. It was on May 3th, 2022, when the Board of Directors, following the proposal presented by the Appointments and Remunerations Committee, appointed by co-option Kay Mc Call for this position (with effects June 1st, 2022). Therefore, as of December 31st, 2022, the Board of Directors was composed by the following Directors:

MEMBER	POSITION	FIRST APPOINTMENT	RE-ELECTION	END OF TERM
António Gomes Mota	Independent Chairperson	12/04/2021	-	12/04/2024
Miguel Stilwell d'Andrade	CEO & Executive Vice-Chairperson	19/02/2021	12/04/2021	12/04/2024
Rui Teixeira	CFO and Executive Director	29/10/2019	12/04/2021	12/04/2024
Vera Pinto	Director	26/02/2019	12/04/2021	12/04/2024
Ana Paula Marques	Director	19/02/2021	12/04/2021	12/04/2024
Miguel Setas	Director	12/04/2021	-	12/04/2024
Manuel Menéndez	Director	04/06/2008	12/04/2021	12/04/2024
Acácio Piloto	Director	26/02/2013	12/04/2021	12/04/2024
Allan J. Katz	Director	09/04/2015	12/04/2021	12/04/2024
Rosa García García	Director	12/04/2021	-	12/04/2024
José Manuel Félix Morgado	Director	12/04/2021	-	12/04/2024
Kay Mc Call	Director	1/06/2022	-	*Until the next General Shareholders' Meeting*
*Joan Avalyn Dempsey**	*Director*	*19/02/2021*		-

*Joan Avalyn Dempsey presented the resignation to her positions as Board Members with effects January 13th, 2022.

Likewise, since November 2nd, 2021, the Secretary non-member of the Board of Directors is María González Rodríguez and the Vice-Secretary of the Board of non-member is Borja Pérez Dapena.

18. Executive, Non-Executive and Independent Members of the Board

The independence of the Directors is evaluated according to the Company's personal law, and annually confirmed by each of the corresponding Directors through the signature of an independence declaration. Likewise, EDPR Board of Directors Regulations, and Article 20.2 of its Articles of Association, defines independent Directors as those who are able to perform their duties without being limited by relations with the Company, its significant Shareholders, or its management officers and comply with the other legal requirements. Corporate Governance recommendations of the IPCG Code state that the number of non-executive directors should be higher than the number of executive directors, and that at least one third

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over the total members shall be non-executive members that also comply with the independence criteria. In this sense, and provided that the independence criteria applicable to EDPR Directors are the ones established under its personal law, from a total of twelve (12) positions that composed of EDPR's Board of Directors as of December 31st, 2022, ten (10) were non-executive, being six (6) of them also independent. In accordance with the law and Articles of Association, it has been established that Non- Executive Directors can only be represented in the Board meetings by other Non- Executive Director.

As such, it has been concluded that the composition of the Board and its Delegated Committees is suitable for the size of the company and the complexity of the risks intrinsic to its activity mainly considering that enables a separation of duties, management and specialization of supervision at the same time that the non-executive and independent directors take part in all the decisions also at the Board of Directors level. Should be noted to this extent that the Board of Directors is composed by a majority of non-executive members, with a high percentage of independents; and that the Audit, Control and Related Party Transactions Committee, the Appointments and Remunerations Committee and the Environmental, Social and Corporate Governance Committee are entirely composed by non-executive and independent members. Likewise, the executive line of the Board is centralized in two directors, who are supported in the daily activity of the Company by the Members of a Management Team.

Spanish law, Regulations of the Board of Directors and Company Articles of Association regulate the criteria for the incompatibilities with the position of Director. Specifically, Article 23 of the Articles of Association, establish that the following can not be Directors:

- Those who are directors of or are associated with any competitor of EDPR, or have family relations with them. In this respect a Company shall be considered as a competitor of EDPR, whenever it is engaged, if it is directly or indirectly involved in the production, storage, transport, distribution, marketing or supply of electricity or fuel gas; or also if has interests opposed to those of EDPR, or to the ones of any competitor or any of the companies in its group, and the Board members, employees, lawyers, consultants, or representatives of any of them. Under no circumstances shall companies belonging to the same group as EDPR, including abroad, be considered competitors;
- Those who are in any other situation of incompatibility or prohibition under the law or EDPR's Articles of Association. Under Spanish law, among others, are not allowed to be Directors those who are underage – under eighteen (18) years - and were not emancipated, disqualified, competitors, convicted of certain offences, or that hold certain management positions.

The prevention and avoidance of the conflict of interest in the performance of the duties of the Directors of EDPR is regulated in line with the terms contained in article 229 of the Spanish Companies Law and implemented in article 28.3 of the Board of Directors Regulations, which is also applicable to the committees under article 12 of their respective regulations. This article states that in case any direct or indirect conflict of interest arose, it shall be communicated to the Board of Directors, being the Director involved obliged to abstain from intervening in the corresponding operation. Additionally, all the Board Members (and hence those of its Delegated Committees, as they are entirely composed by Members of the Board) shall annually sign an statement declaring their compliance with the terms of the requirements stated under article 229 of the Spanish Companies Law, and their commitment to notify any variation in the information declared under the statement as soon as it may occur, in order to fully comply with the loyalty duty and avoid any interference or irregularity in any decision-making process.

The following table includes the executive, non-executive and independent members of the Board of Directors as of December 31st, 2022:

BOARD MEMBER	POSITION
António Gomes Mota	Chairperson (non-Executive & independent)
Miguel Stilwell d'Andrade	CEO and Executive Vice-Chairperson
Rui Teixeira	CFO and Executive Director
Vera Pinto	Non-Executive Director
Ana Paula Marques	Non-Executive Director
Miguel Setas	Non-Executive Director
Manuel Menéndez	Non-Executive Director
Acácio Piloto	Non-Executive and independent Director
Allan J. Katz	Non-Executive and independent Director
Rosa García García	Non-Executive and independent Director
José Morgado	Non-Executive and independent Director
Kay Mc Call	Non-Executive and independent Director

19. Professional qualifications and biographies of the Members of the Board of Directors

The skills and main positions held by the members of the Board of Directors, as well as those that they currently hold in Group and non-Group companies and other relevant curricular information details are available in the Annex I of this Chapter 5 of the Annual Report.

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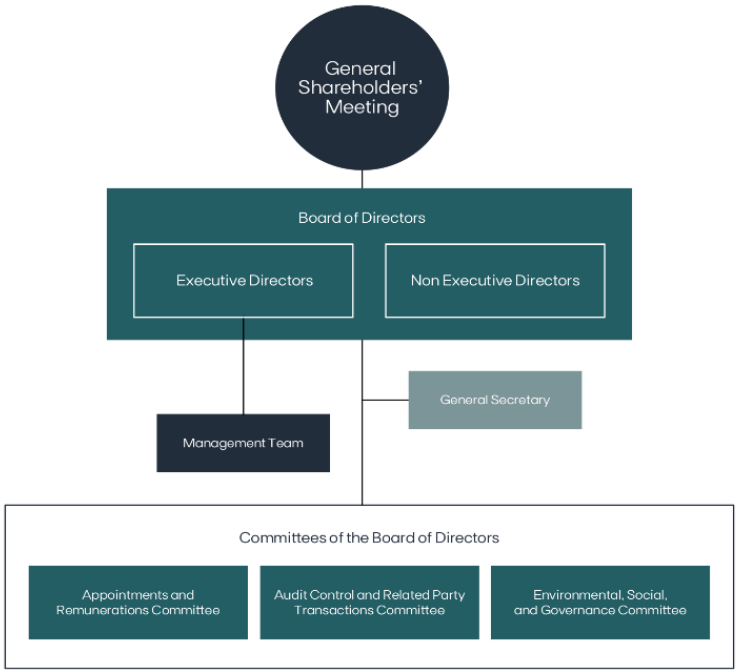
20. Family, professional and business relationships of the Members of the Board of Directorswith qualifying shareholders

Qualifying Shareholders in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholders' holdings. As of December 31st, 2022, and as far as the Company was informed, there are no family or business relationships of Members of the Board of Directors with qualifying shareholders but only professional relationships due to the fact that some of the Members of EDPR's Board of Directors are currently Members of the Board of Directors in other companies belonging to the same group as EDP Renováveis S.A., which are the following: Miguel Stilwell d' Andrade; Rui Teixeira; Vera Pinto; Ana Paula Marques; Miguel Setas and Manuel Menéndez.

21. Corporate bodies and management structure

As exposed in topic 15 above, the governance model of EDPR was designed to ensure the transparent and meticulous separation of duties and the specialization of supervision through the following governing bodies and management structure:



General Shareholders' Meeting: which is the body in which the shareholders participate. Represents the Company with the full authority corresponding to its legal personality and has the power to deliberate, vote and adopt decisions, particularly on matters that the law and Articles of Association reserve for its decision and that must be submitted for its approval.

Board of Directors: that represents and administrates the Company under the broadest powers of management, supervision and governance with no limitations other than the responsibilities expressly and exclusively granted to the jurisdiction of the General Shareholders' Meeting in the Company's Articles of Association, in the General Shareholders' Regulations or in the applicable law.

Executive Directors: EDPR has two Executive Directors who are also Joint Directors, Miguel Stilwell de Andrade (CEO) and Rui Teixeira (CFO), to whom the Board agreed to delegate all the competences that can be delegated as per established under the Company Bylaws and the applicable law.

Delegated Committees: as regulated by the applicable Law and pursuant to the best corporate governance recommendations, EDPR has set up three additional specialized internal committees:

- The Audit, Control and Related Party Transactions Committee, whose main duties are the supervision of the financial information and internal control, risk management and Compliance systems. It also assumes the functions related to the analysis and, when applicable, the approval of the Related Party Transactions of the Company.

- The Appointments and Remunerations Committee, whose main duties are the assistance and report to the Board of Directors in the appointments, re-elections, dismissals, evaluation, and remunerations of Directors and Management Team members.

- The Environmental, Social and Corporate Governance Committee, whose main duties are the assistance and report to the Board of Directors in the alignment with the market trends and the company needs regarding Environmental, Social and Corporate Governance matters, with the aim of also providing the investors with more transparent and exhaustive information regarding matters related to Corporate Governance and Sustain ability.

Management Team: On January 2021 the Board of Directors agreed to create this body in order to assume the conduction and supervision of the daily activity and performance of the Company.

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Considering the growing tendence of EDPR and its presence in new geographies, it has been concluded that in order to ensure the required support to the needs to be covered both in business and technical terms, the appropriate composition of the Management Team will be the CEO and CFO, the representatives of EDPR's Platforms (Europe, LaTam, APac and North America), and a member in charge of the coordination of the technical functions and Offshore business.

Therefore, as of 31st, 2022 the composition of the Management Team of EDPR was as follows:

- Miguel Stilwell d'Andrade (CEO)
- Rui Teixeira (CFO)
- Duarte Bello (COO Europe&LaTam)
- Pedro Vasconcelos (COO APac)
- Sandhya Ganapathy (COO NA)
- Bautista Rodríguez (CTO & Business Offshore)

b) Functioning

22. Board of Directors regulations

EDPR's Board of Directors Regulations were last amended on December 12th, 2022 and are available at Company's website (www.edpr.com), and at Company's headquarters at Plaza de la Gesta, 2, Oviedo, Spain.

23. Number of meetings held by the Board of Directors and attendance report

According to the Law and its Articles of Association, EDPR's Board of Directors meetings take place at least once every quarter. During the year ended on December 31st, 2022, the Board of Directors held six (6) meetings. The notices and supporting documents of the topics to be discussed in each meeting are sent to the Board members in advance to their proper discussion during the meeting. Additionally, the minutes of all meetings are drawn and also circulated.

The following table expresses the attendance percentage of the participation of the Directors to the meetings held during 2022:

BOARD MEMBER	POSITION	ATTENDANCE*
António Gomes Mota	Chairperson (non-Executive and independent)	100%
Miguel Stilwell d'Andrade	CEO and Executive Vice-Chairperson	100%
Rui Teixeira	CFO and Executive Director	100%
Vera Pinto	Non-Executive Director	100%
Ana Paula Marques	Non-Executive Director	100%**
Miguel Setas	Non-Executive Director	100%**
Manuel Menéndez	Non-Executive Director	100%**
Acácio Piloto	Non-Executive Director and independent Director	100%
Allan J. Katz	Non-Executive Director and independent Director	83,33%
Rosa García García	Non-Executive Director and independent Director	100%
José Félix Morgado	Non-Executive Director and independent Director	100%
Kay Mc Call	Non-Executive Director and independent Director	100%

*The percentage reflects the meetings attended by the Members of the Board during 2022, provided that Kay Mc Call was appointed by co-option on May 3rd, 2022 (with effects June 1st, 2022), thus the percentage shown in the table reflects the attendance calculated over the meetings celebrated since such date.
**Ana Paula Marques, Miguel Setas and Manuel Menendez were not able to attend to the Board of Directors meeting held on February 19th ,2022 but in line with the Company bylaws and the applicable law, they delegated their representation and votes into other non-executive member of the Board (António Gomes Mota).

Likewise, on February 7th, 2022 it was held a meeting of non- executive Directors in order to analyze and assess the organization, composition and functioning of the Board of Directors and its Committees.

24. Competent body for the performance appraisal of Executive Directors

The key performance indicators for the appraisal of the Executive Directors are set in advance and approved by the General Shareholder's Meeting.

Once the corresponding fiscal year is completed, the Appointments and Remunerations Committee performs the first assessment about the compliance with such key performance indicators, and submits its recommendation to the Board of Directors, which evaluates the proposal of this committee and makes the final decision. Should be noted that according to the personal law of EDPR, the definitive assessment of this performance is a non-delegable competence of the Board of Directors.

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25. Performance evaluation criteria applicable to Executive Directors

The criteria for assessing the Executive Directors' performance are described on topics 70, 71 and 72 of this Chapter 5 of the Annual Report.

26. Availability of the Members of the Board of Directors

The availability of the members of the Board of Directors is one of the individual attributes considered by EDPR in the selection processes, and a reference that is clearly being more observed and acquiring material relevance in the Market. As such, and with the aim of complying with the best governance practices, the Board of Directors resolved at its meeting held on October 25th, 2022 to rule under its Regulations the performance of EDPR Executive Directors when they have executive functions in entities outside the Group; in accordance to which it has been stablished hat: i) the Executive members of the Board of Directors may not exercise executive functions in more than two companies outside EDP Group.; and ii) the exercise of that functions will be subject to prior assessment of the Appointments and Remunerations Committee and of the approval by the Board of Directors.

The members of Board of Directors of EDPR are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with other positions.

The positions held at the same time in other companies within and outside the Group, and other relevant activities undertaken by members of the Board of Directors throughout the financial year are listed in the Annex I of this Chapter 5 of the Annual Report.

c) Committees within the Board of Directors or Supervisory Board and Board Delegates

27. Board of Directors' Committees

As previously exposed, in line with Spanish Law and as specifically foreseen in Article 10 of the Company's Articles of Association, the Board of Directors is entitled to create delegated bodies. The Board of Directors of EDPR has set up three committees:

- Audit, Control and Related-Party Transactions Committee
- Appointments and Remunerations Committee
- Environmental, Social and Corporate Governance Committee

The three Committees are composed exclusively by non-executive and independent members.

28. Details of the Executive Delegates of the Board

On January 19th, 2021, the Board of Directors agreed to appoint Miguel Stillwel d'Andrade and Rui Teixeira as Joint Executive Directors, delegating in them all the competences that can be delegated as per established under the Company Bylaws and the applicable law. On April 12th, 2022 the Board agreed to re-elect both of them as Joint Executive Directors, as well as to again delegate in them all the competences that can be delegated as per established under the Company Bylaws and the applicable law. The reserved matters of the Board of Directors are identified in topic 9 of this Chapter 5 of the Annual Report and article 9 of the Board of Directors Regulations.

29. Committees' competences

Audit, Control and Related Party Transactions Committee

Composition

Pursuant to Article 28 of the Company's Articles of Association and Article 9 of its Regulations, the Audit, Control and Related Party Transactions Committee consists of no less than three (3) and no more than five (5) members.

Following the proposal submitted by the Appointments and Remunerations Committee, its Chairperson, Acacio Piloto, was first elected for this position on June 27th, 2018, and re-elected on April 12th, 2021.

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The Audit, Control and Related Party Transactions Committee consists of three (3) non-executive and independent members, who as of December 31st 2022, are the following:

- Acacio Piloto, who is the Chairperson
- Rosa García García
- José Manuel Félix Morgado

Additionally, María González Rodríguez is the Secretary of the Audit, Control and Related Party Transactions Committee since November 2nd, 2021.

The committee members shall maintain their positions for as long as they are Company Directors. Nevertheless, the Board may decide to discharge members of the committee at any time, and also the members may resign of these positions but still maintaining their seat as Members of the Board of Directors.

Competences

Notwithstanding the other duties that the Board may assign to this committee, it shall perform supervisory functions of Audit and Control independently from the Board of Directors, as well as, by delegation of the Board of Directors, the supervisory functions of the transactions between Related Parties, as follows:

A) Audit and Control functions:

- Reporting through the Chairperson on questions falling under its jurisdiction to the General Shareholders' Meetings;
- Proposing the appointment of the Company's auditors to the Board of Directors for subsequent approval by the General Shareholders' Meeting, as well as the contractual conditions, scope of the work – specially concerning audit services, "audit related" and "non-audit" – annual activity evaluation and revocation or renovation of the auditor appointments;
- Supervising the finance reporting and the functioning of the internal risk management and control systems, evaluating those systems and proposing the adequate adjustments according to the Company necessities, as well as supervising the suitability of the preparation process and the disclosure of financial information by the Board of Directors, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years in a duly documented and communicated form;
- Supervising internal audits, in particular: i) approving and supervising in coordination with the CEO, the Annual Internal Audit Plan; ii) approving and reviewing the Internal Audit Rule; and, iii) supervising in coordination with the CEO and Management Team the implementation of the recommendations issued by Internal Audit;
- Establishing a permanent contact with the External Auditors to assure the conditions, including independence, that may be adequate for provision of services performed by them, acting as the Company speaker for the subjects related to the auditing process, and receiving and maintaining information on any other questions regarding accounting subjects;
- Preparing an annual report on its activities, including eventual constraints, and expressing an opinion on the Management Report, the accounts and the proposals presented by the Board of Directors;
- Receiving notices of financial and accounting irregularities presented by the Company's employees, shareholders, or entities that have a direct interest and judicially protected, related with the Company's social activity;
- Engaging the services of experts to collaborate with committee members in the performance of their functions (when engaging the services of such experts and determining their remuneration, it must be taken into account the importance of the matters entrusted to them and the economic situation of the Company);
- Drafting reports at the request of the Board and its Committees;
- Approving and supervising, in coordination with the Management Team, the Annual Activity Plan of the Corporate Compliance Department;
- Appreciating and monitoring the recommendations on measures to be taken in situations of significant non-compliance;
- Supervising compliance with regulations and alignment of business processes with the requirements of the Compliance Management System in order to achieve a sustainable compliance culture throughout the Company.

B) Related Party Transactions functions:

- By delegation of the Board of Directors:
  i) Analyzing and, where appropriate, approving the (i) (a) intragroup transactions or (b) transactions performed between EDPR Group and EDP Group when their amount is below 10% of the total assets at the last annual balance sheet approved by the company, as long as they are in the ordinary management of the company and under market conditions; (ii) transactions executed under contracts with standardized

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terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, and which amount does not exceed the 0,5% of the net annual company turnover; and periodically informing the Board of Directors about the transactions approved by this Committee in the exercise of the above referred delegation, stating the fairness and transparency of such transactions, and as the case may be, the compliance with the applicable legal criteria;

i. Analyzing and informing about any modification of the Framework Agreement signed by EDP and EDP Renováveis on 7 May 2008;

ii. Submitting reports to the Board of Directors of the Company regarding the Related Party Transactions – that shall be approved by the Board of Directors of EDPR SA or by its Shareholder's Meeting in accordance with the law – and that shall include: (i) the information regarding the nature of the operation and the relation with the Related Party, (ii) the identity of the Related Party, the date and value or amount of the compensation of the transaction, and any other information necessary to appraise if the operation is fair and reasonable for the company and for the non-Related Party shareholders;

- Asking EDP for access to the information needed to perform its duties.

Functioning

In addition to the Articles of Association and the law, this committee is governed by its regulations (that were last amended on February 15th 2022), which are available at the Company's website (www.edpr.com).

The committee shall meet at least once a quarter and additionally whenever its Chairperson deems fit. The notices and supporting documents of the topics to be discussed in each meeting of this committee are sent to its members in advance to their proper discussion during the meeting. Additionally, this committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board held after each committee meeting.

Decisions shall be adopted by majority and the Chairperson shall have the casting vote in the event of a tie.

2022 Activity

In 2022 the Audit, Control and Related Party Transactions committee's activities included the following:

A) Audit and Control Activities:

- Monitor the closure of quarterly accounts, first half-year and year-end accounts;
- Information about the proposals of application of results for the fiscal year ended on December 31st 2021 and the distribution of dividends;
- Information about the independence of the External Auditor;
- Assessment of the external auditor's work, especially concerning the scope of work in 2022, approval of all "audit related" and "non- audit" services and analysis of external auditor's remuneration;
- Assessment on the policies and remunerations systems of the Company;
- Supervision of the quality and integrity in the preparation and disclosure of the financial information in accordance with the applicable accounting policies, estimates and judgments;
- Issuance of an opinion about the individual and consolidated reports (including the Corporate Governance report) and accounts, in a quarterly, half year and yearly basis;
- Monitorization of Internal Audit Activity, including the supervision of the execution of the Audit Plan for 2022, its Budget and headcount and pre-approval of the draft prepared for the 2023 Internal Audit Plan;
- Monitorization of the recommendations issued by Internal Audit;
- Follow-up and supervision of the quality, integrity and efficiency of the treasury management (finance and debt), the Internal Control System, Compliance (including the supervision of the execution of the Activity Plan for 2022 for EDPR and OW and approval of the draft prepared for the 2023 Activity Plan) and Risk Management;
- Monitorization and evaluation of the risk management performed during 2022, issuing a report including the assessment about Internal Control System and Risk Management;
- Information about claims received regarding financial irregularities;
- Information about the contingencies affecting to the Group;
- Issuance of the report of its activities performed during 2021;
- Issuance of a self-assessment about its performance and an appraisal of the Internal Audit functions regarding fiscal year 2021;
- Attended to a specific internal training regarding the investment process in EDPR, in which among others, there were exposed the framework processes applicable to investment and divestments, the internal approval requirements and thresholds, and the next steps followed after the acquisition of a project;
- Following the best Corporate Governance practice, the Committee held a specific and complementary meeting with the External Auditors twice a year to discuss any remark in the process of the elaboration of the Company half year and year end accounts;
- On October 2022, the Audit, Control and Related Party Transactions Committee of EDPR organized a two-day event in Oviedo (headquarters of the Company) for the other Audit

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Committees of the listed companies of EDP Group, in order to discuss the best practices related to Internal Audit, Risk, Compliance and Accounting &Tax functions, to analyze the most relevant challenges of the competences of Audit Committees, and to agree on the approaches and next steps for achieving the highest standards and targets on all these matters.

- Analyzed the impact of the Ukraine War (long-lasting effects across all economy sectors, impacting pool prices across all EU wholesale markets and the need to accelerate the green transition);
- Review of the legal opinion issued by King & Wood Mallesons regarding the status of Internal Audit in Ocean Winds;
- Considering the growing tendency and the services hired to the external auditor, it was agreed to submit for the Board of Directors consideration, the Regulation on the provision of Services by the External Auditor of EDPR (both audit and non- audit) , under which, they are regulated, among others, the provision of their services, and the relationship with the External Auditor;
- Concluded that it was advisable to consider the External Auditor appointed for EDPR S.A. as a preferred option for the other companies of its perimeter (including the new companies that are being acquired), provided that the independency of the External Auditor is guaranteed, as well as the quality of the scopes offered and the fees quoted;
- Analyzed the European whistleblowing Directive and the national transpositions that establish the new regulatory framework for whistle-blower channels, and agreed to set up the structure an Integrated Whistleblowing Management System in EDPR, and the incorporation of a single "Speak-up" channel;
- Approved, for its submission to the Board of Directors approval, the update to the Compliance standard, the Integrity Policy and Criminal Compliance Policy in order to include the reference to the sanctioning procedure and the Speak up Channel;
- Reviewed the organization, targets and challenges regarding H&S matters for 2022.

B) Related Party Transactions Activities:

In 2022, the Audit, Control and Related Party Transactions Committee revised, approved and submitted to the Board of Directors the transactions between related parties submitted to its consideration in accordance with its competences and the applicable law.

Section E – I, topic 90 of Chapter 5 this Annual Report includes a description of the fundamental aspects of the agreements and contracts between related parties.

The Audit, Control and Related Party Transactions Committee found no constraints during its control and supervision activities.

The information regarding the meetings celebrated by this Committee and the attendance of its related members during the year 2022 is described at topic 35.

Appointments and Remunerations Committee

Composition

Pursuant to Article 29 of the Company's Articles of Association and Article 9 the Appointments and Remunerations Committee Regulations, this committee shall consist of no less than three (3) and no more than six (6) members. At least one of its members must be independent and shall be its Chairperson.

In accordance with its personal law (Spanish law), with recommendation V.3.3. of the Corporate Governance Code of IPCG, and to the extent possible with recommendation V.2.1. of the Corporate Governance Code of IPCG (as considering that in Spain this committee shall be created by the Board and being entirely comprised by members of its Board of Directors), the Appointments and Remunerations Committee of EDPR is entirely integrated by Non-Executive and Independent Directors.

The Appointments and Remunerations Committee consists of three (3) non-executive an independent, as of December 31st 2022, are the following:

- António Gomes Mota, who is the Chairperson
- Rosa García García
- José Félix Morgado

Additionally, María González Rodríguez is the Secretary of the Appointments and Remunerations Committee since November 2nd, 2021.

None of the committee members are spouses or up to third degree relatives in direct line of the other members of the Board of Directors.

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while remaining Company Directors.

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Competences

The Appointments and Remunerations Committee is a permanent body belonging to the Board of Directors with an informative and consultative nature and its recommendations and reports are not binding.

The Appointments and Remunerations Committee has no executive functions. The main functions of this committee are to assist and report to the Board of Directors about appointments (including by co-option), re- elections, removals and remuneration of Directors and members of the Management Team. It also informs the Board of Directors on general remuneration and incentives for Board members and executive staff. These functions include the following:

- Defining the standards and principles governing the composition of the Board of Directors and the selection and appointment of its members;
- Proposing the appointment and re-election of Directors (including nominations by co-option) for the submission to the General Shareholders' Meeting by the Board of Directors;
- Proposing to the Board of Directors the candidates for the different Committees;
- Proposing to the Board, within the limits established in the Articles of Association, the remuneration system, distribution method, and amounts payable to the Directors;
- Making proposals to the Board of Directors on the conditions of the contracts signed with Directors;
- Informing and making proposals to the Board of Directors regarding the appointment and/or removal of executives and the conditions of their contracts and generally defining the hiring and remuneration policies of executive staff;
- Reviewing and reporting on incentive plans, pension plans, and compensation packages;
- Any other functions assigned in the Articles of Association or by the Board of Directors.

Likewise, until October 25th, 2022, this Committee assumed the functions related reflection on the Corporate Governance structure of the Company and on its efficiency, and of supervising the compliance with, and the correct application of, the corporate governance principles and standards in force. At that date, the Board resolved to create a specialized Committee focused on Environmental, Social, and Corporate Governance matters, and therefore, to assign to it these competences. Considering this new distribution of functions, it was also agreed to adjust the name of the Appointments, Remunerations and Corporate Governance Committee to eliminate references to the assumption of Corporate Governance matters (thereinafter Appointments and Remunerations Committee), and to also amend its Regulations accordingly.

In accordance with the personal law of EDPR, all the Board Members shall attend to the General Shareholder's Meeting, and as exposed in topic 15 of this Chapter 5 of the Annual Report, all the Delegated Committees are composed Directors. As such, the Chairperson of the Appointments and Remunerations Committee shall attend the Shareholder's Meetings, and in case its agenda includes any topic related to remuneration of the company's governing bodies, this Director will be most adequate to answer.

In 2022 it was held one Shareholders' Meeting on March 31st, and the Chairperson of the Committee, Antonio Gomes Mota, attended.

Functioning

In addition to the Articles of Association, the Appointments and Remunerations Committee is governed by its Regulations (that were last amended on October 25th, 2022), which are available at the Company's website (www.edpr.com).

The notices and supporting documents of the topics to be discussed in each meeting of this committee are sent to its members in advance to their proper discussion during the meeting. Additionally, this committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board held after each committee meeting.

Decisions shall be adopted by majority and the Chairperson shall have the deciding vote in the event of a tie.

2022 Activity

In 2022 the Appointments and Remunerations Committee held four (4) meetings, and the main activities performed were:

- Issued its opinion regarding the performance evaluation for year 2021 of the Board of Directors, the CEO, the CFO and the COO of Europe & LatAm, as well as of the Delegated Committees;
- Reviewed and approved the Corporate Governance Report related to 2021, to be submitted by the Board of Directors to the General Shareholders' Meeting;
- Reviewed and approved the Remunerations Report related to 2021, to be submitted by the Board of Directors to the General Shareholders' Meeting;
- Prepared a proposal of a new Remuneration Policy to be applied to the Board of Directors and its Delegated Committees for 2023-2025, to be submitted by the Board of Directors for approval by the General Shareholders' Meeting;

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- Issued a report required under the Spanish Companies Act regarding the new Remuneration Policy proposed for the Board of Directors and its Delegated Committees for 2023-2025, to be published as additional supporting document to the General Shareholders' Meeting;
- Reviewed the General Shareholders' Meeting bylaws proposed for EDPR, to be submitted by the Board of Directors for approval by the General Shareholders' Meeting;
- Reviewed and approved the statutory amendment proposal to be submitted by the Board of Directors for approval by the General Shareholders' Meeting, in order to align its contents with the new Spanish Companies' Act, and with the updates incorporated during 2021 with regards to the Board of Directors and Committees competences included under its Regulations;
- Acknowledged the resignation to the position as Board Member presented by Joan Avalyn Dempsey (with effects January 13th, 2022), and analyzed the criteria drivers for the recruitment process to be launched to cover this position;
- Drafted the report of its activities performed during the year 2021;
- Issued a reflection on the Corporate Governance system adopted by EDPR during 2021;
- Analyzed of the most adequate candidates to cover the vacancy left by Joan Avalyn Dempsey, proposing to this end to the Board of Directors the appointment by co-option of Kay Mc Call as Independent Director;
- Defined the criteria to be considered in a Succession Plan for the Management Team, and agreed on a final proposal for the one applicable to the COOs (COO APac, COO Europe & LatAm, COO NA) and the CTO;
- Reviewed and approved the Development Program proposed for the Non-Executive Directors (including General Training Programs regarding Corporate Governance Matters and Board effectiveness; specific trainings regarding Committee's competences, and in-house programs to be defined);
- Reviewed the Remuneration of the Management Team, and agreed on a final proposal to be submitted to the Board of Directors regarding the new remuneration package for EDPR COOs (COO APAC, COO Europe & LatAm, COO NA) and CTO;
- Analyzed and approved the appraisal proposed of the KPIS established under the LTIP for year 2021 for the Management Team (notwithstanding that the final evaluation would be after completing 2023);
- Analyzed the convenience of incorporating a delegated committee specialized on Environmental, Social and Corporate Governance matters;
- Analyzed the most adequate names, competences, composition and remuneration for the members of an Environmental, Social and Corporate Governance Committee in EDPR, and agreed to submit to the Board of Directors a proposal to on these regards, as well as of the regulations applicable to the Committee;
- Considering that the Corporate Governance matters that were assigned to the Appointments, Remunerations and Corporate Governance Committee would be assigned to the new Environmental Social and Corporate Governance Committee, agreed to adjust the name and competences established under its regulations, in order to eliminate the reference to Corporate Governance functions;
- Agreed to submit to the Board of Directors a proposal regarding the new remuneration package for EDPR COOs (COO APAC, COO Europe & LatAm, COO NA) and CTO;
- Discussed and acknowledged the feedback received by the CEAM regarding the Corporate Governance report issued for 2021, and agreed with the action plan proposed;
- In order ensure the suitability of the roles in the Governing Bodies of the Company, their contribution to a better performance and to safeguard a balanced composition, reviewed the selection criteria applicable to members of the governing bodies of the Company considering: i) Individual attributes (education, competence, independence, integrity, availability and experience), and ii)diversity attributes (considered as a wide criteria, analyzed in accordance with the nature and complexity of the businesses developed, as well as under the social and environmental context from time to time, that among others, would include gender, age and culture);
- With the aim of complying with the best governance practices, agreed to propose to the Board of Directors to rule the performance of EDPR Executive Directors when they have executive functions in entities outside the group, by amending the Board of Directors Regulations to include the rules of this accumulation of functions;
- Analyzed the proposal of review of the IPCG Corporate Governance code launched in 2022;
- Approved to propose to the Board of Directors the update of the Management Services Agreement between EDP and EDPR through the execution of the 8th Amendment, in order to align its terms with the corresponding modifications in the remunerations that were approved at the time both for non-executive directors, as well as for the positions of CEO and CFO;
- Analyzed and approved the Succession Plan proposed for the Chairman of the Board of Directors and of the Chairman of the Audit, Control and Related Party Transactions Committee, for its submission to the Board of Directors;
- Analyzed the revised version of the Code of Ethics proposed for EDPR.

Environmental, Social and Corporate Governance Committee

Considering that Environmental, Social and Corporate Governance issues are gaining more relevance, that the new investor profiles demand more and better information on the sustainable performance of companies and that the new regulation trends that aim to get

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commitment with the integration of these aspects, during 2022 it was analyzed the convenience of incorporating a delegated committee specialized on these matters.

It was on October 25th, when the Board of Director agreed, in accordance with the proposal submitted the Appointments and Remunerations Committee, to incorporate in EDPR an Environmental, Social and Corporate Governance Committee, and also specifically approving its competences, composition, remuneration of its members and the regulations applicable to the Committee.

Composition

Pursuant to Article 9 the Environmental, Social, and Corporate Governance Committee Regulations, this committee shall consist of no less than three (3) and no more than six (6) members, and the majority of them shall be independent. The Chairperson of the Environmental, Social, and Governance Committee shall be appointed by the Board of Directors amongst the Committee's members and must necessarily be an independent director.

The Environmental, Social, and Corporate Governance Committee consists of five (5) non-executive an independent, that as of December 31st 2022, are the following:

- Antonio Gomes Mota, who is the Chairperson
- Allan J. Katz
- Cynthia Kay Mc Call
- Rosa María García García
- José Manuel Félix Morgado

Additionally, María González Rodríguez is the Secretary of the Environmental, Social, and Corporate Governance Committee since its incorporation, on October 25th, 2022.

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while remaining Company Directors.

Competences

The Environmental, Social, and Governance Committee is a specialized and delegated committee of a merely informative and consultative nature whose recommendations are not binding and that performs no executive functions. This Committee assists and reports to the Board of Directors in the alignment with the market trends and the company needs regarding Environmental, Social, and Governance matters, with the aim of also providing the investors with more transparent and exhaustive information regarding matters related to Corporate Governance and Sustainability. These functions include the following:

- Oversee the Company's key environmental, social and corporate governance key performance indicators included in the Business Plan and monitor their achievement.
- Propose to the Board of Directors EDPR's sustainability and environmental, social, and corporate governance policies and their update.
- Promote, steer, and oversee the Company's objectives, action plans and practices in health, safety and occupational risk prevention.
- Review and present to the Board of Directors the Annual Report (EINF). The Committee shall also monitor the Company's relationship and reporting to investors, indexes and rating agencies on sustainability issues.
- Monitor and conduct a regular review of the main environmental, social, and corporate governance trends and regulatory developments relevant to the Company's activity.
- Analyse the integration of environmental, social, and corporate governance risks and opportunities into the Company´s procedures and its Risk Management System.
- Update and inform the Board of Directors on the stakeholder relations and dialogue model, in order to understand the needs and expectations of all EDPR's stakeholders (employees, clients, suppliers, subcontractors, and others).
- Oversee and assess the Company's corporate image and its reputation with the various stakeholders, namely in terms of the market in general and consumers, investors and supervisory authorities, public and published opinion, monitoring the activity of the Company's competent services, taking into consideration the implemented strategies, policies, process and procedures implemented, privileging the spirit of service to the Community.
- Oversee and assess the suitability of the corporate governance model implemented by the Company and their compliance with internationally accepted models of corporate governance, forwarding any appropriate recommendations in this area to the Board of Directors.
- Supervise compliance with, and the correct application of, the corporate governance principles and standards in force, promoting and requesting the exchange of information necessary for this purpose.
- Any other functions assigned to it in the Articles of Association or by the Board of Directors.

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Functioning

In addition to the Articles of Association, the Environmental, Social and Corporate Governance Committee is governed by its Regulations (approved on October 25th, 2022), which are available at the Company's website (www.edpr.com).

The committee shall meet whenever its Chairperson deems fit. The notices and supporting documents of the topics to be discussed in each meeting of this committee shall be sent to its members in advance to their proper discussion during the meeting. Additionally, this committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board held after each committee meeting.

Decisions shall be adopted by majority and the Chairperson shall have the casting vote in the event of a tie.

2022 Activity

As the Committee was incorporated by the end of year 2022, this Committee has not met yet, but the first meeting is foreseen for February 2023.

III. Supervision

a) Supervision

30. Supervisory Board – model adopted

EDPR's governance model, as long as it is compatible with its personal law (Spanish law), corresponds to the so –called "Anglo– Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit, Control and Related Party Transactions Committee.

32. Independence of the Members of the Audit, Control and Related Party Transactions Committee

Information concerning the independence of the members of the Audit, Control and Transactions Party Committee is available on the chart of topic 18 of this Chapter 5 of the Annual Report. As mentioned on the first paragraph of topic 18, the independence of the members of the Board and of its committees is evaluated according to the Company's personal law, the Spanish law.

33. Professional qualifications and biographies of the Members of the Audit, Control and Related Party Transactions Committee

Professional qualifications of each member of the Audit, Control and Related Party Transactions Committee and other important curricular information, are available in the Annex I of this Chapter 5 of the Annual Report.

b) Functioning

34. Audit, Control and Related Party Transactions Committee Regulations

The Audit, Control and Related Party Transactions Committee regulations are available at the Company's website (www.edpr.com) and at the Company's Headquarters at Plaza de la Gesta, 2, Oviedo, Spain.

35. Number of meetings held by the Audit, Control and Related Party Transactions Committee

The Audit, Control and Related Party Transactions Committee periodically meets representatives of the internal specialized departments involved in the areas under committee's competences in order to discuss the information periodically reported about, among others, work plans and resources of Internal Audit, Compliance and SCIRF, Company accounts, detection claims regarding financial irregularities, global risk management and audit and non–audit services provided by the External Auditor (including the appraisal about its independence). This regular interaction, in particular with regards to the periodical discussion of the development and status of the alignment of the level of risk and the accomplishment of objectives set by the Board of Directors, provides the committee with the necessary information for the development of its functions and in particular, for the assessments issued under the appraisal report over the functions of Internal Audit, and the Report regarding Risk Management and appraisal of the Internal Control System , that this committee issues for every fiscal year.

During 2022, the Audit, Control and Related Party Transactions Committee held a total of eleven (11) meetings, and as referred in paragraph above, in order to better perform its supervisory functions over the activities reported by the areas within its competences, the

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committee invited the responsible teams of the related areas to several of these meetings to provide the updates of the status of their activity and accomplishment of targets. As such, the participation of these departments at these meetings in 2022 was as follows: Internal Audit participated in nine (8), Compliance and Internal Control in four (4), Global Risk in five (5), Planning and Control in four (4); Finance in three (3) and Administration, Consolidation and Tax in six (6). Likewise, the committee invited the External Auditors to six (6) of these meetings.

The following table reflect the attendance of the members of the Audit, Control and Related Party Transactions Committee to its meetings held during 2022:

MEMBER	POSITION	ATTENDANCE
Acacio Piloto	Chairperson	100%
Rosa García García	Vocal	100%
José Manuel Félix Morgado	Vocal	100%

Likewise, on January 28th, 2022, it was arranged a training for the Committee regarding the investment process in EDPR, in which among others, there were exposed: the framework processes applicable to investment and divestments, the internal approval requirements and thresholds, and the next steps to be followed after the acquisition of a project.

36. Availability of the Members of the Audit, Control and Related Party Transactions Committee

The members of the Audit, Control and Related Party Transactions Committee are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with positions in other companies. The positions held simultaneously in other companies inside and outside the Group and other relevant activities undertaken by members of this committee throughout the financial year are listed in Annex I of this Chapter 5 of the Annual Report.

c) Powers and duties

37. Procedures for hiring additional services to the External Auditor

On July 2022, EDPR approved an internal regulation to rule the provision of services and relationship with the External Auditor, with regards to both audit and non-audit services to be hired, and the reporting and approval procedure to be applied. These regulations also establish the independence criteria to be considered.

In accordance to the rules included under this regulation, and in line with recommendation VII.2.1. of the IPCG Corporate Governance Code, in EDPR there is a policy of pre- approval by the Audit, Control and Related Party Transactions Committee of the provision of non-audit services to be provided by the External Auditor and any related entity. This policy was strictly followed during 2022. This competence is also established under Article 8. A) b) of the Committee Regulations.

The analysis of the adequacy of the provision of non- audit services by the External Auditor and entities in a holding relationship (with or incorporated in the same network as the External Auditor) is performed considering the following aspects: (i) such services having no effect on the independence of the External Auditor and any safeguards used; and (ii) the position of the External Auditor in the provision of such services - notably the External Auditor's experience and knowledge of the Company.

Furthermore, although hiring services other than auditing services to the External Auditor is admissible, it is envisaged as an exception. In 2022 such services reached only around 5.33% of the total amount of services provided to the Company.

38. Other duties of the Audit, Control Related Party Transactions Committee

Apart from the competences expressly delegated on the Audit, Control and Related Party Transactions Committee according to Article 8 of its Regulations, and in order to safeguard the independence of the External Auditor, the following additional competences of this committee were exercised during the 2022 financial year and should be highlighted:

- Pre-approval of any services to be hired from the External Auditor and perform its direct and exclusive supervision;
- Assessment of the qualifications, independence, and performance of the External Auditors, and obtaining, yearly and directly from the External Auditors, written information on all relations existing between the Company and the Auditors or associated persons, including all services rendered and all services in progress. In order to evaluate independence, the Audit Committee, obtained the information regarding External Auditors' independence in light of the Spanish Law no. 22/2015 of July 20th, 2015 ("*Ley de Auditoría de Cuentas*");
- Review of the transparency report, signed by the Auditor and disclosed at its website. This report covers the matters provided for under Law no. 22/2015 of July 20th, 2015 ("Ley de

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Auditoría de Cuentas"); including those regarding the quality control internal system of the audit firm and the quality control procedures carried out by the competent authorities;
- Review with the External Auditors their scope, planning, and resources to be used in their provision of services;
- Following the best Corporate Governance practice, the Committee held a specific and complementary meeting with the External Auditors twice a year to discuss any remark in the process of the elaboration of the Company half year and year end accounts;
- Considering the growing tendency and the services hired to the external auditor, it was agreed to submit for the Board of Directors consideration, the Regulation on the provision of Services by the External Auditor of EDPR (both audit and non- audit), under which, there are regulated, among others, the provision of their services, and the relationship with the external Auditor.

IV-V. STATUTORY AND EXTERNAL AUDITORS

39-41.

According to the Spanish law, the External Auditor ("*Auditor de Cuentas*") is appointed by the General Shareholders' Meeting and corresponds to the statutory auditor body ("*Revisor Oficial de Contas*") described on the Portuguese Law.

The information about the External Auditor is available in topics 42 to 47 of this Chapter 5 of the Annual Report.

42. External Auditor identification

The main criteria considered in the selection of the most suitable and competitive firm to be appointed as External Auditor of EDPR are the following:

- Recognized technical and professional track record as External Auditor;
- Consolidated *Know-How* about the business developed by the whole Group;
- Tailored and highly prepared working team;
- Competitive contractual conditions and working methodology (including but without limitation, the total estimation of hours required for the development of the services- both as a total for the complete provision of services, and per each professional category of the proposed team);
- Competitive fee proposal, including the final cap and a breakdown referring the price average per hour, and the remuneration per hour for each professional category of the proposed team.

As a result of a competitive process launched in 2017, during which the above criteria were exhaustively analyzed, PricewaterhouseCoopers Auditores, S.L. was appointed as EDPR SA External Auditor by the Shareholder's Meeting held on April 3rd, 2018. PricewaterhouseCoopers Auditores, S.L., is a Spanish Company registered at the Spanish Official Register of Auditors under number S0242 with Tax Identification Number B-79031290. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021, and the audit partner in charge of EDPR is Iñaki Goiriena Basualdu .

43. Number of years of the External Auditor

PricewaterhouseCoopers Auditores, S.L. is in charge of the audit of EDPR S.A. accounts for the years 2021, 2022 and 2023, being 2018 the first year performing these duties.

44. Rotation Policy

Until year end of 2022, the personal Law of EDPR - the Spanish Law- and EDPR External Auditor Regulations, established the maximum term for an audit firm as the External Auditor of a listed company in a 10-year term. However, this reference was updated under the Spanish Law with effects January 2023, in order to establish that the maximum term will be a total of 20 years, provided that a public tender is launched after completing the tenth fiscal year.

Following the proposal of the Audit, Control and Related Party Transactions Committee presented to the Board of Directors to its submission to the General Shareholders' Meeting, on its meeting held on April 3rd 2018, it was approved to appoint PricewaterhouseCoopers Auditores, S.L as EDPR's External Auditor for the years 2018, 2019 and 2020. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021.

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Likewise, the applicable regulation requires that in case of listed companies, every five (5) years since the initial contract, the person designated by the External Auditor as its signatory of the audit report shall also rotate. For these purposes, it is hereby stated that 2022 is the fifth year of Iñaki Goiriena Basualdu, current partner signing the audit report of the Group, as auditor of EDPR Group.

45. External Auditor evaluation

The Audit, Control and Related Party Transactions Committee is responsible for the monitorization and annual evaluation of the services provided by the External Auditor according to the competences granted by its Regulations and in line with the rules established under the Regulations for the provision of services by the Statutory Auditor. In order to perform this assessment, this committee periodically includes in the agenda of its meetings a topic regarding the review of the services provided by the External Auditor (both audit and *non-audit*) and the fees already incurred and those estimated until year end. Likewise, and as exposed in topic 35 of this Chapter 5 of the Annual Report, the External Auditor attends and participates in some of the meetings held by this committee, mainly in order to analyze the results of their audit reports. As such, the Audit, Control and Related Party Transactions Committee acts as the company speaker with the External Auditor, with whom establishes a permanent contact throughout the year to assure the proper conditions for the provision of both the statutory audit services and non-audit services, and being also the body in charge of monitoring its independence along the year. Likewise, the External Auditor shall sign an annual statement declaring its independence.

During 2022, according to the Audit, Control and Related Party Transactions Committee's competences and in line with Recommendation VII.2.2, this committee was the first and direct recipient and the corporate body in charge of the permanent contact with the External Auditor on matters that may pose a risk to their independence as well as any other matters related to the auditing of accounts.

Additionally, in compliance with the auditing standards in effect, it also receives and maintains the record of information about other matters as provided in the applicable auditing and accounting legislation. The External Auditor, within the scope of its duties, verified the implementation of the remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the Audit, Control and Related Party Transactions Committee of the Company.

46. Non-Audit Services carried out by the External Auditor

As previously referred, on July, 2022, it was approved the regulation on the provision of services by the Statutory Auditor or Statutory Audit Firm, which defines and promotes criteria and methodologies to safeguard the independence of the audit and non-audit services .

In accordance with such regulation, the Audit, Control and Related Party Transactions Committee closely follows the requests of non- audit services, each of which necessarily require the preapproval of this committee before its provision as per exposed in topic 29 of this Chapter 5 of the Annual Report and Article 8.A),b) of its Regulations.

The identification of such non- audit services that will eventually be provided by the External Auditors is performed under the rules issued by the European Union on this matter, in particular under Regulation 537/2014 and the Spanish Auditing Law nº 22/2015, of 20th July, as well as when applicable, in line with the particularities of the local regulations where the service is to be provided.

During 2022 the non-audit services provided by the External Auditor of EDP Renováveis S.A (PricewaterhouseCoopers Auditores, S.L) consisted mostly on i) limited review as of March 31, 2022, June 30th, 2022 and September 30th, 2022 of the EDPR Interim Consolidated information; ii) review of the internal control system on financial reporting for the EDPR Group; iii) review of the non-financial information related to sustainability included in the EDPR Group's annual report; and iv) access to a repository of international accounting standards as well as to the PwC Accounting Manual in digital version. Other non-audit services provided by the External Auditor or its network to EDPR's subsidiaries mainly refer to i) agreed-upon procedures related to the review of covenants in the context of bank financing agreements; ii) IFRS adoption for some EDPR subsidiaries, iii) procedures for reviewing compliance with financing capacity in accordance with the criteria defined by the European Commission, within the framework of European Regulation 2021/2041 and iv) services in relation to compliance with the merger project of certain group companies.

PricewaterhouseCoopers Auditores, was engaged to provide the above-mentioned services due to its in-depth knowledge of the Group's activities and processes. These engagements did not risk their independence as External Auditors and were pre - approved by the Audit, Control and Related Party Transactions Committee prior to rendering the services.

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47. External Auditor remuneration in 2022 for EDP Renováveis S.A. and subsidiaries

SERVICE	EUROPE	NORTH AMERICA	LATAM	APAC	TOTAL	%
Audit and statutory audit of accounts	1,603,000€	1,795,000€	368,000€	994,000€	4.760,000€	94.67%
Other non-audit services	218,000€	12,000€	38,000€	-	268,000€	5.33%
Total	1,821,000€	1,807,000€	406,000€	994,000€	5,028,000€	100%

The amount of other non-audit services in Europe includes among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustainability included in EDPR Annual Report, which are invoiced to a European company. This amount also includes the limited review as of June 30th, 2022 of the EDPR Consolidated Financial Statements and other reviews for Group consolidation purposes which are considered non-audit services according to the respective local regulation.

Total amount for Europe includes 857,000 Euros of services provided by PricewaterhouseCoopers Auditores S.L. from which 676,000 Euros refer to audit services and 181,000 Euros refer to non-audit services.

C. Internal organisation

I. Articles of Association

48. Amendments to the articles of association

The amendments of the Articles of Association of the Company are of the responsibility of the General Shareholders' Meeting. According to Article 17 of the Company's Articles of Association ("*Constitution of the General Shareholders' Meeting, Adoption of resolutions*"), and article 9 of the General Shareholders' Meeting Regulations ("*Competences*"). In accordance to the applicable law, and the internal regulations, to validly approve any amendment to the Articles of Association, the Ordinary or Extraordinary Shareholders' Meeting will need:

- On first call, that the Shareholders either present or represented by proxy, represent at least fifty percent (50%) of the subscribed voting capital.
- On second call, that the Shareholders either present or represented by proxy, represent at least twenty-five percent (25%) of the subscribed voting capital.

In the event that the shareholders attending represent more than fifty percent (50%) of the subscribed voting capital, the resolutions referred to in the present paragraph will be validly adopted when reached absolute majority. If the shareholders attending represent between twenty-five percent (25%) and fifty percent (50%) – but without reaching it – the favorable vote of two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting will be required in order to validly approve these resolutions.

In 2022 there was approved one amendment proposal to EDPR Bylaws at the General Shareholders' Meeting held on March 31st, in accordance to which there were adjusted article 1, article 12, article 13, article 14, article 15, article 22, article 23, article 26, article 27, article 28, article 29 and article 31 of corporate articles of association, mainly in order to:

i. Adapt them to the new developments deriving from the approval of the amendment of the Spanish Companies Act, approved by Royal Legislative Decree related to the promotion of the long-term involvement of shareholders in listed companies (Law 5/2021). For these purposes, it was adjusted the regulation established for the convening procedure and the competences of the General Meeting of shareholders, the mechanisms at the disposal of the shareholders for the exercising of the rights to information, attendance, representation and vote during the course thereof and the possibility of holding Meeting solely on an electronic basis; and the regulation of the Board of Directors and its Committees;

ii. Update the duties assigned to the Committees which report to the Board of Directors with a view to assigning them those duties required based on the best market practices and normative compliance, recommendations of good governance and reflecting those duties that each Committee was actually performing;

iii. Adapt the directors' remuneration system foreseen in the Articles of Association to the new Directors' Remuneration Policy of the Company for the period 2023-2025.

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II. Reporting of irregularities

49. Irregularities communication channels

Speak up channel

EDPR has always carried out its activity by consistently implementing measures to ensure the good governance and the transparency of its companies, including the prevention of incorrect practices, giving voice to those who consider that certain conducts do not comply with ethical principles, legal provisions or internal regulations.

In this sense, EDPR believes that speaking openly about the concerns we have that relate to the way we act in the workplace is crucial for creating a good environment and increasing the psychological security of both individuals and teams.

With this goal and taking into account the need to adapt the whistleblowing channels to the requirements of the Directive (EU) 2019/1937 on the protection of persons who report violations of Union law, in 2022, EDPR has reviewed and merged all its whistleblowing channels and has launched the corporate channel "Speak up".

The "Speak Up" channel is a global channel, that welcomes the reporting of alleged violations, either of the Code of Ethics, or of any legal issues – among which are those provided for in the Directive (EU) 2019/1937– as well as internal policies and regulations.

Additionally, in geographies where required by local laws, EDPR has specific Speak Up channels.

These channels are published in the official website available to all the employees and also to any interested party (https://www.edpr.com/en/speak-up).

An essential aspect of the reporting process is the protection of the whistle-blowers, who can also make denounces in an anonymous way. This commitment is predicated on full respect for the principle that anyone who uses the reporting methods in good faith and with justification will be protected from censure or retaliation.

Processes have been designed and implemented to ensure that the complaints are handled and managed with total security, independence, integrity and privacy. All information exchanged is kept confidential and secured against unauthorised access, so that personal data protection is assured.

In 2022, there were nine (9) claims submitted through the Speak up channel or the previous existing channels: 4 of them were closed and the others 5 are under analysis.

Code of ethics

EDPR has a strong commitment in relation to the dissemination and promotion of compliance with ethic guidelines and principles like transparency, honesty, integrity, non-discrimination, equal opportunity, and sustainability, which is encouraged to all employees.

This commitment is faithfully reflected in the Code of Ethics which is reviewed and updated every two years to guarantee compliance with current legislation and the integration of the challenges that EDPR has and may can come across.

The Code of Ethics has been reviewed and approved in October 2022 by the Ethics Committee and the Board of Directors of EDPR.

This review aims to comply with the Directive (EU) 2019/1937 on the protection of persons who report violations of Union law incorporation of the speak up channel and also to achieve a greater alignment with the purpose and strategy of EDP Group: "Changing Now Tomorrow".

The Code of Ethics applies, regardless of functions, geographical location or functional reporting to all employees of all EDPR companies. The employee's commitments set out in the Code are also applicable to proxies, as well as to agents and suppliers who are in any way empowered to act on behalf of EDPR.

Other suppliers are explicitly required to respect this Code, in accordance with the obligations arising from qualification procedures or signed contracts.

The Code of Ethics is an "action guide" reflecting the way EDPR believes one should work, therefore its enforcement is inevitably mandatory; and employees who do not comply with this Code should be subject to disciplinary actions under the terms of the applicable regulations. The Code is a privileged tool that helps to "do what we have to do well".

The Code of Ethics is published on the corporate website (https://www.edpr.com/en/edpr/our-company/ethics-compliance) and there is also a digital version available in the intranet. Annually all employees, including new hires, declare that they have received, read and understood the EDPR Code of Ethics, and they agree to comply with its provisions.

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Likewise, this Code has been, in 2022, widely circulated to the employees of the Group through internal communications every month with the most relevant principles of the Code. Additionally, new hires receive a specific training on introduction to the Code of Ethics called *"Let's live our Code of Ethics"*

In order to support and achieve the Ethics Code and Ethics commitments and initiatives, and with the aim of minimizing the risk of unethical practices, generating transparency and trust in relationships, EDPR has also approved and implemented the following initiatives:

New Ethics Committee: in 2021, EDPR decided to review organization and functioning of its Ethics Commission, namely to:

- Ensure independence from executive management;
- Decrease the number of members for more efficient operation;
- Allow the analysis and decision on ethical complaints in a more restricted context;
- Allow more participatory debates on structuring Ethics themes, as well as on the annual Ethics Plan and its regular follow-up.

As a consequence, a new Ethics Committee was created with the following main functions:

- To establish guidelines for complying with the Code of Ethics;
- To propose to the Board of Directors multi-annual Ethics Programs and the relevant annual Plans prepared by the Compliance Area and the Ethics Ombudsperson;
- To appraise the quarterly Reports on the implementation of the Group's annual ethics plans prepared by the Compliance area and the Ethics Ombudsperson or other elements on ethical performance;
- To review the cases of infraction of the Code of Ethics instructed by the Ethics Ombudsperson with the support of the teams that manage complaints at EDPR and to issue a binding opinion thereon;
- To issue recommendations, when requested by any of the management bodies of the companies that make the EDPR Group, on practices or codes of conduct in the fields of ethics or deontology, developed within the framework of specific, legal, or regulatory needs;
- To continuously ensure that the Code of Ethics and the procedures deriving from it are appropriate to the needs of the EDPR Group and to promote reviews of that document, at least every two years, duly supported by a review report to be sent to the Board of Directors for approval.

In this sense, the new Ethics Committee is composed by:

i. The Chairperson of the Appointments and Remunerations Committee, who shall chair the Committee;
ii. The Chairperson of the Audit, Control, and Related Party Transactions Committee;
iii. The Ethics Ombudsperson;
iv. The Compliance Officer;
v. The Human Resources Director;
vi. The General Counsel & Compliance of EDPR North America LLC.;
vii. The Secretary of the Board of Directors, who shall also perform the duties of the Secretary of the Ethics Committee meetings.

Ethics Ombudsperson: is an external person from the Company that receives complaints and doubts submitted through the Speak Up Channel and investigates and documents the procedure for each of them, with guaranteed confidentiality in relation to the identity of the claimant. The appointment for this position is made by the Ethics Committee and approved by the Board of Directors.Its main functions are therefore as follows:

- To be an independent, impartial listener, respecting confidentiality, and anonymity, at the disposal of those who seek him/her to clarify any situations on allegedly ethical grounds, bearing in mind the framework and the provisions of the EDPR Code of Ethics;
- To receive communications of an ethical nature and, where appropriate, to instruct, document and submit the respective ethical infraction processes to the Ethics Committee;
- To monitor each of the infraction proceedings, until their adjournment, establishing, whenever necessary and appropriate, the liaison with the complainant;
- To regularly promote, jointly with the Compliance area, initiatives with the areas of the Group that are the subject of complaints, to improve procedures and practices that will enable future complaints to be avoided and especially, to promote behavior that is more in line with the EDPR Code of Ethics;
- Prepare with the Compliance Area initiatives to be included in the Compliance and Ethics Programmes and Annual Plans;
- To advice the Ethics Committee regarding strengthening the consistency of the Group´s Ethic Policy;
- To annually report on the activity with the scope of their assigned function;
- To annually review and update the procedure for managing all contacts addressed to them.

Since January 2019, the Ombudsperson of EDPR is Maria Manuela Casimiro da Silva.

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Other activities: in 2022, with the goal of reinforcing the ethics culture, EDPR has launched different communication campaigns to all the employees as the publication of the Ethics & Compliance Comic: "*Do the right thing*" and the celebration of the Global Ethics Day. Every month a comic story has been published on intranet and internal platforms where an ethical dilemma appeared and the employees could see the practical application of the principles of the Code of Ethics to resolve the dilemma. Regarding the Global Ethics Day (October 19th), different initiatives were performed as publication of news on the intranet, videos with messages from the Ethics Ombudsperson and the Compliance officer, different posts with the theme: "*Do you think you know everything about Ethics in our company?*". Additionally, a talk about mental health was took place with a known speaker specialist on the subject.

III. Internal Control and Risk Management

50. Internal Audit

EDPR's Internal Audit Department ("IAD") is composed by eleven (11) members.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Internal Audit department has the mission of enhance and protect organizational value by providing risk-based and objective assurance, advice and insight, covering the following areas of activity:

- Evaluate and issue recommendations to improve the Company's governance processes;
- Assist the organization to improve risk management processes and maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvements covering the governance, operations and information systems of the organization, regarding to:
  - i) Achievement of the organization's strategic objectives;
  - ii) Reliability and integrity of financial, non-financial and operational information;
  - iii) Effectiveness and efficiency of operations and programs;
  - iv) Safeguarding assets;
  - v) Compliance with laws, regulations, policies, procedures and contracts.

The Internal Audit services can be divided into two categories: assurance services and consulting.

- Assurance services consist in objective analyses of evidence to provide an independent assessment of the organization's governance, risk management, and control.
- The consulting services performed at the specific request of the Company Governing Bodies or of any of its Officers. They consist of advisory activities and related services designed to add value and improve the organization's governance, risk management, and control processes without the internal auditor assuming any management responsibility.

The fulfillment of these objectives aims to reduce the risks in pursuing the activity and increase the creation of value for the Group. Therefore, approaches based on a proactive view of internal control measures geared to the relevant risks must be taken, making them a relevant support tool for management.

The IAD is not an executive body of EDPR, so it has no power in making management decisions in the Group's activities, nor any hierarchical or functional link with the audited units, thus maintaining a relationship of total independence and objectivity in relation to them. This positioning makes it possible to achieve the following objectives:

- Ensure the independence of the Internal Audit activity and fulfils its responsibilities;
- Ensure objectivity in obtaining the conclusions of work carried out and the resulting recommendations, as well improvement actions to be implemented.

As such, the Internal Audit, in development of its function, should be an instrument to support management with proactive view of internal control systems. In this sense, the collaboration of the entire Organization is essential to achieve the objective set.

The functions of the Internal Audit Department of EDPR were evaluated by the "Instituto de Auditores Internos" for the first time in 2020, obtaining the highest qualification.

51. Organisational structure of Internal Audit

The Internal Audit function in the EDPR Group is a corporate function, carried out by the Internal Audit Department (IAD), which has administrative dependence to the CEO of EDPR and functional dependence to the Audit, Control and Related Parties Committee which supervise the activities and to which Internal Audit activities are reported.

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Administrative Dependence

In terms of the IAD's administrative dependence to the CEO of EDPR, the CEO of EDPR shall:

- Create adequate information flows that allow IAD to keep up to date on the company's activities, plans and initiatives;
- Support the internal audit function, positioning the IAD at an appropriate level within the EDPR's organization;
- Facilitate direct and open communication to the EDPR Group's Management and Administration bodies;
- Provide the appropriate technical, human, financial and information-gathering means that enable the IAD to fulfill its functions, in accordance with the approved Audit Plan;
- Request assurance and consultancy projects from IAD that it deems necessary considering the Organization's objectives and risks;
- Approve, annually, in coordination with the Audit, Control and Related Party Transactions Committee, the IAD Audit Plan, based on the EDPR's risk matrix and the Basic Standard for Internal Audit;
- Approve, whenever applicable, in coordination with the Audit, Control and Related Party Transactions Committee, the remuneration of the IAD Director and the process of his/her appointment, evaluation and removal.

Functional Dependence

In terms of the IAD's functional dependence to the Audit, Control and Related Party Transactions Committee, the Audit, Control and Related Parties Committee should:

- Approve, annually, in coordination with the CEO of EDPR, the IAD Audit Plan, based on the EDPR's risk matrix and the Basic Standard for Internal Audit. In this context, also approve the human and financial resources to be made available by EDPR to the IAD;
- Approve, in coordination with the CEO of EDPR, the remuneration of the IAD Director and the process for his/her appointment, evaluation and removal;
- Receive communications and individual reports and conclusions, issued by IAD, on the activity developed by IAD;
- Assess the activity and performance of the IAD and the adequacy of working conditions, namely in terms of human resources and technical and financial means, checking if there are limitations or interferences within the scope of the Internal Audit function or its budget that may make it impossible to IAD to fulfill its responsibilities;
- Overseeing the effectiveness of the internal audit systems and, if necessary, proposing improvement measures.

The functions of the Audit, Control and Related Party Transactions Committee regarding to Internal Audit are defined in its Internal Regulation.

The articulation between EDPR Internal Audit and EDP Internal Audit is carried out through the Functional Reporting of the EDPR Internal Audit Director to the EDP Internal Audit Corporate Director, in which the associated management function includes the promotion and harmonization of work policies and methodologies, the management of action plans and reporting activities to EDP Internal Audit Director.

52. Risk Management

EDPR's Enterprise Risk Management Process is an integrated and transversal management model that ensures the minimization of the effects of risk on EDPR's capital and earnings, as well as the implementation of best practices of Corporate Governance and transparency. The process aligns EDPR's risk exposure with the company's desired risk profile.

The Enterprise Risk Management Framework was approved in 2016, in accordance with the guidelines agreed at its Board of Directors level. Based on this risk framework, the Company develops a Risk Management System through individual risk policies and procedures for most relevant risks, where it is defined the methodology to calculate probability of occurrence and impacts, as well as mitigation measures and thresholds. In addition, these risk policies and procedures establish the process for control, periodic evaluation and eventual adjustments. The approvals necessary to proceed with this system are submitted to the Management Team, which will inform the Board of Directors of the progress. Likewise, the Risk Management System is closely followed and supervised by the Audit, Control and Related Party Transactions Committee, an independent supervisory body composed of non-executive members that reports to the Board of Directors, in charge, among others, of the monitorization of the compliance and progresses of the Risk Management Plan and possible improvements to the measures and controls for mitigating potential risks identified within EDPR.

Market, counterparty, operational, business and strategic risks are identified and evaluated and, following the result of the assessment, Risk Policies are defined and implemented across the Company. These policies are aimed to mitigate risks without compromising potential opportunities, thus, optimizing return versus risk exposure.

In 2022, EDPR analyzed the impact of the current inflationary scenario on costs and revenues. On costs, it was considered the exposure to inflation of operating expenses, capital expenses and interest payments, while on revenues, the exposure of inflation-indexed PPAs and

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merchant revenues. Different measures were put in place to balance inflation exposure, namely the increase in the duration of the corporate debt with EDP.

Moreover, a detailed analysis on the effects of the conflict between Ukraine and Russia was performed to determine which are the main risks to which EDPR is exposed and to define a contingency plan to reduce potential impacts. As a follow-up of this analysis, EDPR took some business continuity measures in bordering countries with Ukraine.

Also during 2022, EDPR reassessed the Operational Risk of the company, executing a bottom-up analysis across all departments, as stated in EDPR's Operational Risk Policy. Following the growth of the installed capacity at EDPR in recent years, together with the planned growth within the current Business Plan, it was agreed to adjust the Operational Risk threshold accordingly in EDPR's Operational Risk Policy and Enterprise Risk Management framework.

Finally, EDPR performed a deep-dive analysis on current and expected future Counterparty exposure to capital equipment suppliers, within the context of the main challenges faced by the industry, such as supply chain bottlenecks, inflationary pressures and increase in commodity prices, with individual counterparty risk limits adjusted accordingly. Additionally, EDPR also proposed to adjust its Portfolio risk limits to account for its Distributed Generation activity in Asia-Pacific, following EDPR's acquisition of a majority stake in Sunseap during 2022.

53. Risk Map

Risk Management at EDPR is focused on covering all risks of the company. In order to have a holistic view of risks, they are grouped in Risk Categories, which are Market, Counterparty, Operational, Business and Strategic. The definition of Risk Categories at EDPR is as follows:

- **Market Risk** – It refers to the risk to EDPR resulting from movements in market prices. Due to the relationship between wind production and energy price, production risk is considered within market risk. In particular, market risk consists of changes in energy prices, production, interest rates, foreign exchange rates, inflation and commodity prices (other than energy);
- **Counterparty Risk (credit and operational)** – Risk that a counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract;
- **Operational Risk (other than counterparty)** – Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters), including the effect of a loss created by not being able to ensure business continuity;
- **Business Risk** – Potential loss in the company's earnings due to adverse changes in business margins. Such losses can result above all from a serious increase in equipment prices or changes in the regulatory environment. Changes in energy prices and production are considered market risks;
- **Strategic Risk** – It refers to risks coming from macroeconomic, political, social or environmental situation in countries where EDPR is present, as well as those coming from a change in competitive landscape, from technology disruptions, from changes in energy markets or from governance decisions (investment decisions criteria, Corporate Governance and Reputational issues).

Within each Risk Category, risks are classified in Risk Groups.

1. Market Risk

1. i) Energy price risk

EDPR faces limited energy price risk as it pursues a strategy of being present in countries or regions with long -term visibility on revenues. In most countries where EDPR is present, prices are determined through regulated framework mechanisms. In those countries with no regulated tariffs, power purchase agreements are negotiated with different offtakers to eliminate electricity and Green Certificate or Renewable Energy Credit (REC) price risks.

Despite EDPR's strategy of eliminating market price risk, EDPR still has some plants with merchant exposure.

In Europe, EDPR operates in countries where the selling price is defined by a feed-in-tariff (Portugal and France) or a contract for differences remuneration scheme (Italy, UK or Greece). EDPR also operates in markets where, on top of the electricity price, it receives either a pre-defined regulated premium or a green certificate, whose price is achieved on a regulated market (Spain, Belgium, Poland or Romania).

In countries with a predefined regulated premium or a green certificate scheme, EDPR is exposed to electricity price fluctuations.

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Considering current Power Purchase Agreements (PPAs) in place, EDPR is exposed to electricity price risk in Romania, in Poland, in Belgium and partially in Spain. Additionally, in European countries with a green certificate scheme (Romania, Belgium and Poland), EDPR is exposed to fluctuation on the price of green certificates.

The US market does not provide a regulated framework system for the electricity price. Nevertheless, renewable generation is incentivized through PTCs (Production Tax Credits) and regional Renewable Portfolio Standard (RPS) programs that allow receiving RECs for each MWh of renewable generation. REC prices are very volatile and depend on the regional supply/demand equilibrium in the relevant market.

Most of EDPR's capacity in the US has predefined prices determined by bundled (electricity + REC) long-term contracts with local utilities or C&Is, in line with the Company's policy of avoiding electricity price risk. Despite existing long-term contracts, some EDPR's plants in the US do not have PPA and are selling merchant with exposure to electricity and REC prices. Additionally, some plants with existing PPAs do not sell their energy where it is produced and are therefore exposed to basis risk (difference in price between the location where energy is produced and that where energy is sold).

In Ontario (Canada), the selling price is defined by a long-term feed-in-tariff, thus, there is no electricity price exposure.

In Brazilian, Colombian and Chilean operations, the selling price is defined through a public auction which is later translated into a long-term contract. Electricity price exposure is almost null, with little exposure for the production above or below the contracted production.

In APAC, EDPR operates in markets where the selling price is defined by a feed-in-tariff (Vietnam, Japan, Malaysia and Taiwan) or through Power Purchase Agreements (Singapore, Cambodia, China, Malaysia and Thailand).

Under EDPR's global approach to minimize the exposure to market electricity prices, the Company evaluates on a permanent basis, if there are any deviations to the pre-defined limits (measured through EBITDA at risk, Net Income at risk and total merchant exposure).

EDPR intends to eliminate Green Certificates and REC price risk with the signing of bundled PPAs with private off-takers, which include the sale of the electricity and the Green Certificate or REC. In some cases, the offtaker may be interested in contracting only the Green Certificate or the REC, thus a GCPA (Green Certificate Purchase Agreement) or a RECPA (REC Purchase Agreement) is signed.

In those geographies with remaining merchant exposure, EDPR uses various commodity-hedging instruments in order to minimize the exposure to fluctuating market prices. In some cases, due to the lack of liquidity of financial derivatives, it may not be possible to successfully hedge all existing merchant exposure, after considering PPAs in place.

As aforementioned, some US plants have exposure to REC price risk and/or basis risk (difference in electricity price between locations). EDPR hedges REC prices through forward sales and basis exposure through financial swaps or FTR (Financial Transmission Rights).

1. ii) Energy Production Risk

The amount of electricity generated by EDPR's renewable plants is dependent on weather conditions, which vary across locations, from season to season and from year to year.

Variation on the amount of electricity that is generated affects EDPR's operating results and efficiency.

Not only the total wind or solar production in a specific location is relevant, but also the profile of production. Wind usually blows more at night than at daytime when energy prices are lower and the opposite for solar. Generation profile will affect the discount or add-on in price of a plant versus a baseload generation.

Finally, curtailment of a plant will also affect its production. Curtailment occurs when the production of a plant is stopped by the TSO (Transmission System Operators) for external reasons to the Company. Examples of cases of curtailment are upgrades in transmission lines or exceptional congestion (high level of electricity generation for available transmission capacity).

EDPR mitigates wind and solar resource volatility and seasonality through geographical diversification of its asset base in different countries and regions.

EDPR acknowledges the correlation between different plants in its portfolio that allows for this geographical diversification, which enables EDPR to partially offset production variations in each region and to keep the total energy generation relatively steady. Currently, EDPR is present in 28 markets: Spain, Portugal, France, Belgium, Poland, Romania, Italy, UK, Greece, Germany (no generation), Hungary (no generation), Netherlands (no generation), South Korea (no generation), Vietnam, Cambodia, China, Indonesia, Japan, Malaysia, Singapore, Taiwan, Thailand, US, Canada, Mexico, Colombia (no generation), Chile (no generation) and Brazil.

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Nevertheless, 2022 was a year with generation above the one initially forecasted.

EDPR continues to analyze the potential use of financial products to hedge wind risk and might use this product to mitigate risk in specific cases.

Profile risk and curtailment risk are managed ex-ante. For every new investment, EDPR factors the effect that expected generation profile and curtailment will have on the output of the plant. Generation profile and curtailment of EDPR's plants are constantly monitored by EDPR's Risk department to detect potential future changes.

1. iii) Risks related to financial markets

EDPR finances its plants through project finance or corporate debt. In both cases, a variable interest rate might imply significant fluctuations in interest payments.

On the other hand, due to EDPR's presence in several countries, revenues are denominated in different currencies. Consequently, exchange rate fluctuations may have a material adverse effect on financial results or on the value of the foreign investment.

1. iii) a) Interest rate risk

Given the policies adopted by EDPR Group, current exposure to variable interest rate is not significant and financial cash flows are substantially independent from the fluctuation of interest rates.

The purpose of interest rate risk management policies is to reduce the exposure of long-term debt cash flows to market fluctuations, mainly by contracting long term debt with a fixed rate.

When long-term debt is issued with floating rates, EDPR settles derivative financial instruments to swap from floating to fixed rate.

EDPR has a portfolio of interest-rate derivatives with maturities of up to 15 years. Sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations are periodically performed.

With most of interest rate being fixed, main exposure to interest rates arises at refinancing. To protect against this risk, EDPR intends to maintain a balanced maturity profile for its corporate fixed debt, thus, diversifying the risk of bad timing when refinancing occurs.

Moreover, during 2022, pre-hedges were carried out at EDP and EDPR level for corporate debt to protect against interest rate rises when refinancing debt for 2022-2025 horizon.

Repricing calendar of debt is continuously monitored together with interest rates in order to detect good timing for restructuring debt.

Taking into account risk management policy and approved exposure limits, Global Risk Area supports the Finance team in interest rate hedging decisions and the Finance team submits the financial strategy appropriate to each project/location for Management Team's approval.

1. iii) b) Exchange rate risk

EDPR has international operations and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. Currency exposure in operating plants is to U.S. dollar, Romanian leu, Polish zloty, Brazilian real, British pound, Canadian dollar, Colombian pesos. In APAC, main exposure comes from Singaporean dollar, but relatively small exposure to other southeast Asian currencies is still present. In addition, EDPR has a marginal fiscal exposure to MXN due to Mexican assets.

EDPR hedges risk against currency fluctuations by financing in the same currency as the revenues of the project. When local financing is not available, EDPR hedges debt cash flows though cross currency interest rate swaps.

EDPR also hedges net investment (investment after deducting local debt) in foreign currency through cross currency interest rate swaps.

Finally, EDPR contracts foreign exchange forwards to hedge the risk in specific transactions, mainly in payments to suppliers which may be denominated in different currencies.

EDPR's hedging efforts minimize exchange rate volatility, but do not eliminate completely this risk due to high costs associated to hedging FX in certain situations.

1. iii) c) Inflation risk

In specific projects, regulated remuneration is linked to inflation. Additionally, O&M costs are considered to be linked to inflation in most cases.

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Exposure to inflation in revenues may be naturally hedged with exposure to interest rates and EDPR regularly analyses inflation exposure and its relationship with interest rates to adjust level of interest rate coverage in project finance structures.

Exposure to inflation in O&M costs is managed at the moment of the investment decisions, by executing sensitivity analyses.

1. iii) d) Liquidity risk

Liquidity risk is the risk of EDPR not meeting its financial obligations. Liquidity risk is mainly related to extreme market movements in energy prices, interest rates, exchange rates or credit markets, which may change the expected cash flow from revenues, opex, margin calls or funding (due to credit downgrades).

EDPR tracks liquidity risk in the short term (margin calls, etc.) and in the long term (financing sources) in order to meet strategic targets previously set (EBITDA, debt ratio and others).

EDPR's strategy to manage liquidity risk is to ensure that its liquidity is sufficient to meet financial liabilities when due, under both normal and stressed conditions, and without incurring unacceptable losses or risking damage to EDPR's reputation.

Different funding sources are used such as Tax Equity investors, commercial banks, multilateral organizations, corporate debt and asset rotation in order to ensure long-term liquidity to finance planned projects and working capital.

The Directors have estimated cash flows that show that the Group will meet the commitments existing at the close of the 2022 financial year and those foreseen for 2023.

1.iv) Commodity price risk (other than energy)

In projects in which there is a significant number of years between investment decision and start of construction, EDPR may be exposed to the price of the materials used in turbine and solar panel manufacturing, foundations and interconnection through escalation formulae included in the contracts with suppliers.

In order to manage this risk, EDPR may hedge the market exposure in OTC/future commodity markets, considering the risks (potential losses) and the cost of the hedge.

2. Counterparty Risk

Counterparty risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss could occur, either a direct economic loss if the transaction has a positive value at the moment of default (counterparty credit risk) or a replacement cost due to change of the counterparty (counterparty operational risk).

2. i) Counterparty Credit Risk

If the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default, an economic loss would occur.

To control credit risk at EDPR, thresholds of Expected Loss and Unexpected Loss are established at company level as defined under Basel Standards and re-evaluated monthly. If the threshold is surpassed by the company as a whole, mitigation measures are implemented in order to remain within the pre-established limit.

Additionally, Expected Loss limits are established for each individual counterparty or Group of counterparties (parent and subsidiaries).

2.ii) Counterparty Operational Risk

If the transactions or portfolio of transactions with the counterparty do not have a positive economic value at the time of default, it will impact operations. Despite no direct loss at the time of default, the replacement of the counterparty could imply a cost to EDPR due to potential delays, higher contract value with a new counterparty (replacement costs), etc.

Construction and O&M subcontractors are counterparties to which EDPR is exposed from an operational point of view.

To minimize the probability of incurring in potential replacement costs with counterparties, EDPR´s policy concerning counterparty operational risk is managed by an analysis of the technical capacity, competitiveness, credit quality and replacement cost of the counterparty.

3. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates,

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increasing O&M, or natural disasters). Moreover, it includes the risk of the business being disrupted due to internal or external causes (such as a pandemic, cyberattack or IT systems malfunctioning), affecting business continuity.

3. i) Development Risk

Renewable plants are subject to strict regulations at different authority levels (international, national, state, regional and local) relating to the development, construction, grid interconnection and operation of power plants. Among other things, these laws regulate landscape and environmental aspects, building licenses, land use and land securing and access to the grid issues.

While level of exigency might be different depending on the geographies, EDPR acknowledges a trend for legislations to align towards concentrating the most restrictive rules and development risks on the consenting (environmental and urban permissions) and interconnection (electricity connection of the plant to the national grid).

In this context, EDPR's experience gathered in different markets is useful to anticipate and deal with similar situations in other countries.

During the development and design phase, EDPR focuses on the optimization of its projects. By mastering the variables, such as choice of locations, layout, etc., the objective is to make the projects more resilient to permitting risks.

Additionally, EDPR mitigates development risk by generating optionality, with development activities in 28 different markets and a portfolio of projects in several stages of maturity. EDPR has a large pipeline of projects that provide a "buffer" to overcome potential delays in the development of prioritized projects, ensuring growth targets and being able to compensate permitting delays in some geographies.

3. ii) Execution Risk

During the construction of the foundations, interconnection and substation of a plant, and the installation of the equipment, different events (bad weather, accidents, etc.) might occur that could imply an over cost or a delay in the commercial operation date of the plant:

- The delay implies a postponement of cash flows, affecting profitability of the investment.
- When a plant has a PPA, a delay of the commercial operation date might imply the payment of Liquidated Damages (LDs), with the consequent loss of revenues and the impact on annual financial results.

During the design phase, EDPR engineering teams supervise the engineering and the installation method. Construction is subcontracted to technically capable construction companies.

In both cases, a critical path analysis is performed to assess the reliability of construction and installation plan. Also, collaterals may be required to the counterparty following EDPR's Counterparty Risk Policy.

3.iii) Operation Risk

Damage to Physical Assets Risk

Renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc. These risks depend on the location of the assets.

All plants are insured the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident will be partially insured to revenue losses due to the event.

Equipment Performance Risk (O&M costs)

Output from renewable plants depends upon the operating availability of the equipment.

EDPR mitigates this risk by using a mix of suppliers which minimizes technological risk, avoiding exposure to a unique manufacturer.

EDPR also engages suppliers through medium-term full-scope maintenance agreements during the first years of operation to ensure alignment with supplier in minimizing technology risk.

Finally, for older plants, EDPR has created an Operation and Maintenance (O&M) program with an adequate preventive and scheduled maintenance program. EDPR externalizes non-core technical O&M activities of its renewable plants, while primary and value-added activities continue to be controlled by EDPR.

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3. iv) Information Technology Risk

IT (Information Technologies) risk may occur in the technical network (information network for plants operation) or in the office network (information network of corporate services: ERP, accounting...)

EDPR mitigates this risk creating redundancy of servers and control centers of renewable plants. Redundancy is created in a different location to anticipate potential natural disasters, etc.

3. v) Legal claims Risk (compliance, corruption, fraud)

EDPR faces potential claims of third parties, corruption and fraud of its employees.

EDPR has implemented an internal "Code of Ethics" and an Anticorruption Policy where the company commits to comply with legal obligations in every community where EDPR is established.

Additionally, the company Ombudsperson receives all the complaints sent through the "Code of Ethics" channel and decides the appropriate procedure for each one of them. An anticorruption mailbox is also available to report any questionable practice.

3. vi) Personnel Risk

EDPR identifies four main risk factors regarding personnel: turnover, health and safety, human rights, and discrimination, violence or behavior against human dignity.

- **Turnover:** A high turnover implies direct costs of replacement and indirect costs of knowledge loss. EDPR mitigates turnover through constant reassessment and benchmarking of remuneration schemes in different geographies. Additionally, EDPR offers flexibility to its employees to improve work life balance. In 2022, EDPR was elected as "Top Employer" in Spain by the Top Employers Institute.
- **Health and safety:** EDPR has deployed an H&S management system, complying with OHSAS 18001, pursuing the "zero accidents" target.
- **Human rights:** EDPR has committed, through its "Code of Ethics", to respect international human rights treaties and best work practices. All counterparties which sign a contract with EDPR are committed to respect EDPR's "Code of Ethics".
- **Discrimination, violence or behavior against human dignity:** EDPR forbids any kind of discrimination, violence or behavior against human dignity, as stated in its "Code of Ethics". Strict compliance is enforced, not only through the reporting channel of the Ombudsperson, but also through constant awareness from all employees of the company.

3. vii) Processes Risk

Internal processes are subject to potential human errors that may negatively affect the outcome. Internal Audit Department regularly reviews internal processes and recommends the establishment of new controls or the improvement in the implementation of existing procedures.

Moreover, business continuity is ensured by a Global Crisis Plan, which defines the procedure to follow for each level of crisis and frames individual emergency plans at activity or asset level. Also, a tool to oversee different events that could impact Business Continuity is being used to ensure correct management of crisis.

3. viii) ESG Risk

Identify climate-related risks and opportunities, such as those based on Task-Force on Climate-Related Financial Disclosures (TCFD) recommendations.

The impact of these risks and opportunities are assessed and mitigated through environmental measures, contingency plans and other related initiatives.

4. Business Risk

4. i) Regulatory Risk (renewables)

The development and profitability of renewable energy projects are subject to policies and regulatory frameworks. The jurisdictions in which EDPR operates provide different types of incentives supporting energy generated from renewable sources.

Remuneration schemes have become less competitive in some countries due to the financial crisis and it cannot be guaranteed that current support will be maintained in all EDPR's geographies or that future renewable energy projects will benefit from current support

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measures. Regulation promoting green energy has been revised or is under revision in some of the countries where EDPR is present.

In 2022, the conflict between Ukraine and Russia led to record-high electricity prices, particularly in Europe, which led the EU to implement a cap on gas prices. Some countries, like Spain, Poland or Romania also implemented their own cap measures, with the aim of limiting electricity prices for 2022 and beyond.

In the US, the Inflation Reduction Act (IRA) was signed into law extending, at the Federal level, Production Tax Credits (PTC) for wind energy for an additional 3 years, for all projects beginning construction before the end of 2024. The phaseout of PTC incentives for wind projects placed in service after 2021 was also removed by the IRA. Additionally, wind and solar production is also incentivized through State RPS Programs that allow receiving RECs (Renewable Energy Credit) for each MWh of renewable generation.

EDPR is managing its exposure to regulatory risks through diversification, by being present in several countries and through participation as an active member in several wind and solar associations.

Regulatory Risk in each of EDPR's countries is monitored continuously, considering current regulation, potential drafts of new laws, feedback from associations, evolution of installed renewable generation capacity and other inputs. EDPR has developed an internal quantitative assessment of Regulatory Risk that serves as an indicator for changes in supporting schemes. This measure is updated regularly in all EDPR´s geographies.

Regulatory Risk is also considered ex-ante, at the moment of the investment, through sensitivity analyses that are performed to evaluate its impact in project profitability under different scenarios.

4. ii) Equipment Market Risk/Equipment Price Risk

Price of equipment is affected, not only by market fluctuations of the materials used, but also by the demand of this equipment or a possible increase in trade tariffs and levies.

For every new project, EDPR secures the demand risk by engaging in advance with manufacturers, elected through a competitive process.

5. Equipment Supply Risk

The demand for new plants may offset the offer of equipment. Currently, the local component requirement in some geographies (Ex: Brazil) may create this shortfall situation. In the event of a trade war, supply chain of equipment suppliers may be affected, creating further imbalances in local component requirements.

EDPR currently faces limited risk to the availability and price increase of equipment due to existing framework agreements with major global suppliers. The Company uses a large mix of suppliers in order to diversify equipment supply risk. For geographies with specific requirements of local component, EDPR does not engage in a project before securing the supply of the equipment. This risk is further explained on EDPR's annual report due to its current relevance in the business.

6. Strategic Risk

6. i) Country Risk

Country Risk is defined as the probability of occurrence of a financial loss in a given country due to macroeconomics, political or natural disasters. EDPR has defined a Country Risk Policy that assesses country risk through an internal scoring based on publicly available data. This internal scoring is compared with external assessments from renowned organizations. Each risk factor affecting country risk is evaluated independently to decide on potential mitigating actions:

- **Macroeconomic Risk:** risks from the country's economic evolution, affecting revenue or cost time of the investments.
- **Political Risk**: all possible damaging actions or factors for the business of foreign companies that emanate from any political authority, governmental body or social group in the host country.
- **Natural disaster risk:** natural phenomena (seismicity, weather) that may impact negatively in the business conditions

Before approving a project in a new geography, EDPR analyses the risk of the new country and compares it to its existing portfolio. Mitigation measures may be decided when this risk is above a certain threshold.

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In addition, EDPR uses a Security risk index to rank countries from a security and safety standpoint, establishing mitigation measures for employees when above a pre-defined threshold.

6. ii) Competitive landscape

In the renewable business, size can be an advantage or disadvantage in specific situations. For example, in development of renewable plants, small and dynamic companies are usually more competitive than larger companies.

On the other hand, when participating in tender processes for offshore wind farms, the size of the investment benefits larger companies.

Additionally, the consequences of a change in the competitive landscape due to mergers and acquisitions may also be a risk.

To mitigate the risks, EDPR has a clear knowledge of its competitive advantages and tries to leverage on them. When EDPR has no advantage versus its competitors, alternatives are considered in order to become competitive. For example, for offshore wind farms, EDPR has partnered with large companies with previous experience in large electricity generation projects, in order to become a more competitive consortium.

6. iii) Technology disruptions

Most renewables are relatively recent technologies, which are continuously evolving and improving efficiency. As such, some initially expensive technologies can become competitive in a relatively short time.

EDPR growth focuses in the most competitive renewable technologies at the moment, which are onshore wind, offshore wind and PV solar, but also participates in other innovative projects such as floating offshore wind.

6. iv) Meteorological changes

Future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years, and they are considered to be representative of the future. Relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data.

When evaluating a new investment, EDPR considers potential changes in the production forecasted, however, the size of the potential deviation in the case of relevant meteorological changes is uncertain.

6. v) Investment decisions criteria

Not all projects have the same risk profile. This will depend on merchant exposure of remuneration, construction risk, etc.

In order to take proper business decisions, EDPR uses Risk Adjusted Metrics for investment decisions, which take into consideration the different risks inherent of each project.

6. vi) Energy Planning

Assumptions in future evolution of energy markets affect the profitability of the investments for the period after the fixed remuneration (regulated tariff or PPAs). Structure of electricity markets in most of EDPR geographies (marginal setting price) were not designed to consider a great share of generation from renewable sources with zero marginal price. Thus, the increase in renewable generation could lead to lower pool prices in medium term if reforms of electricity markets are not properly undertaken.

When investing, EDPR performs sensitivity analyses to stress pool price scenarios for the period without fixed remuneration to understand the robustness of the profitability of the investment.

6. vii) Corporate Organization and Governance

Corporate governance systems should ensure that a company is managed in the interests of its shareholders and other relevant stakeholders.

In particular, EDPR has an organization in place with a special focus on transparency, where the management body (Board of Directors) is separated from the supervision and control duties (Audit, Control and Related Party Transactions Committee). Members of this Committee are invited to the General Risk Committee of EDPR.

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6. viii) Reputational risk

Companies are exposed to public opinion and today's social networks are a rapid mean to express particular opinions. A bad reputation could eventually harm financial results of a company in the short and in the long term.

Sustainability makes part of the essence of EDPR. EDPR is not only committed in building a better future, but also in doing it well, in an ethical and sustainable manner, consequently limiting reputational risk.

54. Risk functions and framework

A corporation can manage risks in two different ways, one risk at a time on a largely and compartmentalized basis, or all risks together within a coordinated and strategic framework. The latter approach is called "Enterprise Risk Management" and is the approach used at EDPR. Risk Management at EDPR is supported by three distinct organizational functions, each on a different role: Strategy (Risk Profiler), Management (Risk Manager) and Controlling (Risk Controller).

RISK FUNCTIONS	DESCRIPTION
Strategy – General risk strategy & policy	Global Risk Department provides analytically supported proposals to general strategic issues. Responsible for proposing guidelines and policies for risk management within the company.
Management – Risk management & risk business decisions	Implement defined policies by Global Risk Responsible for day-to-day operational decisions and for related risk taking and risk.
Controlling – Risk monitoring	Responsible for follow-up of the results of risk-taking decisions and for contrasting alignment of operations with general risk policy approved by the board.

The Risk Committee is the forum where the different Risk Functions discuss the policies to be implemented and control the risk exposure of the company. EDPR's Risk Committee integrates and coordinates all Risk Functions and assures the link between corporate's risk appetite and defined strategy and the operations of the company.

EDPR created three distinct meetings of the Risk Committee in order to separate discussions on execution of mitigation strategies from those on the definition of new policies:

- **Restricted Risk Committee:** Held every month, it is mainly focused on development risk and market risk from selling energy (electricity price, basis, profile, GCs and RECs). It is the forum to discuss the evolution of projects under development and construction and the execution of mitigation strategies to reduce merchant exposure. It also monitors compliance with risk thresholds defined within risk policies (market risk, counterparty risk, operational risk and country risk).
- **Financial Risk Committee:** Held every quarter, it is held to review main financial markets risks (exchange rates, interest rates and inflation), liquidity risk, commodity risk and credit risk to financial institutions and discuss the execution of mitigation strategies.
- **Risk Committee:** Held every quarter, it is the forum where new strategic analysis is discussed, and new policies and procedures are proposed for approval to the Management Team. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

55. Details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information

With the purpose of not only controlling risks, but also managing them ex-ante, EDPR has created Global Risk policies that are enforceable at a Global Level. These policies are proposed and discussed in the Risk Committee and approved by the Management Team.

EDPR's Enterprise Risk Management Process is inspired on Basel Committee on Banking Supervision's principles, guidelines and recommendations and is similar to other risk management frameworks. In this respect, performance of risk metrics at EDPR and their compliance with established internal risk limits are assessed on a monthly basis. Additionally, a formal review and update of each Risk Policy, and the adequacy of its limits, is performed every two years.

Internal control system over financial reporting

EDPR has an Internal Control System over Financial Reporting (SCIRF) updated and monitored in line with international standards of Internal Control.

This system covers the main aspects of the COSO framework: maintaining a control environment for the preparation of qualified financial information, assessment of the risks of financial reporting, existence of control activities to mitigate risks of error, information and communication and evaluation mechanisms.

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In addition, the SCIRF Standard was approved in 2022; the purpose of this Standard is to formalize the mission and responsibilities of the SCIRF function, as well as to define the principles and methodological rules governing the exercise of its function and the relationship model with all its stakeholders.

Scope revision and update

The SCIRF Manual includes the annual update of the scope that aims to identify companies, areas and processes that must be included in the scope of SCIRF, according to criteria of materiality and risk, including the risk of error or fraud.

The risk analysis included in the scoping process for SCIRF, includes both the different types of risk (operational, economic, financial, technological or legal) and the control objectives of financial reporting (existence and occurrence, completeness, measurement, presentation, disclosure and comparability, and rights and obligations in terms of their potential impact on the financial statements).

The results of the updated scope with the methodology outlined are communicated at all levels of the organization involved in the SCIRF and supervised by the Audit, Control and Related Party Transactions Committee.

Control activities

In documented SCIRF processes and controls, information capture mechanisms are established (including identification of the scope of consolidation) and are specified the steps and checks that are carried out for the preparation of the financial information that will be part of consolidated financial statements.

The procedures for the review and approval of financial information are provided by the areas of Planning and Control, and Administration, Consolidation and Tax. Financial information is supervised in the scope of its competences by the Audit, Control and Related Party Transactions Committee, prior to the formulation of the accounts by the Board of Directors.

The SCIRF includes control activities related to these processes, embodied in Entity Level Controls, Process Controls and General IT Controls. These processes include review and approval activities of the financial information which are described in the processes of elaboration of individual and consolidated accounts and processing of consolidated financial statements.

EDPR has descriptions of Competency Profiles for the Positions to be carried out in the exercise of the main features of each position that includes a description of the main responsibilities. These include the descriptions of the key positions involved in the preparation of financial information. These descriptions include responsibilities in the preparation of financial information and compliance with internal control procedures.

The documentation of processes and associated controls designed include among others, the completion of closure activities by completing monthly closing checklists, setting due dates for the closures, the identification of the relevance of the operations in order to be reviewed at the appropriate level, conducting analytical reviews of financial information, the existence of limitations in systems to prevent erroneous records or access by unauthorized persons, analysis of deviations from the budget, the analysis by the Management Team of relevant and significant facts that could cause a significant impact on the accounts, or the allocation of responsibilities for calculating amounts to be provisioned for them to be carried out by authorized personnel with the right skills.

In addition to the mentioned reporting processes, major transactional processes resulting from the scope are documented. The description of the activities and controls are designed with the aim of ensuring the registration, evaluation, appropriate presentation and disclosure of transactions in financial reporting.

Control activities of EDPR's SCIRF also include those relating to systems and information technology (General IT Controls) following an international reference, the COBIT framework (Control Objectives for Information and related Technologies). The importance of this area is that information systems are the tools with which financial information is prepared and is therefore relevant for transactions conducted with them.

These control activities include those related to access control to applications and systems, segregation of duties, management of corrective and preventive maintenance, new projects implementation, administration and management of the systems, facilities and operations (back-ups, security incidents) and their proper monitoring and planning. These activities are developed taking into account the requirements of control and supervision.

Among the activities of SCIRF's scope update, there is a periodic analysis of the existence of service suppliers that perform relevant activities in relation to the processes of preparing financial information.

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SCIRF supervision

The Audit, Control and Related Party Transactions Committee supervises the SCIRF in the scope of the exercise of their activities through the monitoring and supervision of the developed mechanisms for SCIRF's implementation, evolution and evaluation, and the results of the scope analysis and the extent of the situation in terms of coverage. To this extent, the Internal Control Area assists the Audit, Control and Related Party Transactions Committee.

EDPR has an Internal Control area, integrated in the Compliance and Internal Control Department, which report to the CEO. The Audit, Control and Related Party Transactions Committee supervises the Internal Control area activities.

The main functions of the Internal Control area are set out in the SCIRF Manual, which includes, among others, the evaluation of the activities of internal control systems or support in the implementation and maintenance of the Internal Control system over Financial Reporting.

Internal Control supports the Audit, Control and Related Party Transactions Committee in supervising the implementation and maintenance of SCIRF and reports the results of the evaluation, improvement actions identified and their evolution.

The entity has action plans for improvement actions identified in SCIRF's assessment processes, which are accompanied and supervised by the Internal Control area, considering their impact on the financial information.

Also, in the year 2022, as in previous years, a process of self-certification was made by the owners of the various controls and Entity Level Control regarding proper documentation update on SCIRF controls and processes in their area of responsibility and the implementation of controls with corresponding evidence.

Additionally, in 2022, additional activities have been carried out for the integration of new platforms and businesses acquired by the company within the existing Internal Control System. In this regard, a specific identification of their associated risks and a review of the control matrix have been carried out.

Finally, in 2022, the Internal Control area, as part of its supervisory functions as a second line of defense, has carried out a monitoring activity of a selection of controls, reviewing their design and risks and reviewing the evidence of execution of the controls in order to verify that they are updated, in operation and that their design is adequate.

SCIRF evaluation

Besides the monitoring and evaluation activities described in the preceding paragraphs, in case the auditors identified internal control weaknesses in the scope of their financial audit work, they are expected to communicate these circumstances to the Audit, Control and Related Party Transactions Committee, which regularly monitors the results of the audit work.

Additionally, in 2022 the EDPR Group decided to have its SCIRF audited by the external auditor. As a result of its evaluation, the external auditor issued a report with a favorable opinion on the SCIRF of the EDPR Group, according to ISAE 3000 (International Standard on Assurance Engagements 3000), included in Annex II of this Chapter 5 of this Annual Report.

Corporate Compliance

The implementation of a solid corporate culture of compliance, integrity and transparency has always been a priority for EDPR, structuring its supervision and monitoring, through a regulatory compliance conduct basis and through the adoption of ethical values and principles; both consolidated as central elements of its business model.

Taking into account the Group's priority, the Compliance Model has evolved over the years:

- During 2016 and 2017, the Compliance Officer position and the Criminal and Legal Risk Prevention Model (Specific Compliance Model) were created.
- During 2018, the Company completed the first update of the Criminal Compliance Model and started working on the definition of a criminal risk matrix at an international level including an inventory of the potential risks and its controls in each of the geographies where EDPR operates.

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- In June 2019, the Compliance Area was created to support and provide assistance to the Compliance Officer. In February 2020, with the commitment of strengthening the Compliance culture and to comply with the international standards in Corporate Governance, the area evolved to the Department of Compliance and Internal Control – a new department which reports, directly, to the CEO.
- In 2022, the Compliance Area has been working on the implementation of a Global Compliance Model with actions addressed to reinforce the establishing of a Ethic and Compliance culture in the whole Group.

Reinforcing what stated in the previous point, in 2022, the Compliance Areas has created the Ethics and Corporate Compliance Area (ECC) in the North America platform as support area of the Compliance Officer.

Global compliance model

In the definition of the Global Compliance Model, the Global Compliance structure has been defined, and a great effort has been made to develop a robust set of policies and procedures for the Group, which includes the following:

- The Compliance Standard, approved by the Board of Directors in November 2021 and reviewed and updated in October 2022, which establishes the basic principles, the methodological rules that govern the carrying out of the Compliance function and the specific Compliance functions of all employees.
- The Code of Conduct for Top Management and Senior Financial Officers, approved by the Board of Directors in July 2021, that reinforces and complements the Code of Ethics, and reflects the commitment of the people who have been given the responsibility and power to carry out the supervisory and administrative functions of the EDPR Group.

The Global Compliance Model integrates specific models depending on the risks affecting the Group:

- A specific Integrity Compliance Program focused on the prevention of corruption and bribery risks. EDPR has a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all business dealings and relationships wherever the Group operates. For this reason, the specific Integrity Compliance Program has as its central axis the Integrity Policy, which replaces the previous Anticorruption Policy; was approved by the Board of Directors in July 2021 and reviewed and updated in October 2022. The Integrity Policy has been complemented by other procedures that facilitate the application of this Policy. Among others:

  i. The Donations and Sponsorships Procedure, approved by the Management Team in June 2021.
  ii. The Offers and Events Procedure, approved by the Management Team in June 2021 and reviewed and updated in December 2022.
  iii. The Conflict of Interest Procedure, approved by the Management Team in June 2021.
  iv. The Integrity Due Diligence Procedure and the Procedure for relationship with Public Officials and Politically Exposed Persons, approved on 2020 and developed during 2021 through different electronic platforms. The creation of a technological platform for third-party analysis, which can be used by all Group employees, is noteworthy. Both of them have been reviewed and updated in December 2022.
  v. The Intermediary Agreements Procedure, approved by the Management Team in July 2022.
  vi. A specific Criminal Compliance Program focused on the prevention of criminal risks in Spain taking into consideration the regulation in Spain.

- During this 2022 the Criminal Compliance Policy has been updated (initially approved in December 2017).
- The risk and control matrix has been updated. All the Areas/departments of EDPR Group have reviewed the assigned controls and have validated the applicable controls (self-assessment).
- A Control Audit Plan has been established and the controls assigned in the Plan have been audited by an independent third party.

In addition, the Risk Assessment Methodology has been updated in order to have a more objective risk assessment.

A specific Personal Data Protection Compliance Program focused on the protection of personal data to which EDPR has access and for which it is responsible. In this context, EDPR

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has been strengthening its management system to ensure the compliance and adequacy of EDPR Group's entities to the applicable legal requirements regarding Data Protection in the different geographies. The specific Personal Data Protection Compliance Program has as its central axis in the principles reflected on the Personal Data Protection Policy, approved by the Board of Directors in 2020. The main matters involved this Program are periodically reviewed taking into account new requirements and the expansion of the Group in new geographies. The Cookie Policies across different geographies have been updated in 2022.

Since September 2022, the internal Data Protection Procedures and Methodologies, defined and developed at a group level in 2021, are being reviewed taking in to account the regulatory requirements established in the legislations of the new geographies in which EDPR has a presence.

In October 2022, EDPR started a Project for the review and identification of International Personal Data Transfers accompanied by the elaboration of a Gap Analysis and Action Plan for the subsequent regularization of those transfers that may require it.

In December 2022, EDPR has started the development of a new Master Data Protection Policy at a Group Level.

All this normative development has implied a strong work to make the new policies and procedures of the Group known, having made special focus this year in training and communication in the field of Compliance.

Training and communication

Training and communication are fundamental tools to strengthen and disseminate the ethic and compliance culture. In this sense, the following training courses have been developed:

- *Compliance at EDP* with the goal of showing all the employees how the EPDR's Compliance Management System works.
- *ComplianceFLIX "how I met integrity"* which aims to make employees reflect on situations that may involve illegal acts and improper/unethical conducts, and show them how they should act to comply with the EDPR Integrity Policy.
- *ComplianceFLIX The Personal Data Protection Lady* with the goal of reflecting on situations involving the processing of personal data, sometimes resulting in personal data incidents, and showing all the employees how they should act to comply with the law and internal regulations on data protection.
- *Follow Criminal Compliance* which contains the main guidelines of EDPR's Criminal Compliance Policy and the consequences of not complying with them. This training is addressed to new hires or employees who had not completed this training last year.
- *Ethics is value: Let's live our Code of Ethics,* which is based on different videos of the Directors of EDPR who describe the structure and the main elements of the Code of Ethics.
- Ethics for leaders to guarantee that middle management knows the relevant ethics tools to apply in the management of their teams.
- Specific trainings online to different areas (Procurement, M&A, Legal) and geographies in order to guarantees the correct implementation of the Integrity Due Diligence Process.
- Training sessions in person in different geographies (Italy, Greece, France, Romania, Brazil, Colombia and Hungary) in order to assure the correct acknowledge of all compliance policies and procedures.

These trainings have been complemented with communication activities as the (i) monthly Ethics and Compliance Comic which shows practices cases where apply the Code of Ethics and the Compliance policies and procedures,(ii) Global Ethics Day campaign, (iii) periodic posts on the intranet and internal platforms over compliance topics and (iv) different thematic campaigns as the Privacy Day, GRPD anniversary or Anticorruption day.

Reporting system

Lastly, the reporting system to Top Management and Senior Management has also been improved, establishing reports about the Global Compliance Model to: (i) the CEO (monthly), (ii) the Audit Control and Related Party Transactions Committee (CAUD) (quarterly), (iii) the Management Team (at least quarterly) and (iv) to the Board of Directors (yearly).

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Operation, methodology and certifications

The entire operation and methodology for the management of the Criminal Compliance Program and the Integrity Compliance Program has been compiled in an internal departmental document called Integrated Management System for Criminal Compliance and Antibribery Handbook updated during 2022. Additional documents, for the support and documentation of this system, have been also drafted.

All this development has allowed EDPR, at the end of 2021, to obtain a double certification from AENOR that verifies and accredits that the company has developed a system of criminal and anti-bribery compliance that meets the requirements of reference standards UNE 19601 and ISO 37001.

With said recognitions, EDPR demonstrates that it has an effective anti-bribery management system (ISO 37001) and that its Spanish criminal risks Prevention Model complies with best practices to prevent crime, reduce risk, and foster an ethical and legally compliant business culture (UNE 19601).

In 2022, EDPR has renewed its AENOR certifications in Criminal Compliance and Anti Bribery, reinforcing, once more time, EDPR's commitment to promote a culture of compliance and strengthen values such as integrity, accountability and transparency.

IV. Investor Assistance

56. Investor Relations department

EDPR seeks to provide to shareholders, investors, financial analysts and other stakeholders and the market in general, all the relevant information about the Company and its business environment, on a regular basis and whenever a relevant fact takes place. The promotion of transparent, consistent, rigorous, easily accessible, and high-quality information is essential to an accurate perception of the Company's strategy, financial situation, accounts, assets, prospects, risks, and significant events.

EDPR, therefore, looks to provide the market with accurate information that can support them in making informed, clear and concrete investment decisions.

The Investor Relations Department was created to ensure a direct and permanent contact with all market related agents and stakeholders, to guarantee effective communication, equality between shareholders and to prevent imbalances in the information access.

The EDPR Investor Relations Department (IR) is the intermediary between EDPR and its actual and potential shareholders, the financial analysts that follow Company's activity, all investors and other members of the financial community. The main purpose of the department is to guarantee the principle of equality among shareholders, by preventing asymmetries in the access of the information and reducing the gap between market perception and Company's strategy and intrinsic value. The Investor Relations department centralizes all relevant and material information that could impact EDPR share price. This information is prepared by the different departments of EDPR, with the support when necessary, of external experts, and always managed in a strictly confidential basis. The department responsibility also comprises developing and implementing EDPR's communication strategy and preserving an appropriate institutional and informative relationship with the financial market, the stock exchange at which EDPR shares trade and the regulatory and supervisory entities (CMVM – *Comissão de Mercado de Valores Mobiliários* – in Portugal and CNMV – *Comisión Nacional del Mercado de Valores* – in Spain.

EDPR is clearly aware of the importance of detailed and transparent information, delivered on-time to the market. Consequently, EDPR publishes Company's price sensitive information before the opening or following the closing of the Euronext Lisbon stock exchange through CMVM's information system and, simultaneously, make that same information available on the website investors' section and through the IR department's mailing list. In 2022, EDPR made more than 35 market notifications, in addition to quarterly, semi-annual and annual results presentations, handouts and operating data statement elaborated by the IR Department. In addition, the IR Department also elaborates key data files and interim presentations which are available on the website investors' section.

On each earnings announcement, EDPR promotes a conference call and webcast, opened to the market in general, at which the Company's management updates the market on EDPR's activities. On each of these events, shareholders, investors and analysts had the opportunity to directly submit their questions and to discuss EDPR's results as well as the Company's outlook and strategy.

EDPR IR Department is coordinated by Miguel Viana and is located at the Company's head offices in Madrid, Spain. The department structure and contacts are as follows:

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- Miguel Viana, Head ofInvestor Relations and Sustainability
- Calle Serrano Galvache, 56; Centro Empresarial Parque Norte; Edificio Olmo – 7th floor; 28033 – Madrid – España
- Website: www.edpr.com/en/investors
- E-Mail: ir@edpr.com
- Phone: +34 900 830 004

EDPR IR Department was in continuous contact with capital markets agents, namely shareholder and investors, along with financial analysts who evaluate the Company. In 2022, as far as the Company is aware, sell-side analysts issued more than 60 reports evaluating EDPR's business and performance.

At the end of the 2022, as far as the Company is aware of, there were 25 institutions elaborating research reports and following actively EDPR activity. As of December 31st 2022, the average price target of those analysts was of Euro 23.63 per share with 14 "Neutral", 8 "Buy" and 3 "Sell" recommendations.

COMPANY	ANALYST	PRICE TARGET	DATE	RECOMMENDATION
Bank of America	Mikel Zabala	€ 26.00	15-Feb-22	Buy
Barclays	Jose Ruiz	€ 20.30	15-Jul-22	Equalweight
Bestinver	Daniel Rodríguez	€ 24.50	1-Jul-22	Buy
Berenberg	Lawson Steele	€ 27.00	10-Oct-22	Buy
BNP Paribas	Manuel Palomo	€ 21.00	26-Oct-22	Neutral
CaixaBank BPI	Flora Trindade	€ 25.00	11-Oct-22	Neutral
Citi	Jenny Ping	€ 23.50	23-Sep-22	Neutral
Credit Suisse	Christopher Leonard	€ 22.00	16-Dec-21	Neutral
Deutsche Bank	Olly Jeffery	€ 22.00	13-Oct-22	Hold
Goldman Sachs	Alberto Gandolfi	€ 24.50	26-Oct-22	Neutral
HSBC	Charles Swabey	€ 28.00	9-Aug-22	Buy
Intermoney	Guillermo Barrio	€ 27.00	12-Jul-22	Buy
JB Capital	Jorge Guimarães	€ 24.20	17-Oct-22	Neutral
Jefferies	Skye Landon	€ 27.50	22-Jul-22	Buy
JP Morgan	Javier Garrido	€ 23.00	17-Oct-22	Overweight
Kepler Cheuvreux	Jose Porta	€ 27.50	28-Sep-22	Buy
Morgan Stanley	Arthur Sitbon	€ 23.00	7-Jun-22	Equalweight
Morning Star	Tancrede Fulop	€22,00	21-Sep-22	Neutral
MedioBanca	Sara Piccinini	€ 24.00	27-Oct-22	Neutral
Mirabaud	Sonia Ruiz de Garibay	€ 25.00	12-Dic-22	Buy
ODDO BHF	Philippe Ourpatian	€ 18.80	5-May-22	Neutral
RBC	Fernando Garcia	€ 19.00	2-Dic-22	Underperform
Redburn	Fawwaz Janjua	€ 22.20	21-Jul-22	Neutral
Santander	Bosco Muguiro	€ 22.24	26-Jul-22	Sell
Société Générale	Jorge Alonso	€ 22.00	15-Sep-22	Sell
UBS	Gonzalo Sanchez-Bordona	€ 21.00	24-Oct-22	Neutral

57. Market Relations Representative

EDPR representative for relations with the market at CNMV and CMVM is Rui Teixeira, Chief Financial Officer.

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58. Information Requests

During the year, IR Department received more than 300 information requests and interacted more than 400 times with institutional investors. On average, information requests were replied in less than 24 hours, with complex requests being replied within one-week time. As of December 31st 2022 there was no pending information request.

V. Website – Online information

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EDPR considers online information a powerful tool in the dissemination of material information, updating its website with all the relevant documents. Apart from all the required information by CMVM and CNMV regulations, EDPR website also carries financial and operational updates of Company's activities ensuring an easy access to the information.

EDPR website: www.edpr.com

INFORMATION	LINK
Company information	www.edpr.com/en/who_we_are
Corporate by-laws and bodies/committees' regulations	www.edpr.com/en/investors/corporate-governance/company-data
Members of the corporate bodies and management structure	https://www.edpr.com/en/investors/corporate-governance/governing-bodies-and-management-structure
Market relations representative, IR department	www.edpr.com/en/investors
Information channels	www.edpr.com/en/edpr
Financial statements documents	www.edpr.com/en/investors/investors-information/reports-and-results
Corporate events Agenda	www.edpr.com/en/investors

D. Remuneration

I. Power to establish

66. Competences to determine the Remuneration of the Corporate Bodies and Executive Staff

The Appointments and Remunerations Committee is a permanent body belonging to the Board of Directors with an informative and advisory nature. Its recommendations and reports are non-binding.

The Appointments and Remunerations Committee has no executive functions. The main functions of the Appointments and Remunerations Committee are to assist and inform the Board of Directors regarding the appointments (including by co-option), re-elections, dismissals, and the remuneration of the Directors and executive staff. It also informs the Board of Directors on general remuneration and incentive policies and incentives for Board members and executive staff.

As such, the Appointments and Remunerations Committee is the body responsible for proposing to the Board of Directors the remuneration of the Executive and Non-Executive Directors, the members of the Board Committees and the Executive Staff; the Remuneration Policy; the evaluation and compliance of the KPI's (Key Performance Indicators); the annual and multi annual variable remuneration, if applicable.

The Board of Directors is responsible for the approval of the above-mentioned proposals except the Remuneration Policy which is approved by the General Shareholders' Meeting. The Board of Directors also evaluates with an annual periodicity its own performance and the performance of its delegated Committees. The evaluation of the performance of the Board of Directors, is then additionally submitted for the approval of the General Shareholders' Meeting.

The proposal on the Remuneration Policy is submitted by the Board of Directors for the approval of the General Shareholders' Meeting as an independent proposal, which will be in effect for a maximum of a three-year period. According to the Company's Articles of Association the Board of Directors remuneration is subject to a maximum value that can only be modified by a Shareholders' agreement.

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II. Appointments and Remunerations Committee

67. Appointments and Remunerations Committee composition. Relevant service providers in 2022.

The composition of the Appointments and Remunerations Committee is reflected on topic 29 of this Chapter 5 of the Annual Report.

The Company has not stablished any restrictions within its Articles of Association, Regulations or internal policies limiting the competence of the Appointments and Remunerations Committee to hire any consulting services that may be considered necessary to carry out its duties; additionally in case such services would be hired, it should be noted that they should be rendered independently, ensuring that the service provider do not provide any other services to EDPR or to any company in controlling or group relationship.

In 2022 the Committee hired the services of Egon Zehnder for the identification of the best profiles to cover the vacancy left by Joan Avalyn Dempsey, and the provision of these services strictly complied with the referred requirements.

68. Knowledge and experience regarding Remuneration Policy

The members of the Appointments and Remunerations Committee have knowledge and experience regarding Remuneration Policy.

III. Remuneration structure

69. Remuneration Policy

Pursuant to Article 26 of the Company's Articles of Association the Directors shall be entitled to a remuneration which consists of a fixed amount to be determined annually by the General Shareholders' Meeting for the whole Board of Directors. The above-mentioned article also establishes the possibility of the Directors of receiving attendance fees or being remunerated with Company shares, share options, or other securities granting the right to obtain shares or by means of share-indexed remuneration systems. In any case, the system chosen must be approved by the General Shareholders' Meeting and comply with current legal provisions.

The total amount of the remunerations that the Company will pay to its Directors shall not exceed the amount determined by the General Shareholders' Meeting.

Pursuant to Article 26.5 of the Company's Articles of Association, the rights and duties of any kind derived from the condition of Board Member shall be compatible with any other rights and obligations either fixed or variable that could correspond to the Board Members as a consequence of other employment or professional engagements, if any, carried out in the Company.

Variable remuneration resulting from said contracts or from any other relationship, including being a Board Member, will be limited to a maximum annual amount to be also established by the General Shareholders' Meeting.

For these purposes, the General Shareholders' Meeting held on May 13th, 2008 set a maximum annual amount for the Board of Directors for fixed remuneration of EUR 2,500,000; and at its meeting held on April 8th, 2014 also resolved to establish a maximum annual amount for variable remuneration of EUR 1,000,000 for executive directors.

For 2023 onwards, the maximum annual amount for fix and variable remuneration for the Board of Directors has been set in EUR 3,500,000 by the approval of the General Shareholders' Meeting held on March 31st, 2022. This amount results of the merge of the former EUR 2,500,000that was stablished for fix renumeration and the EUR 1,000,000 that was established for variable annual remuneration.

EDPR, in line with EDP Group corporate governance practices, has signed a Management Services Agreement with EDP, under which the Company bears the cost for such services to some of the members of the Board of Directors to the extent their services are devoted to EDPR.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work as Directors and a complement as Member or Chairperson of the Appointments and Remunerations Committee, and /or the Audit, Control and Related Party Transactions Committee and/or the Environmental, Social and Corporate Governance Committee. Such amounts are cumulative, except for the Chairman of the Board of Directors who does not receive any complement derived from his role at any Committee.

EDPR has not incorporated any share remuneration or share purchase options plans as components of the remuneration of its Directors.

No Director has entered into any contract with the Company or third parties that have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company.

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In EDPR there are not any payments for the dismissal or termination of Director's duties.

In 2022, the Board of Directors Remuneration Policy in place for this term was duly applied. Additionally, the General Shareholders' Meeting held on March 31, 2022 approved the Renumeration Policy to be applied for 2023-2025 term, following the proposal of the Appointments and Remunerations Committee.

70. Remuneration Structure

The Remuneration Policy applicable for 2020-2022 was approved by the General Shareholders' Meeting (the "Remuneration Policy"). This Remuneration Policy maintains a structure with a fixed remuneration for all members of the Board of Directors, whereas for the Executive Directors also defines a fixed and a variable remuneration, with an annual component and a multi-annual component.

71. Variable Remuneration

Variable annual and variable multi-annual remuneration apply to the Executive Directors.

Variable annual and multi-annual remuneration will be a percentage of fixed annual component, with a superior weight for multiannual vs. annual component (120% vs. 80%). Thus, the value of the variable remuneration may range between 0% and 85% of the 80% in the case of the annual variable, and between 0% and 85% of the 120% in the case of the multi-annual variable. Such percentages are applied over the gross annual fixed remuneration. According to the Remuneration Policy approved by the General Shareholders' Meeting, the maximum variable remuneration (annual and multi-annual) is applicable if all the KPI's were achieved and the performance evaluation is equal or above 110%.

The key performance indicators (KPIs) used to determine the amounts of the annual and multi - annual variable remuneration for each year of the term are proposed by the Appointments, and Remunerations Committee with the aim of aligning them with the strategic pillars of the Company: growth, risk control and efficiency. The KPIs considered for the variable remuneration paid in 2022 (as a result of the performance developed in 2021), as well as those to be considered in 2023 for the appraisal of the performance of year 2022 were the following:

	WEIGHT		KEY PERFORMANCE INDICATOR	CEO/CFO WEIGHT	CEO/CFO EDPR RESULTS
Total Shareholder return	15%	100%	TSR vs. Wind peers & Psi 20	100%	100%
Shareholders	80%	60%	Operating Cash Flow (€ million)	10%	100%
			AR/Sell-down + Tax Equity (€ million)	10%	100%
			EBITDA+ sell down gains (€ million)	10%	100%
			Net Profit (€ million)	10%	100%
			Core Opex Adjusted (€ thousand/MW)	10%	100%
			Projects with FID (% of total '19-'22 additions in BP)	10%	100%
Clients		10%	Renewable Capacity Built (in MW)	10%	100%
Assets & Operations		10%	Technical Energy Availability (%)	5%	100%
			Capex per MW (€ thousand)	5%	100%
Environment & Commnunities		5%	Certified MW %	5%	100%
Innovation & partners		5%	H&S frequency rate (employees + contractors)	5%	100%
People[5] Management		10%	People Management	10%	100%
Remuneration Committee	5%	100%	Appreciation Remuneration Committee	100%	100%

[5]. The policy has considered the labour conditions and the remuneration of the Company employees in order to define its terms, and in particular, has established this KPI, that includes the results of the Climate Survey launched to the employees in which the satisfaction level with the performance and applicable conditions is reflected.

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72. Deferral period applicable to variable Remuneration

In line with corporate governance practices, the Remuneration Policy incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any willful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

73. Variable Remuneration based on shares

EDPR has not allocated variable remuneration on shares and does not maintain Company shares that the Executive Directors have had access to.

74. Variable Remuneration based on options

EDPR has not allocated variable remuneration on options.

75. Annual Bonus and non-monetary benefits

The key factors and grounds for any annual bonus scheme are described on topics 71 and 72.

No non-monetary benefits are paid by EDPR to its Board Members, except for a company car for the Chairman of the Board of Directors (whose total related cost for four years was borne and reported in in 2021) and the retirement savings plan for Executive Directors referred in the following section.

76. Retirement Savings Plan

The retirement savings plan applicable to 2022, which is included within the Remuneration Policy applicable for such term was defined and proposed by the Appointments and Remunerations Committee to the Board of Directors for its submission to the General Shareholder's Meeting, which was duly approved. For the Executive Directors of EDPR (Miguel Stilwell d' Andrade and Rui Teixeira) it was stablished in a 5% of the fixed fee under the Management Services Agreement. For the year 2022, EDPR paid a fee to EDP under the Management Services agreement of 19,200€ corresponding to the retirement saving plan of Miguel Stilwell d' Andrade, and of 14,500€ corresponding to the retirement saving plan of Rui Teixeira.

IV. Remuneration disclosure

77. Board of Directors remuneration

Below the list of EDPR Directors that composed the Board during 2022, and the amounts paid by EDPR either (i) as remuneration to them for their functions at the Board level or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration). The following figures reflect the period of 2022 in which each relevant Director was member of the Board:

DIRECTOR	REMUNERATION	FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR	
EXECUTIVE DIRECTORS		Fixed component	Variable component
Miguel Stilwell d' Andrade	-	384,000€*	173,664.84€
Rui Teixeira	-	290,000€*	131,153.13€
NON-EXECUTIVE DIRECTORS		Fixed component	
António Mota	230,000€		-
Vera Pinto	-	65,000€*	-
Ana Paula Marques	-	65,000€*	-
Miguel Setas	-	65,000€*	-
Manuel Menéndez	65,000€		-
Acácio Piloto(**)	65,000€		-
Allan J.Katz(**)	65,000€		-
Rosa García(**)	65,000€		-
José Morgado(**)	65,000€		-
Kay Mc Call (**) (***)	37,917€		-
Joan Avalyn Dempsey (****)	*2.446€*		
Sub- Total	595,363€	869,000€	304,817.97€
Total		1,769,180.97€	

*These amounts correspond to the service fee paid by EDPR to EDP under the Management Services Agreement for the services rendered in 2022 by such director. In addition, EDPR pays to EDP a 5% of such service fee which is applied to the retirement savings plan for Executive Directors described in topic 76 of this Chapter 5 of the Annual Report.

**These Directors also received remuneration for their participation in the Delegated Committees that is detailed at Chapter 6 of this Annual Report.

*****The remuneration reflected for this Director corresponds to 2022, provided that she was appointed by co-option on May 3rd, 2022 (with effects June 1st, 2022).*

****** Joan Avalyn Dempsey presented the resignation to her positions as Board Members with effects January 13th, 2022, and therefore the amounts indicated in the table above reflect the remuneration accrued in 2022 until her resignation.*

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78. Remuneration from other Group Companies

The members of the Board of Directors as of end of December 2022 do not receive any payment from any company under EDPR control or subject to EDPR common control.

79. Remuneration paid in form of profit sharing and/or bonus payments

In EDPR there is no payment of remuneration in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

80. Compensation for contract termination of Executive Board Members

In 2022 there was no compensation paid or owed to former Executive Directors concerning contract termination during the financial year.

Should be noted for these purposes that in 2022, the General Shareholders' Meeting approved the Remuneration Policy to be applied for 2023 -2025 under which, except as provided in section below, is specifically established that no severance payment shall be made to Directors for termination of their duties before the end of the term of office for which they were appointed, and that Executive Directors shall not sign contracts, either with EDPR or with third parties, that have the effect of mitigating the risk inherent in the variability of the remuneration set by EDP.

Considering the terms laid down by law and market practice, and approved under the Remuneration Policy for 2023-2025, as on the remuneration of Executive Directors in the event of early termination of office it has been established that:

- In the event of termination for reasons not attributable to the Executive Director, he/she shall be entitled to receive the full fixed component until the end of the term of office for which he/she was elected, and the variable component accrued until the date of termination of office, but shall lose the right to receive any other benefits inherent to the effective exercise of functions for periods of annual or multi-annual performance not completed in their entirety.

- In the event of resignation not arising from an early termination agreement with EDPR, the Executive Director shall be entitled to receive only the fixed and variable remuneration accrued up to the date of resignation, the payment of which shall be made on the same terms and conditions as for serving executive Directors.

- In the event of termination of service by agreement with EDPR whereby the Executive Director agrees to resign, the Executive Director shall be entitled to receive the amount agreed at that time, which shall not exceed (i) the amount of the fixed component until the end of the term of office, plus (ii) the full variable component for the annual or multi-year period payable after it is determined at the end of the relevant period, as if the Executive Director had remained in office.

81. Audit, Control and Related Party Transactions Committee Remuneration

Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board. Below the list of members of the Audit, Control and Related Party Transactions Committee as of December 31st 2022, and the amounts paid by EDPR as remuneration to them for the functions performed at this body.

COMMITEE MEMBER	POSITION	REMUNERATION
Acacio Piloto	Chairman	55,000€
Rosa García García	Vocal	25,000€
José Félix Morgado	Vocal	25,000€

82. Remuneration of the Chairperson of the General Shareholders' Meeting

In 2021 it was decided to adopt the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders Meeting to be chaired by the Board of Directors Chairman. Therefore, there are no additional remunerations applies for the chairmanship of the General Shareholders' Meeting, as it is performed by the Chairperson of the Board of Directors (António Gomes Mota).

V. Agreements with remuneration implication

83-84.

EDPR has no agreements with remuneration implication.

For avoidance of doubt, the Company has not adopted any mechanism that imply payments or assumption of fees in the case of change in the composition of the managing body (Board

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of Directors), and which could be likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of this managing body.

VI. Share-allocation and/or Stock Option Plans

85-88.

EDPR does not have any Share-Allocation and/or Stock Option Plans.

E. Related-Party Transactions

I. Control mechanisms and procedures

89. Related-Party Transactions Controlling Mechanisms

The Spanish Companies Act sets a the regulation and requirements for Related Party Transactions, including the definition of Related Party Transactions, and the approval and disclosure procedures of these type of operations.

This definition of Related Party Transactions under Spanish Law considers those performed by a company or its subsidiaries, with Directors, shareholders holding a 10% or more of the voting rights or represented at the Board of the company, or with whomever that shall be considered as related party under the International Accounting Standards.

With regards the competence to approve Related Party Transactions, as of such amendment, it has been stablished an assignation of competence to different governing bodies depending on the amount as follows:

- The Shareholders Meeting: transactions of an amount equal or above a 10% of the total assets according to the last annual balance sheet. These transactions shall be submitted together with a supporting report issued by the Audit Committee of the Company.
- The Board of Directors: transactions of an amount below a 10% of the total assets according to the last annual balance sheet. These transactions shall be also submitted together with a supporting report issued by the Audit Committee of the Company.
- Delegated Bodies: the Board of Directors may delegate the approval of: (i) transactions performed between companies of the same group that are performed in the ordinary management of the company and under market conditions, and (ii) that are executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, the amount of which does not exceed the 0.5% of the net amount of the annual company business value.

The transactions approved by the delegated body will not require the issuance of the Audit Committee report, but the Board shall establish a periodic internal reporting and control procedure involving the Audit Committee, which will verify the fairness and transparency of the transactions and the compliance with the applicable legal criteria.

In light of the above, on July 27th, 2021, the Board of Directors approved to implement the necessary adjustments in the process of analysis and approval of Related Party Transactions, and in particular resolved to take the following decisions:

- To approve the delegation in the Audit, Control and Related Party Transactions Committee of the competence to approve Related Party Transactions that are delegable under the law;
- To approve a procedure for reporting and control of such transactions involving the Audit, Control and Related Party Transactions Committee;
- To approve a new definition of Related Party Transactions to be regulated under the Audit, Control and Related Party Transactions Committee, considering as Related Party the following:(i) any company of the EDP Group, (ii) any company in which both EDPR SA and a Related Party have a stake, (iii) any shareholder holding a 10% or more of the voting rights or with representation at the Board of the Company, and (iv) any party deemed as

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ated Party under the International Accounting Standards, including without limitation, Board members, Key Employees[6] and Relatives[7].

- In order to formalize the above referred delegations, to amend article 8.B. ("Nature and Competence") of the Regulations of the Audit, Control and Related Party Transactions Committee including the necessary competences to perform its duties, as follows:

  i. Analise and, where appropriate, approve the (i) (a) intragroup transactions or (b) transactions performed between EDPR Group and EDP Group when their amount is below 10% of the total assets at the last annual balance sheet approved by the company, as long as they are in the ordinary management of the company and under market conditions; (ii) transactions executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, and which amount does not exceed the 0,5% of the net annual company turnover, and

  ii. Periodically inform the Board of Directors about the transactions approved by this Committee in the exercise of the above referred delegation, stating the fairness and transparency of such transactions, and as the case may be, the compliance with the applicable legal criteria.

  iii. Analise and inform about any modification of the Framework Agreement signed by EDP and EDP Renováveis on 7 May 2008.[8]

  iv. Submit a report to the Board of Directors of the Company regarding the Related Party Transactions that shall be approved by the Board of Directors of EDPR SA or by its Shareholder's Meeting in accordance with the law, and that shall include: (i) the information regarding the nature of the operation and the relation with the Related Party, (ii) the identity of the Related Party, the date and value or amount of the compensation of the transaction, and any other information necessary to appraise if the operation is fair and reasonable for the company and for the shareholders that are not Related Parties.

  v. Request EDP for access to the information needed to perform its duties.

It should be also noted that in accordance with article 13.3 of the Regulations of the Audit, Control and Related Party Transactions Committee, the resolutions adopted by this committee are reported to the Board of Directors at the first Board meeting held following the meeting of the committee in which such proposals were discussed. That means that in case there are Related Party Transactions, they are reported to the Board of Directors at least every quarter (maximum period elapsed between Board of Directors Meeting in accordance with Article 22 of its Regulations).

90. Transactions subject to control during 2022

During 2022, EDPR has not signed any contracts with the members of its corporate bodies or with holders of qualifying holdings, excluding EDP, as mentioned below.

The contracts signed between EDPR and its related parties have been analyzed by the Audit, Control and Related Party Transactions Committee according to its competences, as mentioned on the previous topic, and have been concluded according to the market conditions.

The total amount of supplies and services in 2022 incurred with or charged by the EDP Group was EUR 44,293,208 thousand corresponding to 10% of the total value of Supplies & Services for the year (EUR 438,973,930 thousand).

The most significant contracts in force during 2022 are the following:

Framework agreement

The framework agreement was signed by EDP and EDPR on May 7th 2008 and came into effect when the latter was admitted to trading. The purpose of the framework agreement is to

[6] To this extent the following shall be considered as Key Employees: (i) the members of the Management Team of EDP Renováveis, S.A., (ii) the General Secretary of the Company, (iii) the Directors of Internal Audit, Compliance and Internal Control, Global Risk, Finance, ACT, Planning and Control, Investor Relations, Legal, IT, as well as (iv) any other that the Audit, Control, and Related Party Transactions Committee may designate.

[7] To this extent the following shall be considered as Relatives: the spouse or assimilated partners of a Board Member and or/ of a Key Employee, the children of a Board Member and/or of a Key Employee, or of his/her spouse or assimilated partner, as well as the dependent individuals of the Board Member and/or Key Employee or of his/her spouses or assimilated partners.

[8] This Framework Agreement was signed between EDP and EDPR in order to regulate the transactions closed between companies of EDP Group and EDPR Group, stating that in compliance with the transparency purposes for future investors, such shall continue to be developed in line with the market prices, in an arm's length basis, and following certain predefined principles and rules (considering criteria as parties involved, scope and amount).

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set out the principles and rules governing the legal and business relations existing when it came into effect and those entered into subsequently.

The framework agreement establishes that neither EDP nor the EDP Group companies other than EDPR and its subsidiaries can engage in activities in the field of renewable energies without the consent of EDPR. EDPR shall have worldwide exclusivity, with the exception of Brazil, where it shall engage its activities through a joint venture with EDP Energias do Brasil S.A., for the development, construction, operation, and maintenance of facilities or activities related to wind, solar, wave and/or tidal power, and other renewable energy generation technologies that may be developed in the future. Nonetheless, the agreement excludes technologies being developed in hydroelectric power, biomass, cogeneration, and waste in Portugal and Spain.

It lays down the obligation to provide EDP with any information that it may request from EDPR to fulfil its legal obligations and prepare the EDP Group's consolidated accounts. The framework agreement shall remain in effect for as long as EDP directly or indirectly owns more than 50% of the share capital of EDPR or appoints more than 50% of its Directors.

Management services agreement

On November 4th, 2008 EDP and EDPR signed a Management Services Agreement that has been amended during the last years in accordance of the variations in the services rendered by EDP to the Company.

Through this contract, EDP provides management services to EDPR, including matters related to the day-to- day running of the Company. As of 31 December 2022, under this agreement EDP renders management services corresponding to five (5) people from EDP which are part of EDPR's Management: (i) two Executive Directors, who are also the CEO and CFO of EDPR, and (ii) three Non-Executive Directors, for which EDPR pays EDP an amount defined both by the Appointments and Remunerations Committee and by the Audit, Control and Related Party Transactions Committee, and approved by the Board of Directors and the Shareholders Meeting. Under this contract, EDPR incurred an amount of EUR 3,093,967,282 for the management services rendered in 2022.

Finance agreements and guarantees

The most significant finance agreements between EDP Group companies and EDPR Group companies were established under the above-described Framework Agreement and currently include the following:

Loan agreements

EDPR and EDPR Servicios Financieros SA ("EDPR SF" as the borrower) have loan agreements with EDP Finance BV and EDP Servicios Financieros España ("EDP SFE" as the lender), companies 100% owned by EDP. Such loan agreements can be established both in EUR and USD, up to 10-year tenor and are remunerated at rates set at an arm's length basis. As of December 31st 2022, such loan agreements totaled USD 3,093,967,282 and EUR 1,500,754,189.

Current account agreement

EDPR SF and EDP SFE signed an agreement through which EDP SFE manages EDPR SF's cash accounts. The agreement also regulates the current account scheme on arm's length basis. As of December 31st 2022, there are two different current accounts with the following balance and counterparties:

- in USD, for a total amount of USD 348,581,315.39 in favour of EDPR SF
- in EUR, for a total amount of 311,807,352.06 in favour of EDP SFE

The agreements in place are valid for one year as of date of signing and are automatically renewed for equal periods.

Counter-guarantee agreement

A counter-guarantee agreement was signed, under which EDP or EDP Energias de Portugal S.A., Sucursal en España (hereinafter guarantor or EDP Sucursal) undertakes on behalf of EDPR, EDP Renewables Europe SLU (hereinafter EDPR EU), and EDP Renewables North America LLC (hereinafter EDPR NA) to provide corporate guarantees or request the issue of any guarantees, on the terms and conditions requested by the subsidiaries, which have been approved on a case by case basis by the EDP's Executive Board.

EDPR will be jointly liable for compliance by EDPR EU and EDPR NA. The subsidiaries of EDPR undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under the agreement and to pay a fee established in arm's length basis.

Nonetheless, certain guarantees issued prior to the date of approval of these agreements may have different conditions. As of December 31st 2022, such counter-guarantee agreements totaled in EUR equivalent 446.921.823.

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A counter-guarantee agreement was signed between EDPR Group and EDP Sucursal, under which, EDPR Group can request the issue of any guarantee, on the terms and conditions requested by the subsidiaries of EDPR. EDPR group undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under this agreement and to pay a fee established in arm's length basis. As of December 31st 2022, the amount of guarantees issued under this agreement totalled EUR 9,675,558.54.

Cross currency interest rate swaps

Due to the net investments in North America, Canada, Brazil, United Kingdom, Poland, Romania and in Colombian companies, EDPR's accounts were exposed to the foreign exchange risk. With the purpose of hedging this foreign exchange risk, EDPR Group companies settled the following Cross Currency Interest Rate Swap (CIRS). As of December 31st 2022 the total amount of CIRS by geography and currency are as following:

- in USD/EUR, with EDP for a total amount of USD 3,142,365,770
- in CAD/EUR, with EDP for a total amount of CAD 139,148,471.50
- in BRL/EUR, with EDP for a total amount of BRL 72,500,000
- in GBP/EUR, with EDP for a total amount of GBP 35,100,000
- in PLN/EUR, with EDP for a total amount of PLN 771,408,528
- in COP/EUR with EDP for a total amount of COP 25,598,000,000

Hedge agreements – exchange rate

EDPR Group companies entered into several hedge agreements with EDP, with the purpose of managing the transactional exposure related to the short term or transitory positions, in Brazil, Colombian, Canada, Hungary, Chile, APAC, Polish, United Kingdom and other subsidiaries, with USD exposure, fixing the exchange rate mainly for USD and EUR, in accordance to the prices in the forward market in each contract date. As of December 31st 2022, the total amount of Forwards ("FWDs") and Non Delivery Forwards ("NDFs") by geography and currency are as following:

- APAC operations, for EUR/JPY, a total amount of EUR 6,840,154 (FWDs), for EUR/KRW a total amount of EUR 2,246,471 (NDF), for EUR/SGD a total amount of EUR 746,296,712 (FWDs plus NDFs), and for EUR/TWD a total amount of EUR 18,977,221.05 (FWDs plus NDFs)
- Brazilian operations, for EUR/BRL, a total amount of EUR 279,358,887 (NDFs) and, for USD/BRL, a total amount of USD 14,138,445 (NDF)
- Colombian operations, for EUR/COP, a total amount of EUR 83,323,119 (NDFs)
- Canada operations, for USD/CAD, a total amount of USD 257,796,000 (FWDs) and EUR/CAD, a total amount of EUR 51,005,363 (FWDs)
- Hungary operations, for EUR/HUF, a total amount of EUR 21,985,908.46 (FWDs) and HUF/USD, a total amount of USD 19.313.279 (FWDs)
- Polish operations, for EUR/PLN, a total amount of EUR 307,336,474 (FWDs plus NDFs) and for USD/PLN, a total amount of USD 99,439,309 (FWDs)
- United Kingdom operations, for GBP/EUR a total amount of EUR 178,463,478.40 (FWDs)
- Chile operations, for EUR/USD, a total amount of EUR 12,251,692 (FWDs) and other Subsidiaries operations, for EUR/USD, a total amount of EUR 884.420.715 (FWDs) and for USD/EUR, a total amount of USD 177.902.024.

Hedge agreements – commodities

EDP and EDPR EU entered into hedge agreements for 2022 for a total volume of 3,939,689.69 MWh (sell position) and 1,237,673 MWh (buy position) at the forward market price at the time of execution related with the expected sales of energy in the Spanish market.

Consultancy service agreement

On June 4th 2008, EDP and EDPR signed a consultancy service agreement. Through this agreement, and upon request by EDPR, EDP (or through EDP Sucursal) shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The price of the agreement is calculated as the cost incurred by EDP plus a margin. For the first year, it was fixed at 8% based on an independent expert on the basis of market research. For 2022 the estimated cost of these services is EUR 13,403,800.59. This was the total cost of services provided for EDPR, EDPR EU, and EDPR NA.

The duration of the agreement is one (1) year tacitly renewable for equal periods.

Research and development agreement

On May 13th, 2008, EDP Inovação S.A. (hereinafter EDP Inovação), an EDP Group Company, and EDPR signed an agreement regulating relations between the two companies regarding projects in the field of renewable energies (hereinafter the R&D Agreement).

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The object of the R&D Agreement is to prevent conflicts of interest and foster the exchange of knowledge between companies and the establishment of legal and business relationships. The agreement forbids EDP Group companies other than EDP Inovação to undertake or invest in companies that undertake the renewable energy projects described in the agreement.

The R&D Agreement establishes an exclusive right on the part of EDP Inovação to project and develop new renewable energy technologies that are already in the pilot or economic and/or commercial feasibility study phase, whenever EDPR exercises its option to undertake them. The fee corresponding to this agreement in 2022 is EUR 101,824.47.

The agreement shall remain in effect for as long as EDP directly or indirectly maintains control of more than 50% of both companies or appoint the majority of the members of the Board and Executive Committee of the parties to the agreement.

Management support services agreement between EDP Renováveis Portugal S.A., and EDP GLOBAL SOLUTIONS - GESTÃO INTEGRADA de Serviços S.A.

On January 1st, 2003, EDPR – Promoção e Operação S.A., and EDP Global Solutions - Gestão Integrada De Serviços S.A. (hereinafter EDP Global Solutions), an EDP Group Company, signed a management support service agreement.

The object of the agreement is the provision to EDPR – Promoção e Operação S.A. by EDP Global Solutions of services in the areas of procurement, economic and financial management, fleet management, property management and maintenance, insurance, occupational health and safety, and human resource management and training.

The remuneration accrued by EDP Global Solutions by EDPR Promoção e Operação S.A. and its subsidiaries for the services provided in 2022 totaled EUR 2,013,454.78. The initial duration of the agreement was five (5) years from date of signing on January 1st 2008, and tacitly renewable for equal periods of one (1) year. Either party may renounce the contract with one (1) year's notice.

Information techonology management services agreement between EDP Renováveis S.A. and EDP Energias de Portugal S.A.

There exists an IT management services agreement effective since January 1st, 2020, which supersedes the existing IT management services agreement from that date.

The object of the agreement is to provide to EDPR the information technology services described on the contract and its attachments by EDP.

The amount incurred for the services provided in 2022 totaled EUR 9,958,208.13.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year. Either party may renounce the contract with one (1) month notice.

Consultancy agreement between EDP Renováveis Brasil S.A., and EDP Energias do Brasil S.A.

The object of the agreement is to provide to EDP Renováveis Brasil S.A. (hereinafter EDPR Brasil) the consultancy services described on the contract and its attachments by EDP – Energias do Brasil S.A. (hereinafter EDP Brasil).

Through this agreement, and upon request by EDPR Brasil, EDP Brasil shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The amount incurred by EDP Brasil for the services provided in 2022 totalled BRL 275.684.

The initial duration of the agreement is one (1) year from the date of signing and it is tacitly renewed for a new period of one (1) year.

General Services Agreement between EDPR Renováveis S.A. and EDP Energías de Portugal, S.A. Sucursal en España

On October 1st, 2022, EDPR and EDP Sucursal signed a General Services Agreement.

The object of the agreement is the provision by EDPR of preventive and corrective maintenance of the offices leased by EDP in Serrano Galvache (Madrid), as well as the management of accuses to the facilities, the supply of food and the use of canteen.

The remuneration accrued by EDPR by EDP Sucursal for the services provided in 2022 under this agreement totaled EUR 15,941.28. The duration of the agreement is unlimited from date of signing.

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Additional Transactions analysed in 2022

Likewise, in the development of the delegation made by the Board of Directors to the Audit, Control and Related Party Transactions Committee regarding the supervision of Related Party Transactions, during 2022, the following were analyzed and approved by this body, and further reported to the Board of Directors:

- PPA between EDPR through EDPR EU (Seller), and EDP (Buyer) to support the investment decision of the repowering of 2 wind farms in Portugal (SE Coentral – Safra, of 7,9 MW; and SE Alto de Coutada, of 22,8 MW);
- Update of the spreads applicable to medium and short term intercompany loans in USD and in EUR, executed between EDP Group (Lender) and EDPR SF (Borrower) in EUR and in USD;
- New Long Term Loan in USD between EDP Finance BV (Lender) and EDPR SF (Borrower) to renew USD 370M of loans with maturity on February 15th, 2022, and to cover the investment of USD 148M in a new opportunity in EDPR NA (Longroad – DG platform);
- Awarding to EDP Commercial the construction works of two High Voltage lines for the solar Project Cerca (Portugal);
- New long term loan in USD between EDP Finance BV (Lender) and EDPR SF (Borrower) of USD 500M for the repayment of the current account debt, and in accordance with the long term funding needs established under the Budget for 2022;
- Renegotiation of the cross-currency interest rate swap of EUR/USD 1.000 to a new tenor, between EDP Finance BV (payer in EUR) and EDPR SF (payer in USD);
- Memoradum of understading between (i) EDPR and (ii) EDP, EDP Produção, EDP España y Generaciones Eléctricas Andalucía to regulate the partnerships that may be implemented in relation to hybrid and conversion projects;
- Data Process Agreement between EDP Inovação and EDPR. in the frame of the contract regulating the relationship between EDPR and EDP Inovação dated May 13th, 2008;
- PPA between EDPR Europe (Seller) and EDP S.A (Buyer) for a wind portfolio of 40 MWs in Spain;
- Amendment to the current account Agreement between EDP SF. (Lender) y EDPR SF. (Borrower), to in include, with effects April 1st 2022, the terms applicable to: risk spread, maximum limits, prices applicable to positive and negative balance, as well as the implementation of a commitment fee;
- Incorporation of a Global Energy Management Platform (GEM) for the whole Group at EDP level to support the short- term and market access activities;
- Transfer of Access to Energy assets to EDP (including an internal team of 4 members, the stake in two companies - Solarworks! and Rensource-, two loans with Solarworks!, and a consultancy agreement with Tetra Tech);
- Internal services agreement between H2BU (Hydrogen Business Unit) and EDPP for the development of renewable hydrogen activities;
- PPA between EDPR (through Fotovoltaica Flutuante do Grande Lago, S.A.) as Seller, and EDP, as Buyer, for a floating solar (overpowering) of 12,4 MWac and a wind hybrid project of 50,4 MWac (Project Alqueva), located in Grande Lago (Portugal);
- PPA between EDPR (through EDPR SF) as Seller y and EDP as Buyer for the solar hybrid project of 19,6 MW Castillo de Garcimuñoz (Spain);
- Update of the spreads applicable to the long-term intercompany loans in EUR and USD, between companies of EDP Group to align with the trends of the market and the actual/real cost of funding;
- Market Representation Services Agreement between EDPR and EDP for Minas de Orgueirel, a solar PV hybridized Project located in Portugal;
- Amendment to the current account agreement signed between EDP SF (Lender) and EDPR SF (Borrower) to update the interest in accordance with the currents markets rates;
- PPA between EDPR (through EDPR PT) as Seller and EDP. - GEM – as Buyer for the volumes produced during 15 years by Minas de Orgueirel, Cesaredas y Charneca das Lebres three solar PV hybrid projects located in Portugal;
- Substitution of Las Sardas wind farm by Acampo Sancho in an already executed PPA between EDPR (through EDPR SF) as Seller and EDP as Buyer (but being AZSA the final costumer);
- PPA between EDPR, (through EDPR SF) as seller and y EDP – GEM - as Buyer, for Rocio, a solar project of 24.6 MW located in Spain;
- 8º Amendment to the Management Services Agreement between EDP and EDPR in order to formalize the updates approved for the remuneration of the non- Executive Directors, and the CEO and CFO;
- Market Representation Services Agreement (including balancing cost and ancillary services) between EDPR (through EDPR España and its SPVs) as Seller and EDP España as Buyer for EDPR wind portfolio in Spain (429 MW);
- New Long-Term Loans between EDP Group (as Lender) and EDP SF (as Borrower) of USD 994M combined, 5Y, 8Y AND 9Y tenor;
- Long Term hedge in Spain for operational assets between EDPR SF and EDP S.A. ;
- Methodology to be applied to the sale of guarantees of origin to GEM.

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91.Description of the procedures applicable to the supervisory body for the assessment of the business deals.

The most significant contracts signed between EDPR and its Qualified Shareholders are analyzed by the Audit, Control and Related- Party Transactions Committee according to its competences, as mentioned on topic 89 of the Chapter 5 of this Annual Report.

II. Data on business deals

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data.

The information on business dealings with related parties is available on Note 39 of the Financial Statements.

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PART II – Corporate Governance Assessment

I. Details of the Corporate Governance code implemented

Following the protocol signed between the CMVM and the Portuguese Institute of Corporate Governance (IPCG) on October 13th, 2017, the CMVM revoked its Corporate Governance Code (2013), which was replaced by a single applicable code, the new Corporate Governance Code of the IPCG, which entered into force on January 1st, 2018, and that was reviewed in 2020.

For the purposes of the proper preparation of corporate governance reports for the year beginning in 2022, and to be reported in 2023, they should continue to be prepared in accordance with the structure of contents referred the annex to CMVM Regulation No. 4/2013 available at the CMVM website (www.cmvm.pt). The report template is divided into two parts:

- Part I – mandatory information on shareholder structure, organisation and governance of the company. This information shall be referred within points 1 to 92 of this Corporate Governance Report in accordance with the structure included in that Annex.
- Part II – Corporate governance assessment: should include a declaration in which they must: (i) identify the applicable code, (ii) state whether or not they adhere to each of the recommendations of this code and, (iii) with respect to recommendations that do not follow, explain reasonably why.

The agreement between CMVM and IPCG on the new Corporate Governance Code may be found on the Protocol signed on October 13th, 2017, which is available at the website of CMVM (http://www.cmvm.pt/). Likewise, the reviewed version Corporate Governance Code of the IPCG is published on the website of IPCG and of the Monitoring Committees (https://cam.cgov.pt/)

II. Analysis of Compliance with the Corporate Governance code implemented

The following table shows the recommendations set forth in the Corporate Governance Code of the IPCG and indicates EDPR's compliance with it and the place in this report in which they are described in more detail.

Also in order to comply with the best Corporate Governance recommendations, and according to the results of the reflection made by the Appointments and Remunerations Committee, the governance model that was adopted has been ensuring an effective performance and articulation of EDPR Governing Bodies and proved to be adequate to the Company's governance structure without any constraints to the performance of its checks and balances system adopted to justify the changes made in the governance practices of EDPR.

The explanation of the Corporate Governance Code of the IPCG recommendations that EDPR does not adopt or that the Company deems not applicable, reasoning and other relevant comments as well as reference to the part of the report where the description may be found, are in the table below.

In this context, EDPR states that it has adopted the Corporate Governance recommendations on the governance of listed companies provided in the Corporate Governance Code of the IPCG, with the exceptions indicated in the following table.

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
CHAPTER I – GENERAL PROVISIONS		
1.1. Company's relationship with investors and disclosure		
I.1.1		
The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.	Adopted	Section B – II, a) Topic 15 Section C) –III, Topic 55 Section C–IV, Topic 56 Section C–V, Topics 59 – 65
1.2. Diversity in the composition and functioning of the company's governing bodies		
I.2.1		
Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.	Adopted	Section B–II, a) Topics 16 and 17
I.2.2		
The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	Adopted	Section B–II, a) Topic 15
I.2.3		
The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website	Adopted	Section B–II, a) Topic 15 Section B–II b), Topic 23 Section B–II, c) Topic 29 Section B – III, b) Topic 35 Section C–V, Topics 59 – 65

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
I.2.4		
A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Adopted	Section C-II, Topic 49
1.3. Relationships between the company bodies		
I.3.1		
The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	Adopted	Section B-II, a) Topic 15
I.3.2		
Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.	Adopted	Section B-II, a) Topic 15 Section B-II, c) Topic 29
1.4 conflicts of interest		
I.4.1		
The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Adopted	Section B-II, a) Topic 18

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE			
I.4.2			
Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	Adopted		Section B-II, a) Topic 18
1.5. Related party transactions			
I.5.1			
The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Adopted		Section E-I, Topic 89
I.5.2			
The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	Not applicable	This procedure is now regulated by law (art 249ºA, nº1 of the Código dos Valores Mobiliarios) and therefore the recommendation has been surpassed by the Portuguese Law in force. Should be noted that applicable law to EDPR to this extent is the Spanish Law. The procedure implemented by EDPR for the approval of Related Party Transactions is described in topic 89 of this Chapter 5 of the Annual Report.	Section E-I, Topic 89
CHAPTER II – SHAREHOLDERS AND GENERAL MEETINGS			
II.1			
The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Adopted	As per the split of multiple-recommendations, should be clarified that the part of this recommendation corresponding to II.1.(2) shall be considered as not applicable as each EDPR share corresponds to one vote.	Section B-I, b) Topics 12 and 13
II.2			
The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	Adopted	Please note EDPR's personal law is the Spanish one, and as such, the majorities and quorums applicable for the Shareholders' Meeting resolutions are not the ones set under Portuguese Law, but those established under the Spanish one, with which is completely aligned.	Section B-I, b) Topic 14
II.3.			
The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	Not adopted	EDPR analyzed the needs and priorities of its shareholders worldwide, and therefore, since 2009, it is provided the possibility of fulfilling all the requirements necessary to validly exercise their right to vote by distance means (registry of intention to attend, submission of the certificate of titularity of shares, granting of representation proxies, and properly voting). The efficiency and interest of our	Section B-I, b) Topic 13

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE			
		shareholders in these initiatives was clearly proved, as nearly almost all of the participation is exercised by these means. In the same way, EDPR reviewed the track record of participation in the Shareholders' Meeting the day of its celebration (when generally all the votes are submitted beforehand by distance voting), the shareholding structure of the Company (under which a 75% is qualified shareholding held by EDP Energías de Portugal S.A and therefore the free float is only of 25%), and its shareholders' profiles; concluding that the implementation of a streaming system to digitally participate will imply a material cost where the demonstrated preferences of almost all EDPR shareholders is to submit their votes by distance means. Notwithstanding the foregoing, EDPR has deeply analyzed the market trends during this year, and also with the aim of improving the compliance commitment with Corporate Governance recommendations, has been considering the possibility of providing this option to its shareholders. Considering that under Spanish law it is required to specifically regulate under the Company's bylaws the option of celebrating telematic Shareholders' Meetings, EDPR approved it in 2022, so that would be able to offer this option in the next meetings to be held thereinafter, being planned to offer to EDPR shareholders the option of a telematic participation in streaming at the General Shareholders' Meeting to be held in 2023 (which is the first one in which EDPR will be legally able to offer it by its internal bylaws).	
II.4.			
The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	Adopted		Section B-I, b) Topic 13
II.5.			
The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.	Not applicable		Section A-I, Topic 5 Section B-I, b) Topic 12
II.6.			
The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	Adopted		Section A-I, Topic 4 Section D – IV, Topic 80 Section D – V, Topics 83- 84

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE			
CHAPTER III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION			
III.1			
Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	Not applicable	Since, April 12th, 2021 EDPR has an independent Chairperson, António Gomes Mota.	Section B-II, a) Topic 18
III.2			
The number of non- executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	Adopted	As per the split of multiple-recommendations, should be clarified that the part of this recommendation corresponding to III.2.(3) is not applicable, as EDPR does not have a German Governance Model.	Section B-II, a) Topic 18
III.3			
In any case, the number of non-executive directors should be higher than the number of executive directors.	Adopted		Section B-II, a) Topic 18
III.4			
Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to: i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or nonconsecutive basis;	Not applicable	The independence criteria applicable to EDPR are those stablished under its personal law (Spanish law) that are materially equivalent to those identified in the IPCG Code. These criteria are the following: a) Not being employed or an executive director in the group, unless either 3 or 5 years respectively have elapsed; b) Not receiving from the company or company of the group, sum or benefit other than the remuneration of director, unless it is not material; c) Not being o have been during the last 3 years, a partner at the external auditors or responsible for the audit report, when the audit was carried out during said period in the listed company, or any other company in its group; d) Not being an executive director or senior management at other company where an executive director or senior management of the company is external director;	Section B-II, a) Topic 18

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE			
ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person; iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or vi. having been a qualified holder or representative of a shareholder of qualifying holding.		e) Not maintaining or have maintained during the last year, a significant business relationship with the company or any company in its group, whether in their own name or as a significant shareholder, director or senior manager at an entity that maintains or has maintained said relationship; f) Not being a significant shareholder, executive director or senior management at an entity that receives or has received in the last 3 years, donations from the society or its group; g) Not being spouse or close relative of a similar nature or up to second degree kinship of who is executive director or senior manager at the company; h) Not having been proposed for appointment or renewal by the appointments committee; i) Not have been a director for a continuous period of more than 12 years; j) Not being a person that with regards to any significant shareholder or representative on the board, finds themselves in any of the scenarios detailed in aforementioned a), e), f) or g). In the case of the relationships detailed in point g), the limitation shall apply not just to the shareholder but also to their proprietary directors in the investee company	
III.5			
The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).	Not applicable	The independence criteria applicable to EDPR are those stablished under its personal law (Spanish law).	Section B-II, a) Topic 18
III.6			
The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	Adopted		Section A -II, Topic 9
III.7			
Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring	Adopted		Section B – II, a) Topic 15 Section B-II, c), Topics 27 and 29

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
competence on such committee in the aforementioned matters.		
CHAPTER IV – EXECUTIVE MANAGEMENT		
IV.1		
The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	Adopted	Section B-II, b) Topic 26
IV.2		
The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards; i)the definition of the strategy and main policies of the company; ii) the organization and coordination of the business structure; iii)matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.	Adopted	Section A -II, Topic 9
IV.3		
In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	Adopted	Chapter 2.2. of the Management Report
CHAPTER V – EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT		
V.1 Evaluation of performance		
V.I.I		
The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	Adopted	Section A -II, Topic 9 Section B-II b), Topic 24 Section D – I Topic 66 Section D – III, Topic 71

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
V.2 Remuneration		
V.2.I		
The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Adopted	Section B – II, c) Topic 27 Section B– II, c) Topic 29 Section D – I, Topic 66
V.2.2		
The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	Adopted	Section D – I, Topic 66 Section D – III, Topic 69
V.2.3		
For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	Adopted	Section D – IV, Topic 80
V.2.4		
In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.	Adopted	Section B-I, a) Topic 11 Section B-II, a) Topic 29
V.2.5		
Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	Adopted	Section D – II Topic 67

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
V.2.6		
The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	Adopted	Section D – II Topic 67
V.2.7		
Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	Adopted	Section D – III, Topics 70 -72
V.2.8		
A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.	Adopted	Section D – III, Topic 72
V.2.9		
When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	Not applicable	Section D – III, Topics 73 and 74
V.2.10		
The remuneration of non- executive directors should not include components dependent on the performance of the company or on its value.	Adopted	Section D – III, Topic 69 Section D – IV, Topic 77
V.3 Appointments		
V.3.I		
The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile,	Adopted	Section B-II, a) Topics 16, 17

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
the skills and the curriculum vitae to the duties to be carried out.		
V.3.2		
The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	Adopted	Section B- II, c) Topic 29
V.3.3		
This nomination committee includes a majority of non- executive, independent members.	Adopted	Section B- II, c) Topic 29
V.3.4		
The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	Adopted	Section B-II, a) Topics 16, 17
CHAPTER VI – INTERNAL CONTROL		
VI.I		
The managing body should debate and approve the Company's strategic plan and risk policy, which should include the establishment of limits on risk-taking.	Adopted	Section A -II, Topic 9 Section C) - III, Topic 52
VI.2		
The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	Adopted	Section B -III,b), Topic 35 Section C– II, Topic 52
VI.3		
The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks	Adopted	Section B- II, c) Topic 29 Section B- III, Topic 30 Section B -III, b), Topic 35 Section C– III, Topics 50-55

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of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.		
VI.4		
The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	Adopted	Section B- II, c) Topic 29 Section B – III, b) Topic 35
VI.5		
The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.	Adopted	Section B- II, c) Topic 29 Section B – III, b) Topic 35
VI.6		
Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.	Adopted	Section C) – III, Topics 52 – 55 Chapter 2 of this Annual Report
VI.7		
The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	Adopted	Section C) -III, Topics 52, 54, 55

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CORPORATE GOVERNANCE RECOMMENDATIONS – STATEMENT OF COMPLIANCE		
CHAPTER VII – FINANCIAL INFORMATION		
VII.1 Finantial information		
VII.1.1		
The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	Adopted	Section B- II, Topic 29 Section B – III, b) Topic 35
VII.2 Statutory Auditor, Accounts and Supervision		
VII.2.1		
By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	Adopted	Section B- II, c) Topic 29 Section B – III, c) Topics 37 and 38 Section B – IV-V, Topics 45, 46 and 47
VII.2.2		
The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Adopted	Sections B – II, c) Topic 29 Section B – V, Topics 45, 46
VII.2.3		
The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Adopted	Section B – II, c) Topic 29 Section B – III a), Topic 30 Section B – III, c) Topics 37 and 38 Section B- IV- V, Topic 45

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Annex I

Curriculum vitae of the Board of Directors EDP Renováveis S.A.

Full Name	ANTÓNIO GOMES MOTA
Position	• Chairman of the Board of Directors – EDP Renováveis, S.A. • Chairman of the Appointments, Remunerations and Corporate Governance Committee – EDP Renováveis, S.A.
Academic Qualifications	• PhD in management – ISCTE, University Institute of Lisbon • MBA – Nova School of Business and Economics • Bachelor's degree in management – ISCTE, University Institute of Lisbon
Skills and Experience	• Non-executive director and Chair of Nominations and Remuneration Committee – CIMPOR • Non-executive director as member of the Supervisory Board and Chair of the Audit Committee – EDP • Non-executive director as Chair of the Audit Committee and then as Chairman of the Board – CTT • Dean – ISCTE Business School • He has been a consultant for large corporations in the areas of corporate restructuring and valuation, regulation, corporate governance and remuneration policies • President – Portuguese Institute of Corporate Governance • He is the author of several books in the areas of corporate finance, investments and risk management and a regular invited speaker at professional and industry conferences
Current External Appointments	• Full Professor of finance – ISCTE Business School • Chair of the Audit Committee – MYSTICINVEST HOLDING • Chair of the Remuneration Committee – PHAROL, SGPS

PUBLIC

Full Name	MIGUEL STILWELL D'ANDRADE
Position	• Vice-Chairman of Board of Directors and CEO – EDP Renováveis, S.A.
Academic Qualifications	• MBA - MIT Sloan (2003) • MEng with Distinction - University of Strathclyde (1998)
Skills and Experience	• CEO – EDP Energias de Portugal S.A. ("EDP") (current) • Interim CEO - EDP. (2020-2021) • CFO - EDP. (2018-2021) • Member of Executive Board of Directors - EDP (since 2012) • Member of Board of Directors – EDP - Energias do Brasil (2018-2020) • CEO - EDP Comercial – Comercialização de Energia, S.A and EDP Soluções Comerciais, S.A. (2012-2018) • CEO – EDP España, S.A.U (formerly Hidroelétrica del Cantábrico) (2012-2018) • CEO – Naturgás Energia Grupo (2012-2015) • Member of Board of Directors - E-Redes (2009-2012) • Member of Board of Directors – EDP Inovação, S.A. (2007 -2012) • Strategy, M&A and Corporate Development - EDP (2000-2001 and 2003-2009) • UBS Investment Bank (1998-2000)
Current External Appointments	• Member of the Executive Committee of WBCSD • Member of the General Board - AEM - Association of Listed Companies • Member of the Board of Governors – St. Julian's School

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Full Name	RUI MANUEL RODRIGUES LOPES TEIXEIRA
Position	• CFO – EDP Renováveis, S.A.
Academic Qualifications	• Advanced Management Programme – Harvard Business School (2013) • MBA – Nova University, Lisbon (2001) • Naval Architecture and Marine Engineering Graduate – Instituto Superior Técnico, Lisbon (1995)
Skills and Experience	• CFO – EDP Energias de Portugal S.A. ("EDP") (current) • Member of Executive Board of Directors – Ocean Winds (current) • Member of Board of Directors – EDP - Energias do Brasil, S.A (current) • Member of Executive Board of Directors – EDP (since 2015) • CEO – EDP España S.A.U. (2018-2021) • CEO – EDP - Gestão da Produção de Energia, S.A. (2015-2020) • Member of Board of Directors – EDP Renováveis, S.A. (2008-2015) • Head of Corporate Planning and Control – EDP (2004-2007) • Consultant - McKinsey & Company (2001-2004) • Project Manager - Det Norske Veritas (1997-2001) • Gellweiler – Sociedade de Equipamentos Marítimos e Industriais, Lda (1996-1997)
Current External Appointments	• Board Member – OMIP SGPS, S.A. and OMEL • Strategic Board Member – ISEG MB

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Full Name	VERA DE MORAIS PINTO PEREIRA CARNEIRO
Current Position	• Member of the Board of Directors - EDP Renováveis, S.A.
Academic Qualifications	• Executive Education Program – Harvard Business School (2021) • MBA - INSEAD Fontainebleau (2000) • Economics Degree and Post-Graduate Degree - Nova University, Lisbon (1996 and 1998)
Skills and Experience	• Member of Executive Board of Directors – EDP - Energias de Portugal S.A. (current) • CEO – EDP Comercial – Comercialização de Energia, S.A. (current) • CEO – Fundação EDP (current) • Member of Board of Directors – EDP Energias do Brasil, S.A. (current) • Member of Board of Directors – EDP España S.A.U. (current) • Executive Vice-President and General Director Portugal & Spain and Member of Executive Leadership Team Europe & Africa – Fox Networks Group (2014-2018) • Member of Board of Directors – Pulsa Media (2014-2018) • Head of TV Business Unit – MEO (2007-2014) • Head of TV Business Unit – TV Cabo – PT Multimédia (2003-2007) • Founder – Innovagency Consulting (2001-2003) • Mercer Management Consulting (today Oliver Wyman) (1996-1999)
Current Main External Appointments	• Board Member – Charge Up Europe • Board Member – Fundação Alfredo de Sousa • Board Member – Portuguese Institute of Corporate Governance

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Full Name	ANA PAULA MARQUES
Position	• Member of Board of Directors - EDP Renováveis, S.A.
Academic Qualifications	• Executive Education Program – IMD in Lausanne and Harvard Business School (2009, 2008, 2005) • MBA – INSEAD (2002) • Degree in Economics – Faculdade de Economia do Porto (1991-1996)
Skills and Experience	• Member of Executive Board of Directors – EDP - Energias de Portugal S.A. (current) • CEO – EDP - Gestão da Produção de Energia, S.A. (current) • CEO – EDP España, S.A.U. (current) • CEO – EDP Labelec - Estudos, Desenvolvimento e Actividades Laboratoriais, S.A. (current) • Chairman of Board of Directors – EDP Inovação, S.A.(current) • Member of Board of Directors – EDP Energias do Brasil, S.A. (current) • Executive Vice-President – NOS (2019-2021) • Executive Board Member – NOS (2013-2019) • Non-Executive Board Member – SportTV (2016-2020) • President – APRITEL (Portuguese Association of Telecom Operators) (2011-2014) • Executive Board Member – Optimus (2010-2013) • Marketing and Sales Director (Mobile Residential Business Unit) and Brand Director – Optimus (2002-2008) • SMEs Business Unit Director – Optimus (1998-2001) • Marketing – Procter & Gamble (1996-1998)
Current External Appointments	• Board Member – Eurelectric • President of the Board – Elecpor • Member of the Executive Committee - AELEC • Board Member – ENERCLUB • Member of the Executive Committee - Enerclub (Club Español de la Energía) • Board Member – COTEC Portugal • Board Member – Portuguese Institute of Corporate Governance • Board Member – Porto Business School • Guest Professor – Faculdade de Economia do Porto & Porto Business School

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Full Name	MIGUEL NUNO SIMÕES NUNES FERREIRA SETAS
Position	• Member of the Board of Directors - EDP Renováveis, S.A.
Academic Qualifications	• Executive Training – Harvard, Wharton, IESE, CEIBS (2019) • MBA – Nova University, Lisbon (1996) • Electrical and Computing Engineering Masters – Instituto Superior Técnico (1995) • Physics Engineering Degree – Instituto Superior Técnico (1993)
Skills and Experience	• Member of Executive Board of Directors – EDP - Energias de Portugal S.A. ("EDP") (current) • Chairman of Board of Directors – EDP - Energias do Brasil, S.A. (current) • Chairman of Board of Directors – EDP Redes España (current) • Member of Board of Directors – EDP España, S.A.U. (current) • Member of Executive Board of Directors – EDP (since 2015) • CEO – EDP – Gestão da Produção de Energia, S.A. (2020-2021) • CEO – EDP Energias do Brasil, S.A. (2014-2021) • Vice-Chairman of Board of Directors – EDP - Energias do Brasil, S.A. (2008-2013) • Member of Executive Board of Directors – EDP Inovação, S.A. (2007-2008 and 2012-2014) • Member of Executive Board of Directors – EDP Comercial – Comercialização de Energia, S.A. (2007-2008) • Chief of Staff to the CEO – EDP - Energias de Portugal, S.A. (2006-2007) • Member of Board of Directores – Comboios de Portugal (2004-2006) • Strategic Marketing Director – Galp Energia (2001-2004) • Member of Executive Board of Directors – Lisboagás (2000-2001) • Member of Board of Directors – Setgás (1999-2001) • Corporate Director – GDP Gás de Portugal (1998) • McKinsey & Company (1995-1997)
Current External Appointments	• Vice-Chairman of the Board – BCSD Portugal • Independent Board Member of the Brazilian Petroleum and Gas Institute

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Full Name	MANUEL MENÉNDEZ
Position	• Member of the Board of Directors – EDP Renováveis, S.A.
Academic Qualifications	• PhD in Economic Sciences - University of Oviedo • Degree in Economics and Business Administration -University of Oviedo
Skills and Experience	• CEO – Unicaja Banco, S.A. • CEO - Liberbank, S.A. • Chairman - Cajastur • Chairman - EDP España, S.A.U. • Chairman - Naturgás Energía Grupo, S.A. • Member of the Board - Confederación Española de Cajas de Ahorro (CECA) • Member of the Board - AELÉC • Member of the Board of Directors - EDP Renewables Europe, S.L.U. • University Professor in the Department of Business Administration and Accounting - University of Oviedo
Current External Appointments	• CEO – Unicaja Banco, S.A.

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Full Name	ACÁCIO PILOTO
Position	• Member of the Board of Directors – EDP Renováveis, S.A. • Chairman of the Audit, Control and Related-Party Transactions Committee – EDP Renováveis, S.A.
Academic Qualifications	• Trainee – International Division of Bayerische Hypoteken und Wechsel Bank • Professional education courses mostly in banking, financial and asset management – International Banking School, the Asset and Liability Management Program (Merrill Lynch International) and the INSEAD Executive Program (Fontainebleau) • Executive Program on Corporate Governance and Leadership of Boards – Nova SBE • Post- Graduate degree in European Community Competition Law – Max Planck Institut • Post-Graduation in Economic Law – Ludwig Maximilian University (Scholar Hanns Seidel Foundation, Munich) • Degree in Law – Lisbon University
Skills and Experience	• International Division – Banco Pinto e Sotto Mayor • International and Treasury Division – Banco Comercial Português • Head – BCP International Corporate Banking • Member of the Executive Committee – AF Investimentos SGPS • Chairman & CEO – AF Investimentos SGPS group companies: AF Investimentos, Fundos Mobiliários; AF Investimentos, Fundos Imobiliários; BPA Gestão de Patrimónios; BCP Investimentos International; AF Investimentos Internacional and Prime International • Member – BCP Group Investment Committee • Executive Board Member – BCP – Banco de Investimento, in charge of Investment Banking • Treasurer and Head of Capital Markets – Millennium BCP Group • Millennium BCP Chair – Group ALCO • CEO – Millennium Gestão de Ativos SGFIM • Chairman & CEO – Millennium SICAV, Luxembourg • Chairman & CEO – BII International, Luxembourg • Member of the Board of Directors and Member of the Audit Committee – INAPA IPG, S.A. • Member of the Supervisory Board and Chairman of the Risk Committee – Caixa Económica Montepio Geral. • Member of the Nominations and Remunerations Committee – EDP Renováveis, S.A. • Member of the Related-Party Transactions Committee – EDP Renováveis, S.A.
Current External Appointments	• Member of the General Board – Instituto Português de Corporate Governance (representing EDP Renováveis, S.A.)

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Full Name	ALLAN KATZ
Position	• Member of the Board of Directors – EDP Renováveis, S.A.
Academic Qualifications	• JD – Washington College of Law at American University in Washington DC (1974) • Degree – UMKC (1969)
Skills and Experience	• National Director of the Public Policy practice group –firm of Akerman Senterfitt • Assistant Insurance Commissioner and Assistant State Treasurer – State of Florida • Legislative Counsel – Congressman Bill Gunter and David Obey • General Counsel – Commission on Administrative Review of the US House of Representatives • Member of the Board – Florida Municipal Energy Association • President – Brogan Museum of Art & Science in Tallahassee, Florida • Board member – Junior Museum of Natural History in Tallahassee, Florida City of Tallahassee Commissioner • First Chair – State Neurological Injury Compensation Association • Member – State Taxation and Budget Commission • City of Tallahassee Commissioner • Ambassador of the United States of America to the Republic of Portugal • Distinguished Professor – University of Missouri Kansas City • Board Member – International Relation Council of Kansas City
Current External Appointments	• Founder – the American Public Square • Executive Committee Chair of the Academic and Corporate Board – ISCTE Business School in Lisbon Portugal • Board Member – WW1 Commission Diplomatic Advisory Board • Creator – Katz, Jacobs and Associates LLC (KJA) • Frequent speaker and moderator on developments in Europe and on American Politics

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Full Name	ROSA MARÍA GARCÍA
Position	• Member of the Board of Directors – EDP Renováveis, S.A. • Member of the Audit, Control, and Related Party Transactions Committee – EDP Renováveis, S.A. • Member of the Appointments, Remunerations and Corporate Governance Committee – EDP Renováveis, S.A.
Academic Qualifications	• Bachelor's degree in Mathematics – Universidad Autónoma de Madrid
Skills and Experience	• She has more than thirty years of international experience in the fields of Information Technology, Energy, Infrastructure, and Manufacturing. The majority of her career was spent at Microsoft and at Siemens • Director of Corporate Strategy – Microsoft working at the company's headquarters in Redmond United States (1996–1999) • General Manager – Microsoft Worldwide Partner Group. She directed Microsoft's worldwide strategy for more than 640,000 independently owned-and-operated partner companies (1999–2002) • Executive Chair – Microsoft in Spain (2002–2008) • Consumer & Online Vice-President – Microsoft Western Europe (2008– 2011) • Executive Chair – Siemens in Spain (2011–2018) • Non-Executive Chair – Siemens Gamesa immediately after the merger of Siemens Wind Power and Gamesa (2017–2018) • She has more than ten years of experience as a Non-Executive Director of the Board for several IBEX companies including Banesto, Bolsas y Mercados Españoles, Acerinox and Bankinter. In every company, she has been either a member of the audit and control committee or of the nominations and remuneration committee • Non-Profit work: Member of the Board at the Asociación para el Progreso de la Dirección (2002–2019). President of the German Chamber of Commerce in Spain (2016–2018). Member of the Advisory Board for the Universidad Europea de Madrid and Vice-president of Consejo Social de la Universidad Carlos III de Madrid (2008–2018) • Awarded by AED (the most prestigious Spanish CEO association) as "Spanish CEO of the Year" • Awarded by the President of Germany the Cross of Merit, one of the highest civilian honor that can be granted in the country
Current External Appointments	• Member of the Board – Mapfre and Sener • Non-Executive Chair – Exolum

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Full Name	JOSÉ MANUEL FÉLIX MORGADO
Position	• Member of the Board of Directors - EDP Renováveis S.A. • Member of the Audit, Control, and Related Party Transactions Committee - EDP Renováveis S.A. • Member of the Appointments and Remunerations Committee - EDP Renováveis, S.A. • Member of the ESG Committee - EDP Renováveis, SA
Academic Qualifications	• Postgraduate degree in Corporate Governance - Universidade de Lisboa – Law Department and the International Directors Programme – IDP Certification Corporate Governance at INSEAD in Fontainebleau • Degree in Business and Management - Universidade Católica
Skills and Experience	• Employed in the investment banking arm of Midland Bank and HSBC (1984) • Joined BCP Investimento in Lisbon as an investment banker and within Banco Comercial Português (1997-1999) • Member of the Board and Chief Financial Officer - Seguros e Pensões SGPS, and member of the board of the insurance companies of the group in Portugal and Mozambique as well as Chairman of the Board of Império Vida y Diversos, SA (2000-2005) • Vice President and Chief Financial Officer - ONI SGPS (2005-2007) • CEO - INAPA IPG SGPS (2007-2015) • Chairman - EUGROPA, European Paper Merchant Association in Brussels (2012-2015) • Board Member – REN - Redes Energéticas Nacionais SGPS (2011 – 2012) • Chairman of the Board - OZ Energia SA (2011-2015) • CEO - Banco Montepio (2015 – 2018) • Member of the Board - Associação Portuguesa de Bancos (2015 – 2018)
Current External Appointments	• Chairman of the Board – VERLINGUE - Corretores de Seguros • Member of the Board - NORFIN – SGOIC • Corporate Governance adviser of family-owned groups

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Full Name	KAY McCALL
Position	• Member of the Board of Directors – EDP Renováveis, S. A.
Academic Qualifications	• Juris Doctor and Bachelor of Arts degrees – University of Houston • Certificates in Sustainable Energy Development (2020), ESG for Energy Companies (2021) and the Hydrogen Economy (2021) –University of Houston
Skills and Experience	• Senior energy industry executive – with broad expertise, including strategy, operational optimization, acquisitions, and governance; with more than a decade of experience in the renewable energy industry working in the conventional power, engineering and construction, and capital equipment manufacturing industries • President, CEO and Board Member – Noble Environmental Power, LLC (2010–2018), a wind energy company backed by private equity • Senior Vice President, General Counsel and Chief Compliance Officer – Noble Environmental Power, LLC (2008–2010) • Member of the leadership team entrusted with addressing global governance and compliance issues – General Electric Company
Current External Appointments	• Chairperson Board of Directors – Flexitallic Group • Chairperson Board of Directors – Renewable Energy Alliance Houston • Board member, Clean Energy Services LLC • Member of the Board of Advisors – University of Houston Bauer College of Business – Gutierrez Energy Management Institute • Guest lecturer – on topics of leadership in energy at Texas A&M University, Rice University, and the University of Houston

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Full Name	MARÍA GONZÁLEZ RODRÍGUEZ
Position	• Secretary of the Board of Directors – EDP Renováveis, S.A.
Academic Qualifications	• Bachelor of Laws (LL.B.) and Bachelor Degree in Economics – Universidad Pontificia de Comillas (ICADE) • Executive Program – IE Business School • International Directors Program – INSEAD
Skills and Experience	• Between 1997 and 2000 she worked as Corporate Lawyer at the Madrid office of Squire, Sanders & Dempsey LLP (American law firm) • Between 2000 and 2008 she worked as Senior Lawyer at Duro Felguera, S.A. (Spanish EPC contractor, listed at the Spanish Stock Exchange) being responsible for its international legal area • Joined EDPR in 2008 and has since then worked at the General Secretary area, serving from 2019 as Vice-Secretary of the Board of Directors and Board Committees • Member and/or Secretary of several Boards of Directors of EDPR's subsidiaries • Executive Director – EDPR Legal Department, in charge of the Legal Business Development area which manages Procurement, Finance and Energy Management legal activities of EDPR in all its geographies
Current External Appointments	–

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Annex II

Report from Management concerning responsibility for the System of Internal Control over Financial Reporting

The board of directors and management are responsible for establishing and maintaining an adequate System of Internal Control over Financial Reporting (SCIRF).

The SCIRF of EDP Renováveis Group is a set of processes designed to provide reasonable assurance as to the reliability of the financial information and the preparation of the consolidated annual accounts for external purposes, in accordance with the applicable financial information reporting framework.

Due to the limitations inherent to all internal control systems, it is possible that the system of internal control over financial reporting does not prevent or detect all errors that could occur and may only provide reasonable assurance with respect to the presentation and preparation of the consolidated annual accounts. Furthermore, extrapolating the effectiveness assessment to future years entails a risk that controls may cease to be adequate due to changing conditions or erosion in the level of compliance with policies and procedures.

Management has assessed the effectiveness of the SCIRF at 31 December 2022 based on the criteria established in the Internal Control - Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

As a result of this assessment, and based on the aforementioned criteria, management concludes that at 31 December 2022 EDP Renováveis Group had an effective system of internal control over financial reporting.

The SCIRF of EDP Renováveis Group at 31 December 2022 has been audited by the independent auditors PricewaterhouseCoopers Auditores, S.L., as indicated in their report included in the Annual Corporate Governance Report.

Chief Executive officer

Miguel Stilwell De Andrade

Chief Financial Officer

Rui Manuel Rodrigues Lopes Teixeira

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Independent Reasonable Assurance Report On The Design And Effectiveness Of The System Of Internal Control Over Financial Reporting (SICFR)

To the Board of Directors of EDP Renováveis, S.A.:

We have carried out a reasonable assurance engagement to report on the design and effectiveness of the System of Internal Control over Financial Reporting (hereinafter SICFR) and the description thereof included in the accompanying Report that forms part of the corresponding section of the Corporate Governance Report, prepared in accordance with applicable Portuguese legislation, of the consolidated management report accompanying the consolidated financial statements of EDP Renováveis, S.A and subsidiaries (hereinafter the EDRP Group) at 31 December 2022. This system is based on the criteria and policies defined by the EDPR Group pursuant to the guidance of the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO) provided in its "*Internal Control-Integrated Framework*" report.

A System of Internal Control over Financial Reporting is a process designed to provide reasonable assurance on the reliability of financial information, in accordance with the applicable financial reporting framework and includes those policies and procedures that: (i) permit the maintenance, in reasonable detail, of records that accurately reflect the transactions performed; (ii) provide reasonable assurance that the transactions are appropriately recorded to permit the preparation of financial information, in accordance with the applicable financial reporting framework and that these transactions are only performed pursuant to the pertinent authorisation; and (iii) provide reasonable assurance in relation to the timely prevention or detection of unauthorised acquisitions, use or disposals of the Group's assets which could have a material effect on the financial information.

Inherent limitations

In this respect, it should be borne in mind that in view of the inherent limitations of all Systems of Internal Control over Financial Reporting, irrespective of the quality of their design and operation, they may only provide reasonable assurance but not absolute assurance, in relation to the objectives pursued. Therefore errors, misstatements or fraud may not be detected. Also, projections of any evaluation of the internal control to future periods are subject to the risk that controls may become inadequate because of future changes in applicable conditions or that the degree of compliance with the policies or procedures may deteriorate.

Responsibility of the Directors

The directors of EDP Renováveis, S.A. are responsible for taking the measures that are necessary to reasonably ensure the implementation, maintenance and supervision of an adequate system of internal control over financial reporting, as well as for the development of improvements to this system and the preparation and generation of the content of the accompanying Information concerning the SICFR.

Our responsibility

Our responsibility is to issue a reasonable assurance report on the design and effectiveness of the System of Internal Control over Financial Reporting of the EDPR Group, based on the work carried out and evidence obtained. We have performed our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª.
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

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A reasonable assurance engagement includes understanding the System of Internal Control over Financial Reporting, assessing the risk that there may be material internal control weaknesses, and that controls are not adequately designed or do not operate effectively, performing tests and evaluations of the design and effective application of that system, based on our professional judgement, and carrying out those other procedures which may be considered necessary.

We consider that the evidence obtained provides a sufficient and appropriate basis for our opinion.

Independence and Quality Control

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and therefore has in place a comprehensive quality control system which includes documented policies and procedures designed to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, at 31 December 2022 the EDPR Group maintained, in all material respects, an effective System of Internal Control over Financial Reporting for the year ended 31 December 2022, which is based on the criteria and policies defined by EDPR Group management in accordance with the guidance from the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO) provided in its "*Internal Control – Integrated Framework" report.*

Similarly, the description of the accompanying SICFR Report at 31 December 2022 has been prepared, in all material respects, in accordance with the requirements established in the IPCG Code of Recommendations and Appendix I of CMVM Regulation No. 4/2013 for the purposes of describing SICFR in Corporate Governance Reports.

Our work does not constitute an audit and is not subject to prevailing auditing regulations in Spain. We do not therefore express an audit opinion in the terms envisaged in said Law.

PricewaterhouseCoopers Auditores, S.L.

Iñaki Goiriena Basualdu

28 February 2023

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Our action

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Remuneration Report

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Remuneration Report

In compliance with both the Portuguese Securities Code, and the Spanish Companies Act, EDP Renováveis S.A. ("EDPR" or "Company") issues this Remuneration Report with the aim to provide a comprehensive view of the remuneration received by the members of its Governing Bodies, including all benefits, regardless of their form, attributed or due during the 2022 financial year.

The Remuneration Policy of EDPR for 2022 was defined by its Appointments and Remunerations Committee, and presented to its Board of Director for its final approval at the Shareholders' Meeting level.

Approval procedure of the Remunerations Policy of the Board of Directors

The definition of the proposal of the Remuneration Policy for the members of the Board of Directors of EDPR is incumbent on the Appointments and Remunerations Committee which is a delegated body of the Board of Directors, that in order to avoid any conflict of interest, is entirely composed by non- executive and independent members. Under such competences this Committee takes the responsibility for proposing to the Board of Directors the determination of the remuneration of the Executive Directors of the Company; the Remuneration Policy, the evaluation and compliance of the KPI's (Key Performance Indicators); the annual and multi annual variable remuneration, and also proposes the remuneration of the Non-Executive Directors and members of the Board Committees.

As such, this Committee prepares a proposal that defines the remuneration to be attributed to Directors, with the purpose that it reflects the performance of each of them, establishing for the Executive Directors a variable component which is consistent with the maximization of the Company's long term performance (variable annual and multi-annual remuneration for a three-year period), for the achievement of the most challenging objectives of the business plan, thereby guaranteeing the alignment of the performance of the governing bodies with the interests of the shareholders.

The Board of Directors is responsible for the approval of the above-mentioned proposals except to the extent it concerns the Remuneration Policy which is approved by the General Shareholders' Meeting as an independent item of the agenda.

As a Company integrated in a multinational business group, EDPR aims to maintain a solid culture that ensures the management, monitoring, control and supervision of the risks that the Group, its shareholders, employees, customers and, in general, all its stakeholders face, including those arising from the remuneration systems it adopts. EDPR adopts the transversal remuneration practices applied in EDP group, consistent and based on common principles that comply with the regulations applicable in the jurisdictions where it operates.

As such, the remuneration systems applied, including those applicable to the Executive Directors, are defined to promote a culture of merit and high performance that ensures that people and teams are recognized, encouraged and awarded on the basis of responsibility, availability, loyalty and competence placed at Group's service, ensuring actions aligned with the long-term interests of shareholders and promoting sustainable initiatives.

The proposal for remuneration policy of the Executive Directors also aimed at simplifying, and provide transparency and clarity, favouring a complete understanding of the framework of principles and rules that constitute it, and which will be applied and evaluated by the Appointments and Remunerations Committee.

Definition, revision and renewal of the Policy

The definition of the Remuneration Policy of EDPR is submitted for approval by the General Meeting, on a proposal from the Board of Directors, based on the proposal presented by the Appointments and Remunerations Committee. Likewise, and in line with EDP Group corporate governance practices, EDPR has signed an Management Services Agreement with EDP under which the Company bears the cost for such services to some of the members of the Board of Directors (Executive and Non-Executive) to the extent their services are devoted to EDPR; and the Audit, Control and Related Party Transactions Committee (which is also entirely composed by non-executive and independent members) is involved in any revision and/or amendment of this agreement.

The definition and possible proposals for revision of the Remuneration Policy by the Appointments and Remunerations Committee are based on the articulation of EDPR long-term objectives, measured according to its strategic plan at all times, in the conclusions of comparative remuneration studies with national listed companies and with foreign sectoral

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peers and on an articulation of principles with the remuneration plan of other employees of the Group.

The Appointments and Remunerations Committee may hire the external consultants and support necessary for the performance of comparative remuneration studies within the framework of directors' remuneration policies, assessing their conditions of independence for the provision of the services that may be requested.

Regulatory Framework and principles of the Remuneration Policy applied in 2022

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. The corporate organization of EDPR is subject to its personal law and to the extent possible, to the recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance ("IPCG"). As such, the Company intends to comply with both legal systems but always taking into account that its personal law is the Spanish one, and that in case of discrepancy, the aim is to adopt the law that entails more protectionism for its shareholders.

The Remuneration Policy applied in 2022 (duly approved by its Shareholders' Meeting) complies with Article 26 - C of the Securities Code (as amended by Law No. 99 A/2021 of 31st December), with article 529 novodecies of the Spanish Companies Act, with the IPCG Corporate Governance Code adopted by EDPR and with the international good practices, being aligned and consistent with the remuneration policy and remuneration practices applied to all employees of the Group.

Total remuneration, and the remuneration model in general, should be competitive, aligned with the practices of the international electricity sector and the renewables market, facilitating the attraction and retention of talent, and the commitment to the challenges and ambitions of the company.

A. Remuneration structure and disclosure

Pursuant to Article 26 of the Company's Articles of Association the Directors shall be entitled to a remuneration which consists of a fixed amount to be determined annually by the General Shareholders' Meeting for the whole Board of Directors. This article also establishes the possibility of the Directors of receiving attendance fees or being remunerated with Company shares, share options, or other securities granting the right to obtain shares or by means of share-indexed remuneration systems. In any case, the system chosen must be approved by the General Shareholders' Meeting and comply with current legal provisions.

The remuneration policy applicable for 2022 defines a structure with a fixed remuneration for all members of the Board of Directors, whereas for the Executive Directors defines a fixed and a variable remuneration, with an annual component, and a multi-annual component.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work exclusively as Directors or, if such is the case, considering their membership/chairmanship of the Appointments and Remunerations Committee, the Audit, Control and Related Party Transactions Committee and the Environmental, Social and Corporate Governance Committee. Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board.

As already indicated, EDPR has signed a Management Services Agreement with EDP, under which the Company bears the cost for such services to some of the members of the Board of Directors to the extent their services are devoted to EDPR. In 2022 these Directors were Miguel Stilwell d'Andrade and Rui Teixeira (Executive Directors), and Vera Pinto, Ana Paula Marques and Miguel Setas (non-Executive Directors).

The total amount of the remunerations that the Company will pay to its Directors shall not exceed the amount determined by the General Shareholders' Meeting. For these purposes, the General Shareholders' Meeting held on May 13th, 2008 set a maximum annual amount for the Board of Directors for fixed remuneration of EUR 2,500,000; and at its meeting held on April 8th, 2014 also resolved to establish a maximum annual amount for variable remuneration of EUR 1,000,000 for executive directors.

For 2023 onwards, the maximum annual amount for fix and variable remuneration for the Board of Directors has been set in EUR 3,500,000 by the approval of the General Shareholders' Meeting held on March 31st, 2022. This amount results of the merge of the former EUR 2,500,000that was stablished for fix renumeration and the EUR 1,000,000 that was established for variable annual remuneration.

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I) Remuneration of EDPR Directors for their functions as Members of the Board

This section includes the information regarding the remuneration received by EDPR Board members in 2022 for their functions at the Board of Directors.

a) Fixed component – base remuneration

Conditions

The fixed remuneration of the members of the Board of Directors is aligned with the basic remuneration practiced by a number of companies comparable to EDPR, the national market and the international electricity sector; in terms of size, market capitalization, risk profile, relevance and geographical implementation, while also considering, at all times, the complexity of the functions performed, the remuneration conditions of its employees and the non-increase of the average market pay gap between workers and administrators.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work as Directors and if such is the case, a complement as Member or Chairperson of the Appointments and Remunerations Committee, the Audit, Control and Related Party Transactions Committee and/or the Environmental, Social and Corporate Governance Committee. Such amounts are cumulative, except for the Chairman of the Board of Directors who does not receive any complement derived from his role at any Committee.

Figures 2022

Hereunder it is detailed the list of EDPR Directors that composed the Board during 2022, and the amounts paid by EDPR either (i) as remuneration to them or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration), for their functions performed at the Board of Directors level:

	FIXED COMPONENT	
DIRECTOR	REMUNERATION	FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR
EXECUTIVE DIRECTORS		
Miguel Stilwell d' Andrade	-	384,000€*
Rui Teixeira	-	290,000€*
NON-EXECUTIVE DIRECTORS		
António Mota	230,000€	
Vera Pinto	-	65,000€*
Ana Paula Marques	-	65,000€*
Miguel Setas	-	65,000€*
Manuel Menéndez	65,000€	-
Acácio Piloto(**)	65,000€	-
Allan J.Katz(**)	65,000€	-
Rosa García(**)	65,000€	-
José Morgado(**)	65,000€	-
Kay Mc Call (**) (***)	37,917€	-
Joan Avalyn Dempsey (****)	*2.446€*	
Sub- Total	595,363€	869,000€
Total	1,464,363€	

*These amounts correspond to the service fee paid by EDPR to EDP under the Management Services Agreement for the services rendered in 2022 by such director. In addition, EDPR pays to EDP a 5% of such service fee which is applied to the retirement savings plan for Executive Directors described in topic 76 of this Chapter 5 of the Annual Report.

**These Directors also received remuneration for their participation in the Delegated Committees that is detailed at section A) II) of this Chapter 6 of the Annual Report.

***The remuneration reflected for this Director corresponds to 2022, provided that she was appointed by co-option on May 3rd, 2022 (with effects June 1st, 2022).

**** Joan Avalyn Dempsey presented the resignation to her positions as Board Member with effects January 13th, 2022, and therefore the amounts indicated in the table above reflect the remuneration accrued in 2022 until her resignation.

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b) Variable component

Conditions

The annual variable remuneration has the nature of incentive/performance premium linked to financial and non-financial objectives (linked to the Business Plan and budget) of short-term, evaluated annually, reflecting in the year under analysis and possible repercussion in the following years, being paid in cash.

The amount of the annual performance premium shall be determined within three months of the approval of EDPR's accounts at the ordinary General Meeting in each year, by reference to the previous year/annual performance period.

Variable annual and multi-annual remuneration will be a percentage of fixed annual component, with a superior weight for multiannual vs. annual component (120% vs. 80%). Thus, the value of the variable remuneration may range between 0% and 85% of the 80% in the case of the annual variable, and between 0% and 85% of the 120% in the case of the multi-annual variable. Such percentages are applied over the gross annual fixed remuneration. According to the Remuneration Policy approved by the General Shareholders' Meeting, the maximum variable remuneration (annual and multi-annual) is applicable if all the KPI's were achieved, and the performance evaluation is equal or above 110%.

In line with corporate governance practices, the Remuneration Policy incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any wilful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

The key performance indicators (KPIs) used to determine the amounts of the annual and multi - annual variable remuneration for each year of the term are proposed by the Appointments, and Remunerations Committee with the aim of aligning them with the strategic pillars of the Company: growth, risk control and efficiency. The remuneration policy establishes that the indicators shall be set in accordance with 6 clusters: (i) Shareholders, (ii) People, (iii) Environment & Communities, (iv) Assets and Operations, (v) Innovation & Partners, and (vi) Clients; each of such clusters shall have at least one indicator. The KPIs considered for the variable remuneration paid in 2022 (as a result of the performance developed in 2021), as well as those to be considered in 2023 for the appraisal of the performance of year 2022, were the following:

	WEIGHT		KEY PERFORMANCE INDICATOR	CEO/CFO WEIGHT	CEO/CFO EDPR RESULTS
Total Shareholder return	15%	100%	TSR vs. Wind peers & PSI 20	100%	100%
Shareholders	80%	60%	Operatin Cash Flow (€ million)	10%	100%
			AR/Sell-down + Tax Equity (€ million)	10%	100%
			EBITDA+ sell down gains (€ million)	10%	100%
			Net Profit (€ million)	10%	100%
			Core Opex Adjusted (€ thousand/MW)	10%	100%
			Projects with FID (% of total '19-'22 additions in BP)	10%	100%
Clients		10%	Renewable Capacity Built (in MW)	10%	100%
Assets & Operations		10%	Technical Energy Availability (%)	5%	100%
			Capex per MW (€ thousand)	5%	100%
Environment & Commnunities		5%	Certified MW %	5%	100%
Innovation & part-ners		5%	H&S frequency rate (employees + contractors)	5%	100%
People[1] Management		10%	People Management	10%	100%
Remuneration Committee	5%	100%	Appreciation remuneration committee	100%	100%

[1] *The policy has considered the labour conditions and the remuneration of the Company employees in order to define its terms, and in particular, has established this KPI, that includes the results of the Climate Survey launched to the employees in which the satisfaction level with the performance and applicable conditions is reflected.*

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Figures 2022

The variable remuneration only applies to Executive Directors, and the evaluation of compliance with the indicators and related level of performance is appraised by the Appointments and Remunerations Committee, which in turn submits it to the Board of Directors for approval.

- *Variable Annual*

As of December 31st 2022, the Executive Directors of EDPR were Miguel Stilwell d'Andrade and Rui Teixeira. As a result of the analysis of their performance, the following amounts were paid in 2022 by EDPR to EDP as management fee, for the variable annual component amounts accrued for their services provided in 2021:

	VARIABLE COMPONENT
DIRECTOR	FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR
EXECUTIVE DIRECTORS	
Miguel Stilwell d' Andrade	173,664.84€
Rui Teixeira	131,153.13€
Total	304,817.97€

- *Variable multiannual*

The multiannual variable component (three years) applies to Executive Directors. As the current Executive Directors of EDPR (Miguel Stilwell d' Andrade and Rui Teixeira) were appointed in 2021, no multiannual variable component was still paid to them for their functions performed at EDPR.

Non-Monetary Benefits

No non-monetary benefits are paid by EDPR to its Board Members, except for a company car for the Chairman of the Board of Directors, (whose total related cost for four years was borne and reported in 2021) and the retirement savings plan for Executive Directors referred in the following section.

Retirement Savings Plan

The retirement savings plan applicable to 2022, which is included within the Remuneration Policy applicable for 2022, was defined and proposed by the Appointments and Remunerations Committee to the Board of Directors for its submission to the General Shareholder's Meeting. For the Executive Directors of EDPR (Miguel Stilwell d' Andrade and Rui Teixeira) it was stablished in a 5% of the fixed fee under the Management Services Agreement. For the year 2022, EDPR paid a fee to EDP under the Management Services agreement of 19,200€ corresponding to the retirement saving plan of Miguel Stilwell d' Andrade, and of 14,500€ corresponding to the retirement saving plan Rui Teixeira.

II) Remuneration of EDPR Directors for their functions as Members of the Delegated Committees

Conditions

In line with Spanish Law and as specifically foreseen in Article 10 of the Company's Articles of Association, the Board of Directors of EDPR is entitled to create delegated bodies. The Board of Directors of EDPR has set up three committees that are composed exclusively by non-executive and independent members:

- Audit, Control and Related-Party Transactions Committee
- Appointments and Remunerations Committee
- Environmental, Social and Corporate Governance Committee

Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board.

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Figures 2022 – Audit, Control and Related Party Transactions Committee

Below the list of members of the Audit, Control and Related Party Transactions Committee as of December 31st 2022, and the amounts paid by EDPR as remuneration to them for the functions performed at this body in 2022:

COMMITEE MEMBER	POSITION	REMUNERATION
Acácio Piloto	Chairperson	50,000€
Rosa García García	Vocal	25,000€
José Félix Morgado	Vocal	25,000€

Figures 2022 – Appointments and Remunerations Committee

Below the list of members of the Appointments and Remunerations Committee as of December 31st 2022, and the amounts paid by EDPR as remuneration to them for the functions performed at this body in 2022. As indicated at the beginning of this section, the Chairman of this Committee, António Gomes Mota, does not receive a complement to its remuneration as Chairperson of the Board for the functions performed at this Committee:

COMMITEE MEMBER	POSITION	REMUNERATION
António Gomes Mota	Chairperson	0
Rosa García García	Vocal	10,000€
José Félix Morgado	Vocal	10,000€

Figures 2022 – Environmental, Social and Corporate Governance Committee

Below the list of members of the Environmental, Social and Corporate Governance Committee as of December 31st 2022, and the amounts paid by EDPR as remuneration to them for the functions performed at this body in 2022. This Committee was incorporated on October 25th, 2022, and therefore the amounts indicated reflect the remuneration perceived for the services provided to this body since that date until year end. Likewise, as indicated at the beginning of this section, the Chairman of this Committee, António Gomes Mota, does not receive a complement to its remuneration as Chairperson of the Board for the functions performed at this Committee:

COMMITEE MEMBER	POSITION	REMUNERATION
António Gomes Mota	Chairperson	0
Rosa García García	Vocal	1,667 €
José Félix Morgado	Vocal	1,667 €
Allan J.Katz	Vocal	1,667 €
Kay Mc Call	Vocal	1,667 €

B. Alignment of the application of the remuneration with the Remuneration Policy adopted. Contribution of the Remuneration Policy to the long-term performance of the Company and criteria taken into account.

In 2022, the Board of Directors Remuneration Policy in place for this term was duly applied.

As a summary of all the above breakdowns detailed, it is hereby provided a summary table including the total amounts paid by EDPR in 2022 either (i) as remuneration to them for Director functions at the Board level and Delegated Committees or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration):

DIRECTOR	(i) REMUNERATION	(ii) FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR		
EXECUTIVE DIRECTORS		FIXED COMPONENT	ANNUAL VARIABLE COMPONENT	RETIREMENT SAVINGS PLAN
Miguel Stilwell d'Andrade	-	384,000€*	173,664.84€	19,200€
Rui Teixeira	-	290,000€*	131,153.13€	14,500€
NON - EXECUTIVE DIRECTORS				
António Mota	230,000€			
Vera Pinto	-	65.000€		
Ana Paula Marques	-	65,000€		
Miguel Setas	-	65,000€		
Manuel Menéndez	65,000€			
Acácio Piloto	120,000€			
Allan J.Katz	66,667€			
Rosa García	101,667€			
José Morgado	101,667€			
Kay Mc Call	39,583€			
Joan Avalyn Dempsey	*2,446€*			
Sub- Total 1	727,030€	869,000€	304,818€	33,700€
Sub- Total 2	727,030€		1,207,518€	
Total		1.934.548€		

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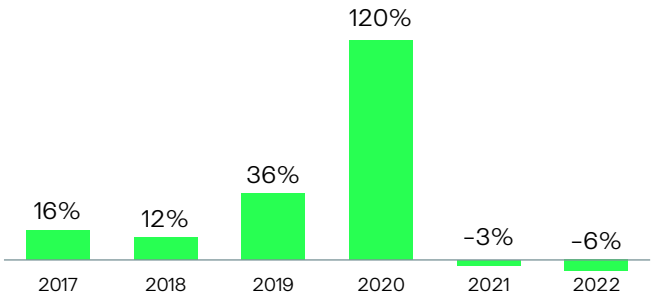
The total amount paid by EDPR in 2022 either (i) as remuneration and (ii) as fee to EDP under the Management Services Agreement, for the services performed by its Directors as members of its Board (including the retirement savings plan) was of 1,629,730€, which is below the maximum amount agreed by the Shareholders' Meeting for 2022 (2,500,000€). Likewise, the total amounts that were paid as fee to EDP under the Management Services Agreement for the variable remuneration paid to the Executive Directors in 2022 was of 304,818€ which is also aligned with the maximum amount agreed by the General Shareholders' Meeting for these purposes (1,000,000€).

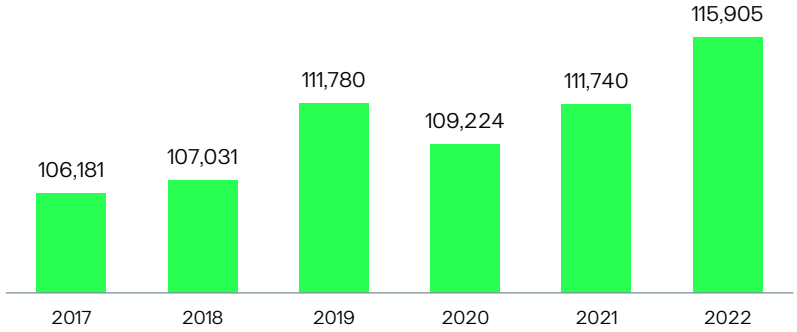
The remuneration policy adopted by EDPR for 2022 included key elements to enhance a Company's management performance not only focused on short-term objectives, but also incorporate as part of its results the interests of the Company and of shareholders in the medium and long term. These elements are: (i) the definition of the indicators in accordance with the 6 clusters, (ii) the relative weight assigned to each KPIs to calculate annual and multiannual variable remuneration (iii) the relevance associated with the achievement of such KPIs (iv) the three-year term considered for determining the value of variable multi-annual component of the remuneration (v) the deferral in three years for the payment of the variable multi-annual as recommended by CMVM as a good corporate governance practices, as well as conditioning its payment to the fact of there has not been unlawful actions known after the performance evaluated that may jeopardize the sustainability of the company's performance, (vi) the use of the qualitative criteria focused on a strategic and medium term perspective of the development of the Company, and (vii) the existence of a maximum limit for the variable remuneration.

C. Performance of the company and remuneration average of the employees

Total shareholder return



Employee average remuneration (€)



Please note that this data has been restated due to an improvement in the calculation methodology.

D. Remuneration from other Group Companies

The members of the Board of Directors as of end of December 2022 do not receive any payment from any company under EDPR control or subject to EDPR common control.

E. Share-allocation and/or Stock Option Plans

EDPR does not have any Share-Allocation and/or Stock Option Plans.

F. Refund of a variable remuneration

In line with corporate governance practices, the Remuneration Policy of EDPR incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any willful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

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G. Compliance with the applicable Policy during 2022

The remuneration policy for 2022 was applied without exceptions since its approval.

Other remunerations

i) Remuneration of the Chairman of the General Shareholders' Meeting

Since 2021, EDPR decided to adopt the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders Meeting to be chaired by the Board of Directors Chairman. Therefore, there are no additional remunerations applies for the chairmanship of the General Shareholders' Meeting, as it is performed by the Chairperson of the Board of Directors (António Gomes Mota).

ii) External Auditor remuneration in 2022 for EDP Renováveis S.A. and subsidiaries

According to the Spanish law, the External Auditor ("Auditor de Cuentas") is appointed by the General Shareholders' Meeting and corresponds to the statutory auditor body ("Revisor Oficial de Contas") described on the Portuguese Law.

As a result of a competitive process launched in 2017, and following the proposal of the Audit, Control and Related Party Transactions Committee to the Board of Directors, PricewaterhouseCoopers Auditores, S.L. was appointed as EDPR SA External Auditor by the Shareholder's Meeting held on April 3rd, 2018. PricewaterhouseCoopers Auditores, S.L., is a Spanish Company registered at the Spanish Official Register of Auditors under number S0242 with Tax Identification Number B-79031290. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021, and the audit partner in charge of EDPR is Iñaki Goiriena.

On July 2022, EDPR approved an internal regulation to rule the provision of services and relationship with the External Auditor, with regards to both audit and non-audit services to be hired, and the reporting and approval procedure to be applied. These regulations also establish the independence criteria to be considered.

Figures 2022

SERVICE	EUROPE	NORTH AMERICA	LATAM	APAC	TOTAL	%
Audit and statutory audit of accounts	1,603,000€	1,795,000€	368,000€	994,000€	4.760,000€	94.67%
Other non-audit services	218,000€	12,000€	38,000€	-	268,000€	5.33%
Total	1,821,000€	1,807,000€	406,000€	994,000€	5,028,000€	100%

The amount of other non-audit services in Europe includes among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustainability included in EDPR Annual Report, which are invoiced to a European company. This amount also includes the limited review as of June 30th, 2022 of the EDPR Consolidated Financial Statements and other reviews for Group consolidation purposes which are considered non-audit services according to the respective local regulation.

Total amount for Europe includes 857.000 Euros of services provided by PricewaterhouseCoopers Auditores S.L. from which 676.000 Euros refer to audit services and 181.000 Euros refer to non-audit services.

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Members of the Board of Directors of the Company EDP Renováveis, S.A.

DECLARE

To the extent of our knowledge, the information referred to in paragraph 1 of Article 29-G of Decree-Law no. 486/99 of November 13, in sub-paragraph a) of paragraph 1 of Article 8 of the Royal Decree 1362/2007 of October 19th, and other documents relating to the submission of accounts required by current regulations (including, among others, article 253 of the *Spanish Companies' Act* and article 44 of the *Spanish Commercial Code*), have been prepared in accordance with applicable accounting standards and principles, reflecting a true, faithful and appropriate view of the equity, assets, liabilities, financial position and results of EDP Renováveis, S.A. and the companies included in its scope of consolidation and the management report fairly presents the business evolution, the performance, the business results and the position of EDP Renováveis, S.A. and the companies included in its scope of consolidation, containing a description of the principal risks and uncertainties that they face.

That the Consolidated Annual Financial Statements and the Consolidated Management Report submitted, including the Non-Financial Statements, were drawn up by the Board of Directors following the single electronic format and mark up requirements set under the Commission Delegated Regulation (EU) 2019/815 of December 17th, 2018, at its meeting held on February 27th 2023.

Madrid, February 27th, 2023.

Antonio Sarmento Gomes Mota Chairman	Miguel Stilwell de Andrade Vice Chairman
Rui Manuel Rodrigues Lopes Teixeira Director	Vera de Morais Pinto Pereira Carneiro Director
Ana Paula Garrido de Pina Marques Director	Miguel Nuno Simões Nunes Ferreira Setas Director
Manuel Menéndez Menéndez Director	Acácio Jaime Liberado Mota Piloto Director
Allan J. Katz Director	Rosa María García García Director
José Manuel Félix Morgado Director	Cynthia Kay Mc Call Director

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Ms. María González Rodríguez, Secretary non director of the Board of Directors of EDP Renováveis, S.A.

HEREBY CERTIFIES

That on February 27th, 2023 a meeting of the Board of Directors of EDP Renováveis, S.A. was held in Madrid, being present or represented all the Directors: Mr. Antonio Sarmento Gomes Mota, Mr. Miguel Stilwell de Andrade, Mr. Rui Manuel Rodrigues Lopes Teixeira, Ms. Vera de Morais Pinto Pereira Carneiro, Ms. Ana Paula Garrido de Pina Marques, Mr. Miguel Nuno Simões Nunes Ferreira Setas, Mr. Manuel Menéndez Menéndez, Mr. Acacio Liberado Mota Piloto, Mr. Allan Katz, Ms. Rosa María García García, Mr. José Manuel Félix Morgado and Ms. Cynthia Kay Mc Call.

That it was unanimously agreed to drawn up the Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Report (including the Non-Financial Information Report which is incorporated in the same) of EDP Renováveis, S.A. and its subsidiaries for the fiscal year 2022, expressly stating the approval and without any disconformity being raised.

That the Individual Annual Financial Statements and the Individual Management Report submitted, were drawn up following the single electronic reporting format requirements set under the Commission Delegated Regulation (EU) 2019/815 at the referred Board of Directors meeting.

That the Consolidated Annual Financial Statements and the Consolidated Management Report (including the Non-Financial Information Report which is incorporated in the same) submitted, were drawn up following the single electronic reporting format and mark up requirements set under the Commission Delegated Regulation (EU) 2019/815 also at the referred Board of Directors meeting.

That Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Report for the financial year 2022 submitted are consistent with those audited, and that the Auditor's Reports attached to the xHTML files (including the Independent Verification Report ("EINF") and the report about the Internal Control System over Financial Reporting ("SCIIF")) are copy of the original signed by the Auditor.

That the documentation described above was signed by all the members of the Board (either by those who were present, or by the related representatives) except in the case of Ms. Vera de Morais Pinto Pereira Carneiro; Mr. Allan J. Katz and Ms. Cynthia Kay Mc Call, that attended the meeting by video conference as permitted under the By Laws, but expressly stating their agreement with drawing up the Individual and Consolidated Accounts. In that sense, the relevant minutes contains the favorable vote of such drawing up, issued by each of the Directors

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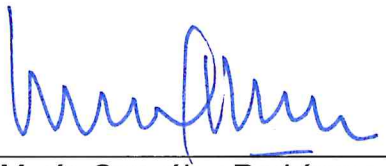
(either by those present or through the related representatives) during the meeting.

That EDP Renováveis S.A. is hereby submitting its Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Reports for the fiscal year 2022 in ESEF format which were drawn up both in Spanish and English languages and duly drawn up by the Board of Directors of the company at its meeting held on February 27th, 2023.

This certification, the authenticity of which I hereby guarantee, is issued at Madrid on February 27th, 2023.

Secretary Non-director



María González Rodríguez

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Our change

PUBLIC

Concepts and definitions

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Concepts and definitions

A

Asset Rotation

Strategy aimed at crystallizing the value of a project by selling a minority stake in an asset and reinvesting the proceeds in another asset, targeting greater growth.

Availability

The percentage of time a wind turbine is technically available to capture the wind resource and convert it to electricity.

B

Blades

The large "arms" of wind turbines that extend from the hub of a generator. Most turbines have either two or three blades. Wind blowing over the blades causes the blades to "lift" and rotate.

BOP

Balance of plant. All the supporting components and auxiliary equipment of the wind farm other than the generating unit.

BP

Business Plan.

BU

Budget.

C

CAGR

Compound annual growth rate.

Carbon leakage

Occurs when due to the higher costs related with climate change policies (for example taxes or other penalties on carbon emissions), the companies decide to move their production to countries with more relaxed policies, therefore leading to higher carbon emissions ex-post.

Capex

Capital Expenditure. Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings, or equipment (ex: construction of wind farms).

Cash-flow

Amount of cash generated and used by a company in a given period. Cash flow can be used as an indication of a company's financial strength.

CfD

Contract for difference. Remuneration scheme based on the difference between the market price and an agreed "strike price" where if the "strike price" is higher than the market price, the CfD. Counterparty pays the generator the price difference.

CO_2

Carbon dioxide. A heavy colorless gas that does not support combustion, dissolves in water to form carbonic acid, is formed especially in animal respiration and in the decay or combustion of animal and vegetable matter, is absorbed from the air by plants in photosynthesis, and is used in the carbonation of beverages.

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COD

Commercial Operating Date. Date at which the project starts officially operating, after the testing and commissioning period.

Core opex

Includes costs of supplies and services and with personnel, costs that are controllable by the company.

Critical suppliers

Includes suppliers of turbines, balance of plant and O&M.

Curtailment

The forced shut-down of some or all the wind turbine generators within a wind farm to mitigate issues associated with turbine loading export to the grid, or certain planning conditions. Curtailment is controlled by the regional transmission operator.

CO2e avoided (by renewables)

Emissions that would have occurred if the electricity generated by renewable energy sources in each geography was produced from the mix of thermoelectric power plants in that geography.

D

Dividend pay-out ratio.

Measures the percentage of a company's net income that is given to shareholders in the form dividends. (Total Annual Dividends per Share / Earnings per Share).

Dividend policy

Set of guidelines a company uses to decide how much of its earnings it will pay out to shareholders.

E

EBITDA

An accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

EMS

Environmental Management System. System that assures the protection of the environment through a proactive environmental management of the facilities in operation.

EPS

Earnings per share. The portion of a company's profit allocated to each outstanding share of common stock.

Equity consolidation

Accounting process of treating equity investments, in associate companies. Equity account is usually applied where the entity holds 20-50% of voting stock.

F

Feed in tariffs

Remuneration framework that guarantees that a company will receive a set price from their utility, applied to all of the electricity they generate and provide to the grid.

Financial investment

An asset in which to put money into with the expectation of obtaining gains or an appreciation into a larger sum of money.

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Forex/FX

The market in which currencies are traded.

Full scope

Scheme of maintenance in which a third-party supplier is directly responsible for the full maintenance of the project. The project pays a fixed fee and assumes low risk.

G

GC

Green certificate. Tradable commodity proving that certain electricity is generated using renewable energy sources.

GCF

Gross Capacity Factor – The ratio of a site's gross output over a period of time, to its potential output if it were possible for it to operate at full capacity continuously over the same period of time.

GHG

Greenhouse gases. Gases that trap the heat of the sun in the Earth's atmosphere, producing the greenhouse effect; the two major greenhouse gases are water vapor and carbon dioxide; lesser greenhouse gases include methane, ozone, chlorofluorocarbons, and nitrogen oxides.

GO/GoO

Guarantee of Origin. Tracking instrument that guarantees that electricity has been produced from renewable energy sources. Those GO are traded and used by suppliers to sell green energy.

Gross profit

An accounting measure calculated using a company's revenue minus its cost of goods sold. Gross profit is a company's residual profit for selling a product or service and deducting the cost associated with its production and sale.

GW

Unit of electric power equal to 1,000 MW.

GWh

Equal to 1,000 MW used continuously for one hour.

H

Hedging

Risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, or securities.

I

IFRS16

Regulatory standard of operating leases that requires the recognition of lease commitments for the entire duration of contracts into the balance sheet liabilities as well as the recognition of a new asset "Right of Use Asset" as counterparty.

Installed capacity

Capacity installed and ready to produce energy.

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ISO 14001

ISO 14001:2015 – Environmental Management Certification is an international standard for designing and implementing an effective environmental management system (EMS) to enhance the company's environmental performance.

ISO 45001

ISO 45001:2018 - Specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

ITC

Investment tax credit. Tax incentive in the US which differ from the Production Tax Credit in the sense that the Tax Equity Investor receives a one shot tax credit that covers a percentage of the investment.

L

LCOE

Levelized cost of electricity. Provides a common way to compare the cost of energy across technologies. LCOE takes into account the installed system price and associated costs such as financing, land, insurance, transmission, operation and maintenance, and depreciation. The LCOE is a true apples-to-apples comparison of electricity costs and is the most common measure used by electric utilities or purchasers of power to evaluate the financial viability and attractiveness of a wind energy project.

M

M3

Modular maintenance model. Maintenance scheme which is halfway between the self-perform and a full scope maintenance, with some activities being performed in- house.

MW

Unit of electric power equal to 106 watts.

MWh

Equal to 106 watts of electricity used continuously for one hour.

N

Net capacity factor (NCF)

The ratio of a plant's actual output over a period of time, to its potential output if it were possible for it to operate at full nameplate capacity continuously over the same period of time. Also known as Load Factor.

Net debt

A metric that shows a company's overall debt situation calculated using company's total debt less cash on hand.

Net investment

Equals (Capex + Financial investments – Financial divestments).

O

O&M

Operations and maintenance. All the activities necessary to run the wind farm in a reliable, safe and economical way including for instance maintenance, repair, monitoring and operation.

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PPA

Power purchase agreement. A legal contract between an electricity generator (provider) and a power purchaser (host). The power purchaser buys energy, and sometimes also capacity and/or ancillary services, from the electricity generator.

PTC

Production tax credit. The result of the Energy Policy Act of 1992, a commercial tax credit in the US that applies to wholesale electrical generators of wind energy facilities based upon the amount of energy generated in a year.

R

Renewable energy

Energy that is derived from resources that are regenerative or that cannot be depleted including wind energy, solar, biomass, geothermal, and moving water. Also known as alternative energy.

REC

Renewable energy credit. Represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC can be sold separately from the electricity associated with a renewable energy generation source.

RES

Renewable energy sources.

RCF

Retained cash-flow. The amount to pay dividends to shareholders and/or to fund new investments and includes EBITDA after paying interests and tax equity investor's costs and after paying distributions to equity partners and taxes.

ROIC Cash

Return on Invested Capital (based on Cash Flows). Represents a measure of the profitability and value creation of a project or company.

RPS

Renewable Portfolio Standard. Regulation in the US that places an obligation in certain states on electricity supply companies to source a specific percentage of their energy from renewable sources.

S

Self-perform

Maintenance scheme in which all the maintenance works are done in-house which means that the project assumes the whole risk.

Sell-down

Divestment strategy by which the company sells majority stakes of projects in operation or under development to recycle capital, with up-front cash flow crystallization, and creates value by reinvesting the proceeds in accretive growth, while continuing to provide operating and maintenance services.

SF_6

Sulfur hexafluoride. Colorless, odorless, non-flammable and potent greenhouse gas which is used in the electrical industry especially in gas insulated switchgear power installations.

Solar DG

Solar Distributed Generation. Facilities that generate electricity by means of solar power through Distributed Generation (DG), a system that generates power near the point of consumption.

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Solar PV

Solar photovoltaic. Plant that generates electricity by means of solar power through photovoltaics, consisting of an arrangement of several components, including solar panels to absorb and convert sunlight into electricity, a solar inverter, cables and other electrical accessories.

T

TSR

Total Shareholder Return. Measures the return that the stock provides to the shareholder, including dividends paid and the stock price appreciation.

Tax equity

Financing structure (US) where the tax equity investor contributes capital in exchange of tax benefits and cash distributions during the 1st ten years the park operates, or until investment is recovered.

TEI

Tax Equity Investor – Financing structure (US) where the tax equity investor contributes capital in exchange of tax benefits and cash distributions during the 1st ten years the park operates, or until investment is recovered.

Transition risks

Climate risks related to the transition to a lower-carbon economy, that may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations.

UN SDG

United Nation's Sustainable Development Goal.

W

WATT (W)

The rate of energy transfer equivalent to one ampere under an electrical pressure of one volt. One watt equals 1/746 horsepower, or one joule per second. It is the product of voltage and current (amperage). Watts are the yardstick for measuring power.

Wind energy

Power generated by converting the mechanical energy of the wind into electrical energy using a wind generator.

Wind farm

Used in reference to the land, wind turbine generators, electrical equipment, and transmission lines for the purpose of generating wind energy and alternative energy.

Y

YoY

Year-on-Year.

YTD

Year-to-date.

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Results Report

2021

edp renewables

February 16th, 2022

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Conference Call & Webcast Details

Date: Wednesday, 16th of February, 2022, 15:00 CET | 14:00 UK/Lisbon

Webcast: www.edpr.com

Phone dial-in number: UK: +44 (0) 33 0551 0200 | US: +1 212 999 6659

Access Password: EDPR

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Important Information

- In January-22, EDPR concluded an Asset Rotation deal in Europe of a 100% equity stake in a 211 MW wind portfolio. Capital gains are booked in 2021 along with MW deconsolidation. Equity proceeds have been received in January 2022.

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2021 Highlights

Operational Results

EDPR had, by Dec-21, a portfolio of operating assets of 13.6 GW, with 9 years of avg. age, of which 12.5 GW fully consolidated and 1.1 GW equity consolidated (Spain, Portugal, US and Offshore). EDPR added a total of 2,584 MW of wind and solar capacity out of which 2,273 MW fully consolidated, specifically 682 MW in Europe, 1,204 MW in North America, 359 MW in Brazil, and 28 MW in APAC, namely in Vietnam. Equity consolidated increased by 311 MW on the back of offshore projects that entered in operation.

Pursuing its Asset rotation strategy, in the US, EDPR successfully concluded the sale of an 80% equity stake in a 405 MW operational wind portfolio, the sale of an 80% equity stake in a 200 MWac solar project and the sale of a 100% equity stake in a 302 MW wind B&T project. In Europe, EDPR successfully concluded the sale of a 100% equity stake in a 221 MW wind portfolio in Portugal (capital gains in 2021; equity proceeds in 2022) and the sale of a 25% equity stake of a project in Spain (11 MW net). All in all, EDPR YoY consolidated portfolio net variation was +1,411 MW.

As of Dec-21, EDPR had 1.8 GW of capacity under construction, of which 1,592 MW of wind onshore and 232 MW of solar.

In the year, EDPR produced 30.3 TWh of clean electricity (+6% YoY), avoiding 18mt of CO_2 emissions. The YoY evolution benefits from the capacity additions over the last 12 months along with a fairly stable renewable resource.

The average selling price increased +1% YoY driven by higher prices in the Rest of Europe and Brazil, partially offset by new capacity, the Spanish portfolio mix YoY and the impact of Spain regulatory and financial hedges.

Revenues to Net Profit

Revenues increased to €1,758m (+2% YoY; +€27m), where the impact from additional capacity MW (+€198m YoY) along with higher average selling price (+€33m YoY; ex-Sell-down), were not offset by the slightly lower renewable resource (-€12m YoY), Sell-down transactions (-€132m YoY), unfavourable forex translation and others (-€60m YoY).

Other operating income amounted to €636m (+€137m YoY). Operating Costs (Opex) totalled €675m (+19% YoY) given upfront costs to cope with expanded growth over the coming years. In comparable terms, Core Opex per avg. MW adjusted by Sell-down, offshore costs, service fees, one-offs and forex was flat YoY.

EBITDA summed €1,760m (+6% YoY) and EBIT €1,151m (+9% YoY) mainly driven by higher capital gains partially offset by top line performance in North America on the back of the US weather one-off event in the 1Q, lower average renewable resource in US and unfavourable forex translation. Net Financial Expenses decreased to €249m (-€36m vs 2020) with YoY comparison affected by lower tax equity costs and forex positive contribution.

At the bottom line, Net Profit summed €655m (+18% YoY) mainly due to higher capital gains, lower financials and a higher generation YoY. Non-controlling interests in the period totalled €154m, increasing by €27m YoY as a result of top line performance.

Cash-Flow & Net Debt

As of Dec-21, Net Debt totalled €2,935m (-€508m vs Dec-20) reflecting the investment strategy compensated by the Capital increase received in April and asset rotation proceeds.

Institutional Partnership Liabilities summed €1,537m (+€394m vs Dec-20), reflecting benefits captured by the projects and the deconsolidation of asset sold in the period.

The Board of Directors will propose a dividend distribution in the ASM of €86.5m, corresponding to €0.09 per share.

Operational Results	2021	2020	Δ YoY
EBITDA MW	12,490	11,500	+990
Other equity consolidated	1,090	669	+421
EBITDA MW + Equity Consolidated	**13,580**	**12,168**	**+1,411**
EBITDA MW metrics			
Load Factor (%)	29%	30%	(0.8pp)
Output (GWh)	30,323	28,537	+6%
Avg. Electricity Price (€/MWh)	53.7	53.2	+1%

Financial Results (€m)	2021	2020	Δ YoY
Revenues	**1,758**	**1,731**	**+2%**
Other operating income/(cost)	(39)	(70)	(44%)
Share of profit of associates	41	(6)	-
EBITDA	**1,760**	**1,655**	**+6%**
EBITDA/Revenues	*100%*	*96%*	*+5pp*
EBIT	1,151	1,054	+9%
Net Financial Expenses	(249)	(285)	(13%)
Non-controlling interests	(154)	(127)	+21%
Net Profit (Equity holders of EDPR)	**655**	**556**	**+18%**

Cash-flow and Net debt (€m)	2021	2020	Δ YoY
FFO (Funds From Operations)	**1,631**	**1,519**	**+112**
Operating Cash-Flow	**814**	**908**	**(94)**
Capex & Financial Investments	(2,852)	(3,191)	+339
Changes in PP&E working capital	245	552	(307)
Government grants	-	-	-
Net Operating Cash-Flow	**(1,794)**	**(1,731)**	**(63)**
Proceeds from Asset rotation	1,144	950	+195
Proceeds from institutional partnerships	682	305	+377
Payments to institutional partnerships	(84)	(56)	(28)
Net interest costs (post capitalisation)	(89)	(101)	+13
Capital increase	1,500	-	+1,500
Dividends net & other distributions	(200)	(184)	(17)
Forex & others	(652)	178	(830)
Decrease / (Increase) in Net Debt	**508**	**(640)**	**+1,147**

Net Debt & Tax Equity (€m)	Dec-21	Dec-20	Δ %
Net Debt	**2,935**	**3,443**	**(15%)**
Institutional Partnership Liabilities	**1,537**	**1,143**	**+34%**
Rents due from lease contracts (IFRS 16)	**699**	**689**	**+1%**

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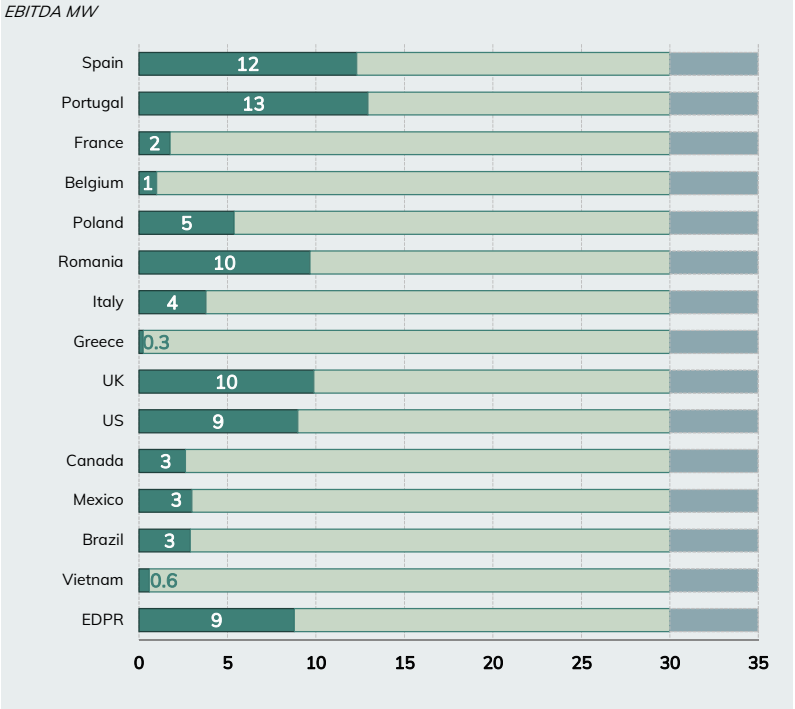
Asset Base & Investment Activity

Installed Capacity (MW)	Dec-21	2021 Additions	2021 AR	2021 Δ MW	Under Constr.
EBITDA MW					
Spain	2,194	+56	-	+56	141
Portugal	1,142	+135	(221)	(86)	-
France	181	+56	-	+56	21
Belgium	11	-	-	-	-
Poland	747	+272	-	+272	100
Romania	521	-	-	-	-
Italy	384	+114	-	+114	159
Greece	45	+45	-	+45	-
UK	5	+5	-	+5	-
Europe	**5,230**	**+682**	**(221)**	**+460**	**421**
United States	5,908	+1,142	(911)	+80 (1)	224
Canada	130	+62	-	+62	-
Mexico	400	-	-	-	96
North America	**6,438**	**+1,204**	**(911)**	**+142 (1)**	**320**
Brazil	795	+359	-	+359	504
Colombia	-	-	-	-	580
Latin America	**795**	**+359**	**-**	**+359**	**1,084**
Vietnam	28	+28	-	+28	-
APAC	**28**	**+28**	**-**	**+28**	**-**
Total EBITDA MW	**12,490**	**+2,273**	**(1,131)**	**+990 (1)**	**1,824**
Equity Consolidated (MW)					
Spain	156	-	(11)	(11)	-
Portugal	20	-	-	-	-
United States	592	-	+121	+121	-
Wind Onshore & Solar	**767**	**-**	**+110**	**+110**	**-**
Wind Offshore	**322**	**+311**	**-**	**+311**	**-**
Total Eq. Cons. MW	**1,090**	**+311**	**+110**	**+421**	**-**
Total EBITDA + Eq. MW	**13,580**	**+2,584**	**(1,022)**	**+1,411 (1)**	**1,824**

Assets' Average Age & Useful Life by Country



Investments (€m)	2021	2020	Δ %	Δ €
Europe	**745**	**571**	**+31%**	**+174**
North America	**1,388**	**1,189**	**+17%**	**+199**
Latin América	**381**	**315**	**+21%**	**+67**
Other	8	24	(68%)	(16)
Total Capex	**2,522**	**2,098**	**+20%**	**+424**
Financial investments	330	1,355	**(76%)**	(1,025)
Government grant	-	-	**-**	-
Sell-down strategy & divestments	(1,144)	(1,546)	**(26%)**	+402
Net Investments	**1,708**	**1,908**	**(10%)**	**(200)**

Property, Plant & Equipment - PP&E (€m)		2021	2020	Δ €
PP&E (net)		**14,562**	**13,492**	**+1,071**
(-)	PP&E assets under construction	2,421	2,572	(151)
(=)	**PP&E existing assets (net)**	**12,142**	**10,920**	**+1,222**
(+)	Accumulated Depreciation	6,264	5,654	+610
(-)	Government Grants	523	499	+24
(=) Invested capital on existing assets		**17,882**	**16,075**	**+1,808**

Note: Solar capacity and solar load factors reported in MWac
(1) The YoY variation considers the decommissioning of the original 151 MW related to Blue Canyon II Repowering

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Operating Performance

Load Factor	2021	2020	Δ YoY
Europe	26%	26%	+1pp
North America	31%	33%	(2pp)
Latin America	41%	38%	+3pp
APAC	20%	-	-
Total	**29%**	**30%**	**(0.8pp)**

Electricity Generation (GWh)	2021	2020	Δ YoY
Europe	11,356	10,024	+13%
North America	17,057	17,421	(2%)
Latin America	1,888	1,093	+73%
APAC	23	-	-
Total	**30,323**	**28,537**	**+6%**

Electricity Sales and Other (€m)	2021	2020	Δ YoY
Europe	926	824	+12%
North America	584	669	(13%)
Latin America	68	36	+85%
Total	**1,580**	**1,529**	**+3%**

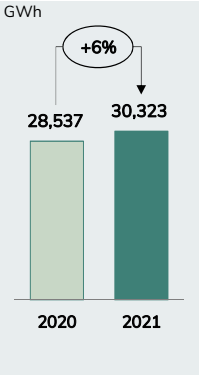
Income from Institutional Partnerships (€m)	2021	2020	Δ YoY
Total	**177**	**202**	**(12%)**

Revenues	2021	2020	Δ YoY
Revenues (€m)	**1,758**	**1,731**	**+2%**
Revenues per avg. MW in operation (€k)	**149**	**161**	**(7%)**

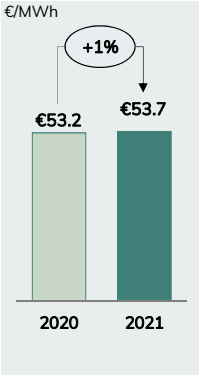
Renewables Index (vs expected LT avg. GCF)	2021	2020	Δ YoY
Europe	98%	97%	+1pp
North America	94%	95%	(1pp)
Latin America	102%	95%	+7pp
APAC	n.a.	n.a.	n.a.
EDPR	**96%**	**96%**	**-**

Selling Prices (per MWh)	2021	2020	Δ YoY
Europe	€81.0	€80.6	+0%
North America	$43.9	$44.0	(0%)
Latin America	R$245.5	R$217.6	+13%
APAC	€54.6	-	-
Average Selling Price	**€53.7**	**€53.2**	**+1%**

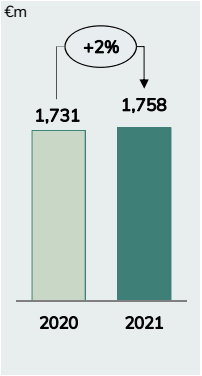
Electricity Output



Avg. Selling Price



Revenues



Note: Operational Performance considers only capacity consolidated at EBITDA level.

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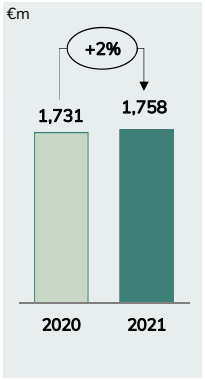
Financial Performance

Revenues to EBITDA (€m)		2021	2020	Δ %
Electricity sales and other		1,580	1,529	+3%
Income from Institutional Partnerships		177	202	(12%)
Revenues		**1,758**	**1,731**	**+2%**
Other operating income		636	498	+28%
Operating Costs		(675)	(568)	+19%
Supplies and services (S&S)		(336)	(304)	+10%
Personnel costs (PC)		(174)	(141)	+23%
Other operating costs		(165)	(123)	+34%
Share of profit of associates		41	(6)	-
EBITDA		**1,760**	**1,655**	**+6%**
Provisions		(1.6)	(0.7)	-
Depreciation and amortisation		(623)	(617)	+1%
Amortisation of deferred income (government grants)		16	17	(3%)
EBIT		**1,151**	**1,054**	**+9%**
Net Financial Expenses		**(249)**	**(285)**	**(13%)**
Net interest costs of debt		(143)	(125)	+15%
Institutional partnerships costs		(79)	(95)	(17%)
Capitalised financial expenses		32	26	+24%
Fx & Fx derivatives		0.5	(7)	(107%)
Other		(59)	(85)	(30%)
Pre-Tax Profit		**903**	**769**	**+17%**
Income taxes	(1)	(93)	(86)	+8%
Profit of the period		**810**	**683**	**+19%**
Non-controlling interests		(154)	(127)	+21%
Net Profit (Equity holders of EDPR)		**655**	**556**	**+18%**

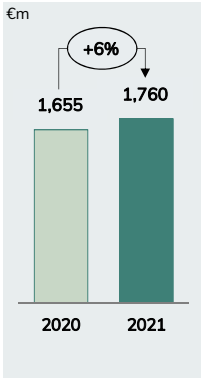
Efficiency and Profitability Ratios		2021	2020	Δ YoY
Revenues/Average MW in operation (€k)		148.9	161.0	(7%)
Core Opex (S&S + PC) /Average MW in operation (€k)		43.2	41.4	+4%
Adjusted Core Opex (S&S + PC) /Average MW in operation (€k)	(2)	40.3	40.3	(0.1%)
Core Opex (S&S + PC) /MWh (€)		16.8	15.6	+8%
EBITDA margin		100%	96%	+5pp
EBITDA/Average MW in operation (€k)		149.1	153.9	(3%)

(1) Includes €3.0m from extraordinary contribution to the energy sector (CESE)
(2) Adjusted by Sell-down, offshore costs (mainly cross-charged to projects' SPVs), service fees, one-offs and forex

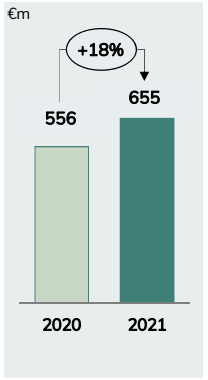
Revenues



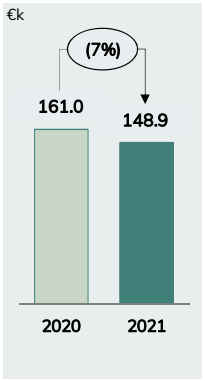
EBITDA



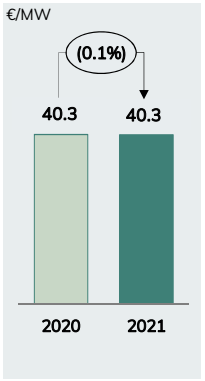
Net Profit



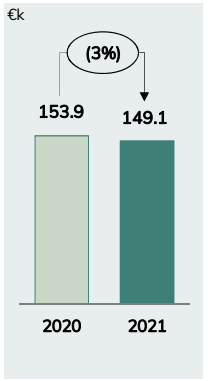
Revenues/Avg. MW



Adj. Core Opex/MW



EBITDA/Avg. MW



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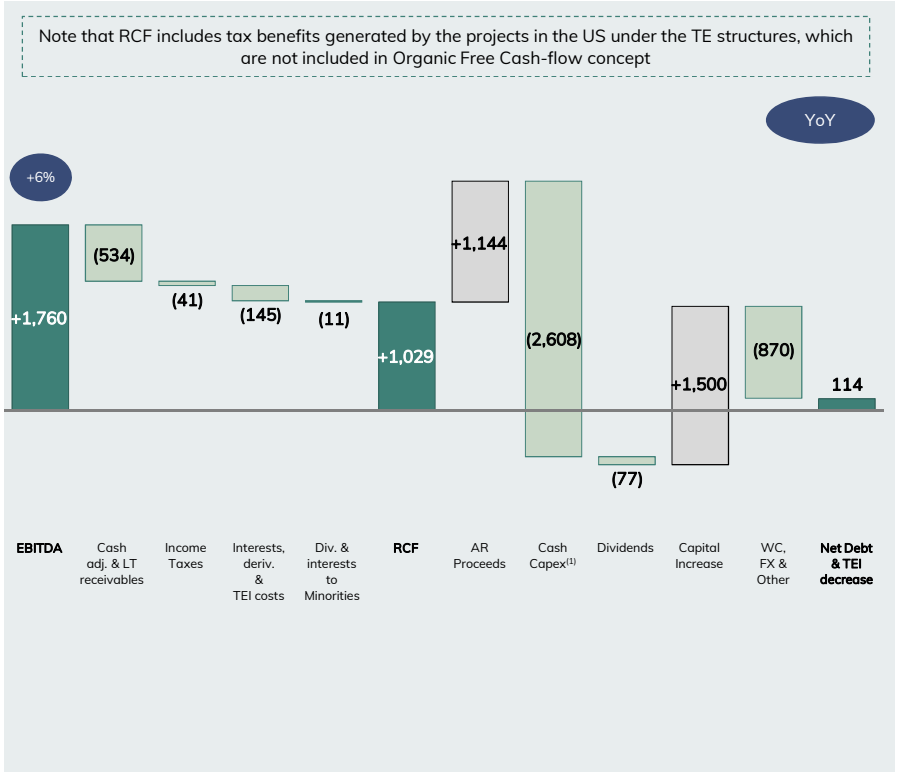
Cash-Flow

Cash-Flow (€m)	2021	2020	Δ %
EBITDA	**1,760**	**1,655**	**+6%**
Current income tax	(41)	(35)	+17%
Net interest costs	(89)	(101)	(13%)
FFO (Funds From Operations)	**1,631**	**1,519**	**+7%**
Net interest costs	89	101	(13%)
Income from institutional partnership	(177)	(202)	(12%)
Non-operating cash items adjustments	(534)	(433)	+24%
Changes in working capital	(194)	(78)	+150%
Operating Cash-Flow	**814**	**908**	**(10%)**
Capex	(2,522)	(2,098)	+20%
Financial investments	(330)	(1,093)	(70%)
Changes in working capital related to PP&E suppliers	245	552	(56%)
Government grants	-	-	-
Net Operating Cash-Flow	**(1,794)**	**(1,731)**	**+4%**
Sale of non-controlling interests and Sell-down Strategy	1,144	950	+20%
Proceeds from institutional partnerships	682	305	+124%
Payments to institutional partnerships	(84)	(56)	+50%
Net interest costs (post capitalisation)	(89)	(101)	(13%)
Capital increase	1,500	-	-
Dividends net and other capital distributions	(200)	(184)	+9%
Forex & others	(652)	178	-
Decrease / (Increase) in Net Debt	**508**	**(640)**	**-**

(1) Cash investments include Capex, Financial investments, PPE suppliers and Government Grants

From EBITDA to Retained Cash-Flow (RCF) to change in Debt and TEI (€m)



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Net Debt and Institutional Partnership Liability

Net Debt (€m)	2021	2020	Δ €
Nominal Financial Debt + Accrued interests on Debt	4,041	3,947	+94
Collateral deposits associated with Debt	(49)	(31)	(18)
Total Financial Debt	**3,992**	**3,916**	**+76**
Cash and cash equivalents	1,004	474	+529
Loans to EDP Group related companies and cash pooling	53	(1.0)	+54
Cash & Equivalents	**1,057**	**473**	**+584**
Net Debt	**2,935**	**3,443**	**(508)**

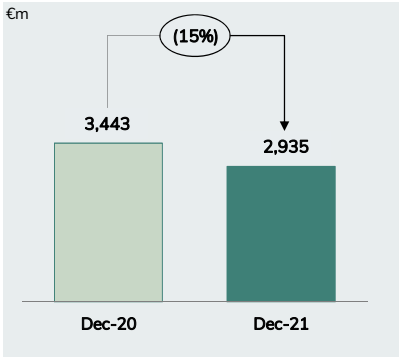
Average Debt (€m)	2021	2020	Δ %
Average nominal financial debt	3,872	3,369	+15%
Average net debt	3,517	3,013	+17%

Institutional Partnership (€m)	2021	2020	Δ €
Institutional Partnership Liability (1)	1,537	1,143	+394

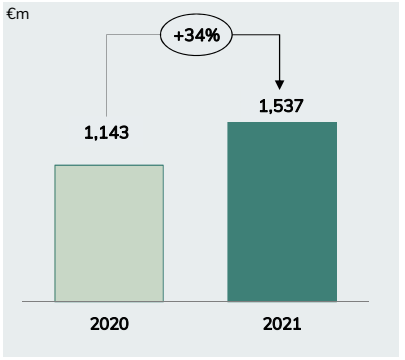
(1) Net of tax credits already benefited by the institutional investors and yet due to be recognised in the P&L

Rents due from lease contracts (€m)	2021	2020	Δ €
Rents due from lease contracts (IFRS 16)	699	689	+9

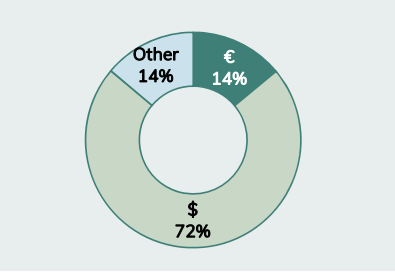
Net Debt



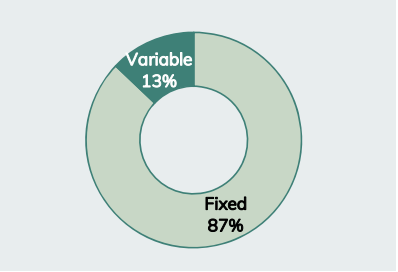
Institutional Partnership Liability



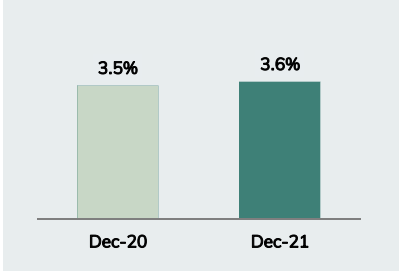
Financial Debt by Currency



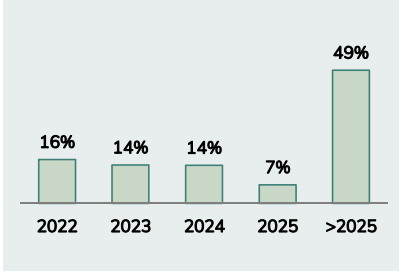
Financial Debt by Type



Avg. Interest Rate Cost (end of per.)



Financial Debt by Maturity



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Business Platforms

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Europe

Operational Indicators

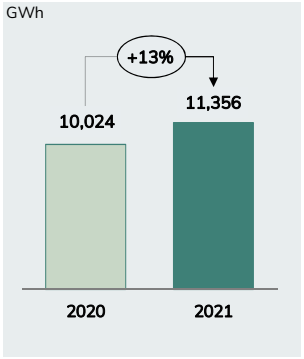
	EBITDA MW			Load Factor			Production (GWh)			Avg. Selling Price			Electricity Sales (€m) [1]		
	2021	2020	Δ YoY	2021	2020	Δ YoY	2021	2020	Δ YoY	2021	2020	Δ YoY	2021	2020	Δ YoY
Spain	2,194	2,137	+56	26%	25%	+1pp	4,979	4,346	+15%	67.3	78.8	(15%)	335	343	(2%)
Portugal	1,142	1,228	(86)	28%	26%	+2pp	3,049	2,624	+16%	84.2	86.3	(3%)	257	227	+13%
France	181	126	+56	24%	31%	(7pp)	314	212	+48%	79.6	80.3	(1%)	25	17	+47%
Belgium	11	10	+1	29%	-	-	22	2	+859%	99.4	111.1	(10%)	2	0.3	-
Poland	747	476	+272	27%	29%	(2pp)	1,176	1,059	+11%	89.0	77.8	+14%	105	82	+27%
Romania	521	521	-	24%	26%	(1pp)	1,116	1,186	(6%)	82.5	70.7	+17%	92	84	+10%
Italy	384	271	+114	26%	25%	+1pp	689	595	+16%	149.8	90.6	+65%	103	54	+91%
Greece	45	-	+45	20%	-	-	9	-	-	70.8	-	-	0.6	-	-
UK	5	-	+5	23%	-	-	4	-	-	124.9	-	-	0.4	-	-
Europe	**5,230**	**4,769**	**+461**	**26%**	**26%**	**+0.6pp**	**11,356**	**10,024**	**+13%**	**81.0**	**80.6**	**+0.5%**	**920**	**808**	**+14%**

Non-controlling Interest (Net MW)	2021	2020	Δ YoY
Spain	60	60	-
Portugal	542	532	+10
Rest of Europe (RoE)	292	269	+23
Europe	**893**	**860**	**+33**

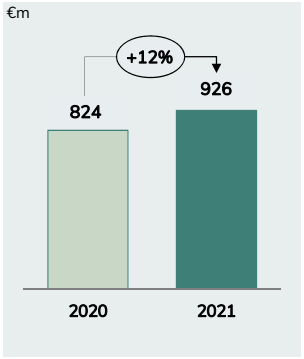
Income Statement (€m)	2021	2020	Δ YoY
Revenues	**926**	**824**	**+12%**
Other operating income	350	287	+22%
Operating Costs	(335)	(259)	+30%
Supplies and services (S&S)	(189)	(158)	+19%
Personnel costs (PC)	(45)	(32)	+41%
Other operating costs	(101)	(68)	+48%
Share of profit of associates	9	4	+111%
EBITDA	**950**	**856**	**+11%**
EBITDA/Revenues	*103%*	*104%*	*(1pp)*
Provisions	(0.8)	(0.7)	+16%
Depreciation and amortisation	(252)	(223)	+13%
Amortisation of deferred income (gov. grants)	0.6	0.6	(1%)
EBIT	**698**	**633**	**+10%**

Opex ratios	2021	2020	Δ YoY
Core Opex (S&S+PC)/Avg. MW in oper. (€k)	48.1	43.1	+11%
Core Opex (S&S+PC)/MWh (€)	20.6	19.0	+9%

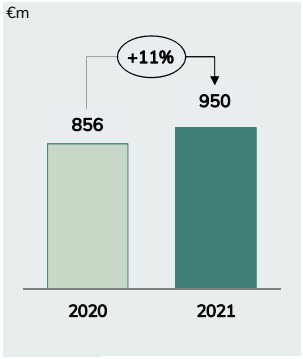
Production



Revenues



EBITDA



(1) From 2021 onwards, and adjusted in 2020 for comparision purposes, financial hedges, GCs and RECs are included in electricity sales

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North America (USD)

Operational Indicators

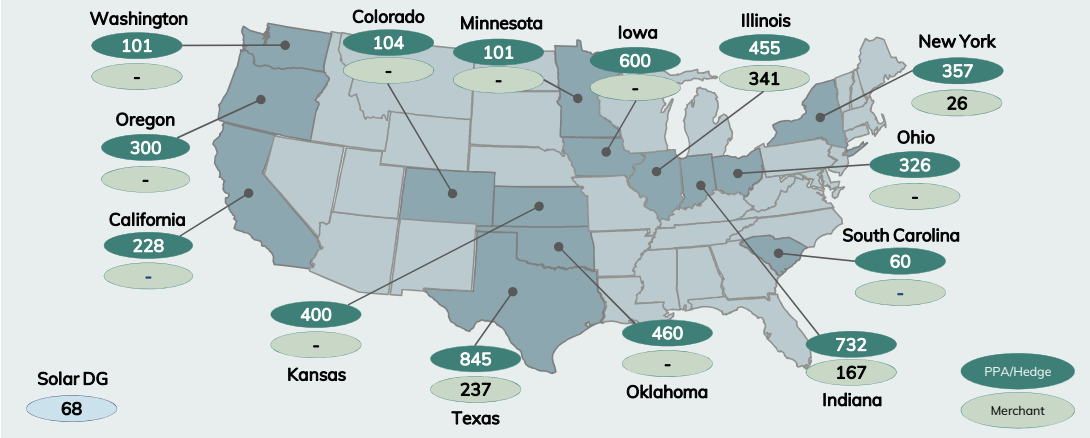
	EBITDA MW			Load Factor			Production (GWh)			Avg. Selling Price $/MW		
	2021	2020	Δ YoY	2021	2020	Δ YoY	2021	2020	Δ YoY	2021	2020	Δ YoY
US	5,908	5,828	+80	31%	33%	(2pp)	15,814	16,633	(5%)	42.3	42.7	(1%)
Canada	130	68	+62	28%	30%	(2pp)	255	78	+228%	67.8	110.3	(39%)
Mexico	400	400	-	41%	41%	+0.4pp	987	710	+39%	64.1	66.9	(4%)
North America	**6,438**	**6,296**	**+142**	**31%**	**33%**	**(2pp)**	**17,057**	**17,421**	**(2%)**	**43.9**	**44.0**	**(0.1%)**

Non-controlling Interest (Net MW)	2021	2020	Δ YoY
US	1,107	1,097	+10
Canada	65	15	+50
Mexico	98	98	-
North America	**1,270**	**1,210**	**+60**

Income Statement (US$m)	2021	2020	Δ YoY
Electricity sales and other	691	765	(10%)
Income from institutional partnerships	210	230	(9%)
Revenues	**901**	**995**	**(9%)**
Other operating income	332	250	+33%
Operating Costs	(355)	(331)	+7%
Supplies and services (S&S)	(185)	(186)	(1%)
Personnel costs (PC)	(106)	(87)	+22%
Other operating costs	(64)	(57)	+12%
Share of profit of associates	18	(0.2)	-
EBITDA	**895**	**914**	**(2%)**
EBITDA/Revenues	*99%*	*92%*	*+8pp*
Provisions	(0.9)	-	-
Depreciation and amortisation	(415)	(428)	(3%)
Amortisation of deferred income (gov. grants)	18	18	-
EBIT	**498**	**504**	**(1%)**

Opex ratios	2021	2020	Δ YoY
Core Opex (S&S+PC)/Avg. MW in oper. ($k)	45.3	45.5	(0.4%)
Core Opex (S&S+PC)/MWh ($)	17.1	15.7	+9%

EDPR US: EBITDA MW by Market



MW per Incentive	2021
MW with PTCs	2,370
MW with ITCs	597
MW with Cash Grant and Self Shelter	1,014

FX (€/$)	2021	2020	Δ YoY
End of Period	1.13	1.23	(8%)
Average	1.18	1.14	+4%

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Latin America (BRL)

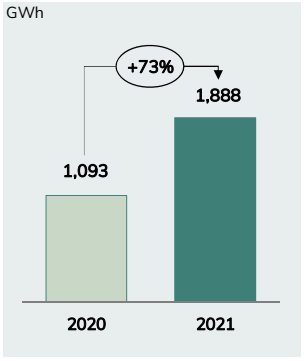
Operational Indicators

	EBITDA MW			Load Factor			Production (GWh)			Avg. Selling Price R$/MW		
	2021	2020	Δ YoY	2021	2020	Δ YoY	2021	2020	Δ YoY	2021	2020	Δ YoY
Brazil	795	436	+359	41%	38%	+3pp	1,888	1,093	+73%	245.5	217.6	+13%
Latin America	**795**	**436**	**+359**	**41%**	**38%**	**+3pp**	**1,888**	**1,093**	**+73%**	**245.5**	**217.6**	**+13%**

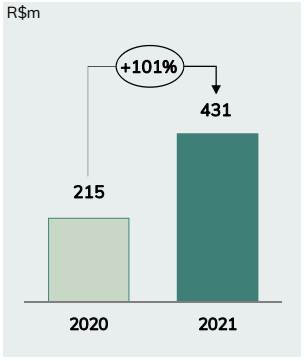
Non-controlling Interest (Net MW)	2021	2020	Δ YoY
Brazil	162	162	-
Latin America	**162**	**162**	**-**

Income Statement (R$m)	2021	2020	Δ YoY
Revenues	**431**	**215**	**+101%**
Other operating income	4	20	(78%)
Operating Costs	(125)	(83)	+50%
Supplies and services (S&S)	(82)	(55)	+49%
Personnel costs (PC)	(15)	(9)	+73%
Other operating costs	(27)	(19)	+41%
Share of profit of associates	(0.0)	-	-
EBITDA	**311**	**151**	**+105%**
EBITDA/Revenues	*72%*	*70%*	*+2pp*
Provisions	0.1	(0.1)	-
Depreciation and amortisation	(70)	(52)	+35%
Amortisation of deferred income (gov. grants)	-	-	-
EBIT	**240**	**99**	**+142%**

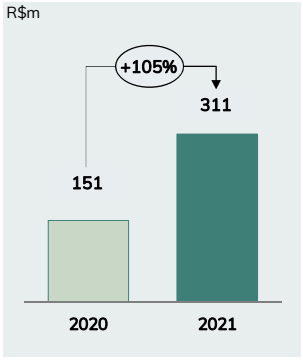
Production (GWh)



Revenues



EBITDA



Opex ratios	2021	2020	Δ YoY
Core Opex (S&S+PC)/Avg. MW in oper. (R$k)	198.8	193.4	+3%
Core Opex (S&S+PC)/MWh (R$)	51.6	58.5	(12%)

FX (€/$R)	2021	2020	Δ YoY
End of Period	6.31	6.37	(1%)
Average	6.38	5.89	+8%

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Balance Sheet & Income Statements

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EDPR: Balance Sheet

Assets (€m)	Dec-21	Dec-20	Δ €
Property, plant and equipment, net	14,562	13,492	+1,071
Right-of-use asset	669	674	(5)
Intangible assets and goodwill, net	1,584	1,537	+48
Financial investments, net	1,003	488	+515
Deferred tax assets	332	122	+210
Inventories	62	55	+8
Accounts receivable - trade, net	498	279	+219
Accounts receivable - other, net	1,772	999	+773
Assets held for sale	496	12	+484
Collateral deposits	49	31	+18
Cash and cash equivalents	1,004	474	+529
Total Assets	**22,032**	**18,163**	**+3,869**

Equity (€m)	Dec-21	Dec-20	Δ €
Share capital + share premium	6,402	4,914	+1,488
Reserves and retained earnings	1,710	1,878	(169)
Net Profit (Equity holders of EDPR)	655	556	+100
Non-controlling interests	1,408	1,276	+132
Total Equity	**10,175**	**8,624**	**+1,551**

Liabilities (€m)	Dec-21	Dec-20	Δ €
Financial debt	4,041	3,947	+94
Institutional partnerships	1,537	1,143	+394
Rents due from lease contracts (IFRS 16)	699	689	+9
Provisions	324	315	+9
Deferred tax liabilities	455	427	+27
Deferred revenues from institutional partnerships	723	790	(67)
Other liabilities	4,079	2,227	+1,852
Total Liabilities	**11,857**	**9,539**	**+2,318**
Total Equity and Liabilities	**22,032**	**18,163**	**+3,869**

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EDPR: Income Statement by Region

2021 (€m)	Europe	N. America	LatAm	Other/Adj.	EDPR
Electricity sales and other	926	584	68	2	1,580
Income from institutional partnerships	-	177	-	(0.0)	177
Revenues	**926**	**762**	**68**	**2**	**1,758**
Other operating income	**350**	**270**	**1**	**15**	**636**
Operating Costs	**(335)**	**(300)**	**(20)**	**(19)**	**(675)**
Supplies and services	(189)	(157)	(13)	23	(336)
Personnel costs	(45)	(89)	(2)	(37)	(174)
Other operating costs	(101)	(54)	(4)	(5)	(165)
Share of profit of associates	9	15	-	17	41
EBITDA	**950**	**747**	**49**	**15**	**1,760**
EBITDA/Revenues	*103%*	*98%*	*72%*	*n.a.*	*100%*
Provisions	(0.8)	(0.8)	0.02	-	(1.6)
Depreciation and amortisation	(252)	(351)	(11)	(10)	(623)
Amortisation of deferred income (government grants)	0.6	15	-	-	16
EBIT	**698**	**411**	**38**	**5**	**1,151**

2020 (€m)	Europe	N. America	LatAm	Other/Adj.	EDPR
Electricity sales and other	824	669	36	(1)	1,529
Income from institutional partnerships	-	202	-	-	202
Revenues	**824**	**871**	**36**	**(1)**	**1,731**
Other operating income	**287**	**195**	**3**	**13**	**498**
Operating Costs	**(259)**	**(290)**	**(14)**	**(6)**	**(568)**
Supplies and services	(158)	(163)	(9)	26	(304)
Personnel costs	(32)	(76)	(1)	(31)	(141)
Other operating costs	(68)	(50)	(3)	(1)	(123)
Share of profit of associates	4	(0)	(0)	(10)	(6)
EBITDA	**856**	**777**	**26**	**(4)**	**1,655**
EBITDA/Revenues	*104%*	*89%*	*71%*	*n.a.*	*96%*
Provisions	(0.7)	-	(0.01)	-	(0.7)
Depreciation and amortisation	(223)	(375)	(9)	(10)	(617)
Amortisation of deferred income (government grants)	0.6	16	-	-	17
EBIT	**633**	**418**	**17**	**(14)**	**1,054**

Note: Offshore, Vietnam and countries with no operating capacity are reported under "Other/Adj"

EDPR Europe: Income Statement by Country

2021 (€m)	Spain	Portugal	RoE	Other/Adj.	Europe
Revenues	**466**	**260**	**402**	**(202)**	**926**
Operating Costs, Other operating income & Share of profit	(92)	245	(100)	(30)	24
EBITDA *EBITDA/Revenues*	**374** *80%*	**505** *194%*	**303** *75%*	**(231)** *n.a.*	**950** *103%*
Depreciation, amortisation and provisions	(106)	(63)	(75)	(8)	(252)
EBIT	**267**	**442**	**228**	**(239)**	**698**

2020 (€m)	Spain	Portugal	RoE	Other/Adj.	Europe
Revenues	**311**	**229**	**235**	**49**	**824**
Operating Costs, Other operating income & Share of profit	11	(50)	(68)	139	32
EBITDA *EBITDA/Revenues*	**322** *104%*	**179** *78%*	**167** *71%*	**189** *n.a.*	**856** *104%*
Depreciation, amortisation and provisions	(96)	(53)	(68)	(7)	(223)
EBIT	**226**	**127**	**99**	**182**	**633**

Note: In Europe, EDPR hedges its exposure to pool prices in Spain, Poland and Romania and such hedges are accounted at the European platform level under Other/Adj.. On page 10, the hedges are allocated to each country for analytical purposes only

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ESG Performance

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ESG Ratings & Sustainable Development Goals

ESG Ratings

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Sustainability

FTSE4Good — Since 2011

member of the INVESTMENT REGISTER ETHIBEL PIONEER & EXCELLENCE — Since 2014

Global Challenges Index — Since 2020

People

Bloomberg Gender-Equality Index 2021 — Since 2020

top EMPLOYER EUROPE 2021 — Since 2018

Best in the U.S. TOP WORKPLACES 2021 USA — 2010-2012; 2020-2021

efr empresa — Since 2011

edp

EDPR participates through EDP

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM — Since 2008

CDP DRIVING SUSTAINABLE ECONOMIES — Since 2012

ETHISPHERE WORLD'S MOST ETHICAL COMPANIES 2012-2020 — Since 2012

Sustainable Development Goals

As a clean energy company, EDPR is stepping-up to the challenge of the decarbonization of the economy, establishing an ambitious growth strategy that has a positive impact not only on the Sustainable Development Goals directly related to its business such as Climate Action and Affordable and Clean Energy, but also on others SDGs through a solid business model operated with the highest ESG standards.

Comments:

- In January 2021, EDPR was featured for the second consecutive year as part of the Bloomberg Gender Equality Index (GEI), a benchmark index that selects the listed companies most involved in the development of gender equality in the world.

- In 2021, EDPR received the title of Top Employer Europe for the third consecutive year as one of the best places to work. At a local level, EDPR was awarded a top employer in Spain, France, Portugal, Italy, Poland and Romania, a new addition in 2021. The Company was also recognized as a 2021 Top Workplace in the United States. These certifications value EDPR's excellence in the use of best practices in the field of Human Resources, thanks to a corporate culture that prioritises people above all else.

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Environmental Performance

Climate Change	Unit	2021	2020	Δ %
CO_2 avoided [1]	kt	18,316	18,467	(1%)
CO_2 total emissions	kt	32.2	32.1	+0.3%
CO_2 direct emissions [scope 1]	kt	2.6	2.4	+9%
CO_2 indirect emissions [scope 2]	kt	28.0	28.4	(1%)
CO_2 indirect emissions [scope 3]	kt	1.6	1.3	+22%
Hybrid operational vehicles	%	33%	28%	+5pp

Circular Economy [2]	Unit	2021	2020	Δ %
Total waste	kg/GWh	45	37	+20%
Hazardous waste	kg/GWh	23	17	+38%
Non-hazardous waste	kg/GWh	22	21	+6%
Total waste recovered	%	80%	76%	+4pp
Hazardous waste recovered	%	95%	94%	+1pp
Non-hazardous waste recovered	%	65%	62%	+3pp

Biodiversity	Unit	2021	2020	Δ %
Significant spills and fires [3]	#	1	-	-
Near misses	#	83	83	-
Hectares restored [4]	%	100%	100%	-

Environmental Management	Unit	2021	2020	Δ %
Environmental OPEX	€m	4.6	5.8	(21%)
Environmental CAPEX	€m	19.4	14.8	+30%
ISO 14001 certified MWs	%	100%	100%	-
Environmental inspections to suppliers	#	1,246	1,068	+17%

2025 Targets

+20 GW
Gross additions

85%
Waste recovery along the whole value chain

100%
Biodiversity high risk facilities with action plans

Comments:

- CO_2 avoided: YoY variation due to increase in energy generated (+6% YoY) offset by lower emission factors (-7% YoY).

- CO_2 emitted: Variation impacted by growth and resumption of business travel, partially offset by lower emission factors.

- Waste: 12M21 data in line with previous years (12M20 data impacted by Covid-19).

- Significant spills and fires: There was a fire incident at a solar plant in Mexico that resulted in a fatality of a snake protected under the country law. The incident is in analysis and corrective / preventive measures will be defined.

(1) CO_2 avoided calculated as energy generation * CO_2 eq. emission factors of each country and state within the US. Please note that these factors vary in accordance with the country/state's energy mix;
(2) Refers to operation data only;
(3) EDPR defines significant spills and fires as any spill affecting water bodies/courses, protected soils or soils of interest because of its natural value, or fire affecting protected areas and/or species (according to local protection laws), derived from the operation & maintenance activities in the facilities;
(4) Vegetal area restored after repowering works.

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Social Performance

Our People	Unit	2021	2020	Δ %
Employees	#	2,150	1,735	+24%
Female employees	%	32%	30%	+2pp
Female employees in management positions	%	27%	26%	+1pp
Female employees in non-management positions	%	35%	33%	+3pp
Employees with disabilities	%	1.3%	0.8%	+1pp
Turnover [1]	%	13%	9%	+4pp
Training Investment	€k	1,844	1,386	+33%
Training hours/employee	#	34	29	+18%
Attendances/employee	#	29	16	+79%
Trained employees	%	98%	96%	+2pp

Health & Safety	Unit	2021	2020	Δ %
Fatal work-related injuries [2]	#	1	-	-
Frequency rate of injuries with lost workdays [2][3]	x	2.1	1.9	+10%
Severity rate of injuries with lost workdays [2][4]	x	84	68	+23%
ISO 45001 certified MWs	%	100%	100%	-
H&S inspections to suppliers	#	1,670	1,190	+40%

Communities	Unit	2021	2020	Δ %
Investment in Access to Energy	€m	5	5	-
Social investment	€m	1.7	2.5	(30%)
Employees that participated in volunteering	%	17%	19%	(2pp)

2025 Targets

36%
Women

ZERO
H&S accidents mindset

€35m
in Social & A2E investment

Comments:

- Turnover: YoY variation impacted by lower turnover in 2020 due to the pandemic.

- Training: YoY variations due to increase in global online courses of shorter duration at EDPR and EDP level, and increased participation in language courses.

- Fatal work-related injuries: The investigation carried out considered that the working methods and resources used did not in themselves represent a factor that contributed to the occurrence of the accident.

- Frequency rate: impacted by +58% accidents YoY, partially offset by +44% worked hours.

- Severity rate: 12M21 Severity rate adjusted (excluding 873 lost workdays derived from 2020 injuries); Non-adjusted severity rate: 132.

- H&S inspections to suppliers: YoY increase mainly due to an ongoing contractor evaluations program in North America.

- Investment in Access to Energy: Cumulative investment: SolarWorks! in Mozambique (€2.2 million) and Rensource in Nigeria ($2.9 million).

- Social investment: YoY variation impacted by EDPR's Covid-19 Response Plan among local communities in 2020.

(1) Turnover calculated as: departures/headcount; 2020 data excludes transfers to JV with Engie;
(2) Includes employees and contractors data, excludes commuting accidents, and excludes 1Q20 UK data;
(3) Frequency Rate calculated as [# of Work-related injuries with lost workdays/Hours worked * 1,000,000];
(4) Severity Rate calculated as [# of Lost workdays due to work-related injuries/Hours worked * 1,000,000].

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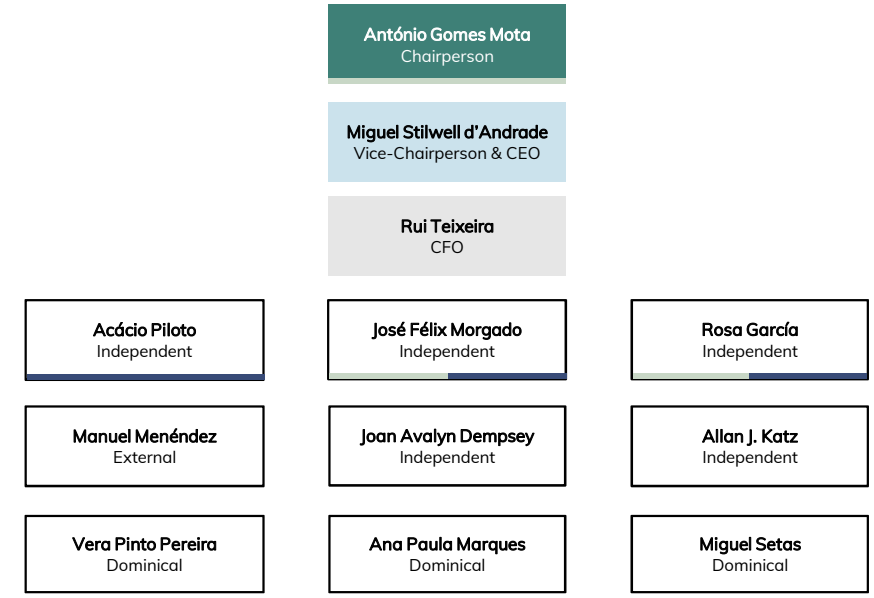
Governance Performance

Board of Directors



Delegated Committees of the Board of Directors

- Audit Control and Related Parties Committee
- Appointments, Remunerations and Corporate Governance Committee

Highlights

Chairperson is independent

2 executive directors

50% independent members

100% independent members of the BoD Committees

33% women

3 nationalities

Comments:

On April 12, 2021, in EDPR's General Shareholders' Meeting and the BoD meeting held afterwards, the proposals for re-election and appointments of directors of the Company were approved:

- António Gomes Mota was appointed as Chairperson and Independent Director;
- Miguel Stilwell d'Andrade was appointed as Executive Vice-Chairperson and re-elected as CEO;
- Rui Teixeira was re-elected as Executive Director and CFO;
- Acácio Piloto, Allan J. Katz and Joan Avalyn Dempsey were re-elected as Independent Directors;
- Manuel Menéndez was re-elected as External Director;
- Vera Pinto Pereira and Ana Paula Marques were re-elected as Dominical Directors;
- Miguel Setas was appointed as Dominical Director.

On January 17th 2022, EDPR informed that the Company received the resignation of Mrs. Joan Avalyn Dempsey as member of EDPR's Board of Directors.

As announced on January 11, 2022, EDPR implemented a new operating model and is now organized in three Regions – Europe & Latin America, North America, and Asia-Pacific. In this context, and to reinforce its commitment to growth and to being a people-centric, global, agile and future-proof organization, EDPR renewed its Management Team. Miguel Stilwell d'Andrade (CEO) and Rui Teixeira (CFO) will work alongside the three COOs - Duarte Bello, leading Europe & Latin America; Sandhya Ganapathy, leading North America; and Pedro Vasconcelos, leading Asia-Pacific -, as well as Bautista Rodriguez, serving as Chief Technical Officer (CTO) and responsible for the offshore business through EDPR's JV Ocean Winds.

EDPR is committed to ESG best practices and focused on the continuous improvement of its corporate governance, and the resolutions mentioned above contribute to a more agile, independent and diverse corporate governance structure.

edp renewables

Annex

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Remuneration Frameworks

Country	Short Description
Portugal	• Wind farms commissioned before 2006 are subject to a FIT whose value is correlated with production and indexed with CPI. Initial tenure was the soonest of 15y (or until 2020) or 33 GWh/MW but it was increased 7y (tariff extension) with a cap and floor scheme in exchange of annual payments between 2013-20 • ENEOP: price defined in an international competitive tender and set for 15y (or the first 33 GWh/MW) + 7y tariff extension with cap a floor scheme, in exchange of annual payments between 2013-20. Tariff is CPI monthly update for following years & VENTINVESTE: price defined in an international competitive tender and set for 20y (or the first 44 GWh/MW) • Wind farms under the new regime (COD after 2006) are subject to a FIT for the soonest of 20y from COD of 44 GWh/MW. Tariff is also indexed wit CPI • Solar PV projects awarded in the latest auction (Jul-19) are subject to a flat FIT during 15y. Projects will bear the cost of imbalances
Spain	• Wind energy receives pool price and a premium per MW in order to achieve a target return defined by regulation. Already published for 2020-22 period • RDL 17/2019 has set the target return (TRF) @7.398% for WF's prior to 2013 and @7.09% for new installations until 2031 • Premium calculation is based on standard assets (standard load factor, production and costs) • Since 2016, all the new renewable capacity is allocated through competitive auctions • First auction of the new REER scheme celebrated in Jan-21 and Oct-21, awarding 12y CfDs
Brazil	• Old installed capacity under a feed-in tariff program ("PROINFA") • Since 2008, competitive auctions awarding 20y PPAs • Sales can be agreed under PPAs
USA	• Sales can be agreed under PPAs (up to 20y), Hedges or Merchant prices • Green Certificates (Renewable Energy Credits, REC) subject to each state regulation • Tax Incentives: PTC collected for 10y since COD ($26/MWh in 2021) & Wind farms beginning construction in 2009 and 2010 could opt for 30% cash grant in lieu of PTC • Tax Incentives: ITC for solar projects based upon its capex. This equates to 26% for projects that start construction before 2022 and 22% for projects starting construction in 2023, if COD is at least in 2025
Canada	• Feed-in Tariff (Ontario). Duration: 20y • Renewable Energy Support Agreement (Alberta)
Mexico	• Technological-neutral auctions (opened to all technologies) in which bidders offer a global package price for the 3 different products (capacity, electricity generation and green certificates) • EDPR project: bilateral Electricity Supply Agreement under self-supply regime for a 25y period
Vietnam	• 20y FiT and long term PPAs
Offshore	• UK: 15y CPI indexed. CfD allocated by tender @£57.5/MWh (2012 tariff-based) • France: 20y indexed feed-in tariff • Belgium: 17y CfD, CPI indexed • Poland: 25y CfD, CPI indexed • US: 20y PPA

Country	Short Description
Poland	• Electricity price can be stablished through bilateral contracts • Wind farms before 2018 are subject to a GC scheme. Wind receive 1 GC/MWh during 15y that can be traded in the market. Electricity suppliers have a substitution fee for non-compliance with GC obligations • Wind farms awarded in 2018/2019/2020 auctions are subject to a two-side CfD with a tenure of 15y
UK	• FiT scheme, granted for 20y and comprising two regulated components: generation tariff (indexed to RPI) and export tariff. New assets could opt for 15-years CfD via auction or PPAs
France	• The majority of existing wind farms receive Feed-in tariff for 15y: • First 10y: €82/MWh; Years 11-15: depending on load factor €82/MWh @2,400 hours to €28/MWh @3,600 hours; indexed • Wind farms under the CR 2016 scheme receive 15y CfD which strike price value similar to existing FIT fee plus a management premium • Auctions (20y CfD)
Belgium	• Mkt price + green certificate (GC) scheme. The min-price for GC is set @€65 • Option to negotiate long-term PPAs
Italy	• Wind farms in operation prior to 2012YE are under a feed-in-premium scheme applicable for the first 15y of operation. • Wind farms commissioned from 2013 onwards awarded in competitive auctions until 2017 are subject to a 20y floor CfD scheme • Wind farms awarded in 2019-20 auctions have 20y 2-side CfD scheme
Hungary	• Solar PV assets benefit from 15y CfD indexed with CPI-1% awarded through auctions under METAR scheme
Greece	• 20y non-indexed CfD, allocated through tenders
Romania	• Wind assets (installed until 2013) receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15y. 1 out of the 2 GC earned until Mar-17 can only be sold from Jan-18 until Dec-25. Solar assets receive 6 GC/MWh for 15y. 2 out of the 6 GC earned until Dec-20 can only be sold after Jan-21 until Dec-30. GC are tradable on market under a cap and floor system (cap €35/floor €29.4) • Wind assets (installed in 2013) receive 1.5 GC/MWh until 2017 and after 0.75 GC/MWh until completing 15y • The GCs issued starting in Apr-17 and the GCs postponed to trading from Jul-13 will remain valid and may be traded until Mar-32
Chile	• 20y PPA with retailers awarded via auction (pre-2021) and 15y PPA for 2021 auction assets
Colombia	• Colombian wind farms have been awarded 15y long-term contracts though competitive pay-as-bid auction. Contracts are signed with several Colombian distribution counties • Additionally, Colombian wind farms secured reliability charge contract, a monthly payment in exchange of having part of its capacity available when the system is under tight supply conditions

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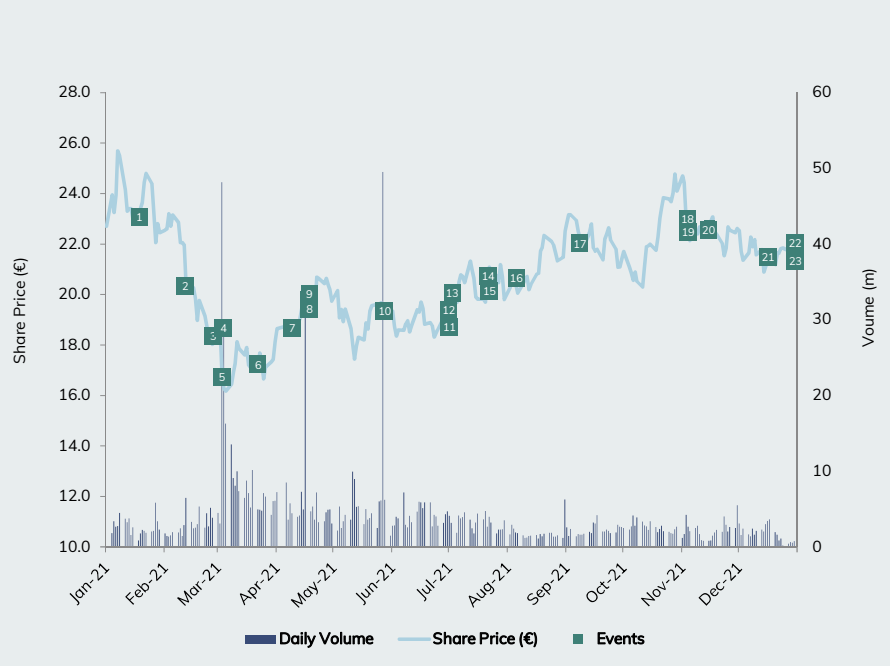
Share Performance & Shareholder Structure

EDPR Share Price Performance



2021 Main Events

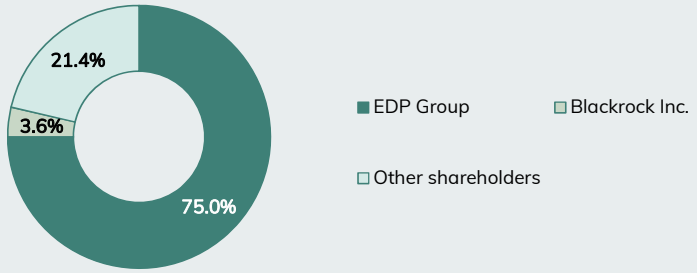
#	Date	Description	Share Price
1	18-Jan	EDPR informs about deal to acquire 85% of a distributed solar platform in the US	23.06
2	12-Feb	EDPR enters Hungarian market with a 50 MW solar PV project	20.32
3	25-Feb	EDPR - Strategic Update 2021-25	18.40
4	02-Mar	EDPR informs about plans for a non-preemptive capital increase of c.1.5bn euros	18.66
5	03-Mar	EDPR informs about completion of ABB and approval of a capital increase proposal	16.81
6	22-Mar	EDPR signs a Build & Transfer Agreement for a 200 MWac solar project in the US	17.29
7	09-Apr	EDPR informs about Asset rotation transaction in the US	18.82
8	16-Apr	EDPR informs about conclusion of the capital increase of c.1.5 billion euros	19.91
9	16-Apr	EDPR informs about the payment of dividends of FY 2020	19.91
10	28-May	EDPR informs about entry in the Chilean market with a 628 MW portfolio	19.50
11	30-Jun	EDPR informs about entry in Vietnam	19.54
12	30-Jun	EDPR secures a 25-y CfD for 370 MW of offshore projects in Poland through OW	19.54
13	01-Jul	EDPR completes AR deal of a 68% stake in a 405 MW wind portfolio in the US	19.80
14	21-Jul	EDPR enters the UK onshore market with a 544 MW wind and solar portfolio	20.58
15	21-Jul	EDPR signs Asset rotation deal of a 221 MW wind portfolio for an EV of €0.53bn	20.58
16	04-Aug	EDPR signs AR deal of a 149 MW wind portfolio in Poland for an EV of €303 million	20.64
17	08-Sep	EDPR announces upsize to 80% stake of the 405 MW Asset rotation deal in the US	22.18
18	03-Nov	EDPR establishes growth platform in APAC through the acquisition of Sunseap	22.96
19	03-Nov	EDPR achieved 8.1 GW of secured capacity, 75% of 2021-23 target additions	22.96
20	15-Nov	EDPR signs Asset rotation deal of a 181 MW operating wind portfolio in Spain	22.72
21	17-Dec	EDPR through Ocean Winds secures 20-year PPA for 400 MW in the US	21.60
22	30-Dec	EDPR completes Asset rotation deal of a 200 MWac solar project in the US	21.74
23	30-Dec	EDPR concludes a B&T agreement for a 302 MW wind farm project in the US	21.74

Capital Market Indicators

	2021 (1)	2020	2019	2018
Opening Price	€ 22.71	€ 10.38	€ 7.62	€ 6.97
Minimum Price	€ 16.17	€ 8.79	€ 7.63	€ 6.60
Maximum Price	€ 25.69	€ 22.91	€ 10.38	€ 8.99
Average Price	€ 20.79	€ 13.51	€ 9.01	€ 7.82
Closing Price	€ 21.90	€ 22.71	€ 10.38	€ 7.62
Share performance	(4%)	+119%	+36%	+9%
Dividend per share	€ 0.08	€ 0.08	€ 0.07	€ 0.06
Total Shareholder Return	(3%)	+36%	+37%	+10%
Volume (m) (2)	1,016	448	163	210
Daily Average (m)	3.9	1.7	0.6	0.8
Market Cap (€m)	21,036	19,807	9,052	6,648

(1) From 01-Jan-2021 until 31-Dec-2021; (2) Bloomberg data including exchanges and OTC

Shareholder Structure



As of 31-Dec-2021

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Results Report

FY20

February 24th, 2021

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Conference Call & Webcast Details

Date: Wednesday, February 24th, 2021, 15:00 CET | 14:00 UK/Lisbon

Webcast: www.edpr.com

Phone dial-In number: UK: +44 (0) 33 0551 0200| US: +1 212 999 6659

Access password: EDPR

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Important Information

- From Jan-20 onwards, Share of Profit of Associates will be accounted at EBITDA level. Only for YoY comparison purposes, 2019 data from this report is also adjusted.
- In Jul-19, EDPR announced the Sell-down of a 137 MW wind farm in Brazil, which cash-in ocurred in February 12th 2020.

2020 Highlights

Operational Results

EDPR had, by Dec-20, a portfolio of operating assets of 12.2 GW, with 9 years of avg. age, of which 11.5 GW fully consolidated and 669 MW equity consolidated (Spain, Portugal, US and Offshore). Since Dec-19, EDPR added a total of 1,580 MW, including the 486 MW from the acquisition of the renewables business of Viesgo. During such period, pursuing its Sell-down strategy, EDPR successfully concluded the Sell-down of its entire ownership in the 137 MW Babilonia wind farm, 237 MW in a Spanish portfolio, 80% sell-down of a 563 MW portfolio in the US (of which 200 MW will become operational in 2021) and a 102 MW *Build and Transfer* wind farm in US. All in all, as of Dec-20, EDPR YoY consolidated portfolio net variation was of +806 MW.

As of Dec-20, EDPR had 2.4 GW of new capacity under construction, of which 1,648 MW related to wind onshore, 404 MW to solar PV and 311 MW to equity participations in offshore projects.

In the period, EDPR produced 28.5 TWh of clean electricity (-5% YoY), avoiding 18 mt of CO2 emissions. The YoY evolution comes in line with a lower average installed capacity YoY following the execution of EDPR's Sell-down strategy (3Q19: 997 MW of European assets (-1.2 TWh YoY); 1Q20: 137 MW in Brazil (-671 GWh YoY); and 4Q20: 237 MW in Spain (-64 GWh YoY)).

The avg. selling price declined -3% YoY driven by changes in the portfolio mix YoY post Sell-down transactions (Europe, Brazil and Spain).

Revenues to Net Profit

Revenues decreased to €1,731m (-5% YoY), where the impact from capacity MW (-€47m YoY; including Sell-down transactions), wind resource (-€89m YoY) and forex translation & others (-€9m YoY), were not offset by higher selling prices (+€53m YoY; ex-Sell-down).

Other operating income amounted to €498m (+€99m YoY), with YoY evolution reflecting the gains (€434m) related to Sell-down transactions closed by the end of the year in the US and Spain together with Offshore transactions, namely the stakes sold to the Offshore JV with Engie (as of Dec-20, all assets were transferred pursuant to the agreement signed in Jan-20).

Operating Costs (Opex) totalled €568m (-1% YoY). In comparable terms, adjusted by Sell-down, offshore costs (cross-charged to projects' SPVs), service fees, one offs and forex, Core Opex per avg. MW was +1% YoY, given upfront costs to support expected growth over the coming years.

As a consequence, EBITDA summed €1,655m (flat YoY) and EBIT €1,054m (flat YoY) with Sell-down transactions having a positive impact of -€17m in D&A offset by new capacity and a €28m write-down of a wind-farm (151 MW in US) approved for repowering in 2021. Net Financial Expenses decreased to €285m (-€64m vs 2019) with YoY comparison impacted by lower debt and lower avg. cost of debt in the period (3.5% vs 4.0% in 2019).

At the bottom line, Net Profit summed €556m (+17% YoY) mainly driven by the successful execution of the sell-down strategy. Non-controlling interests in the period totalled €127m, decreasing by €20m YoY as a result of assets sold.

Cash Flow & Net Debt

As of Dec-20, Net Debt totalled €3,443m (+€640m vs Dec-19) reflecting on the one hand assets' cash generated and on the other hand investments in the period including the acquisition of Viesgo renewables and forex translation. Institutional Partnership Liabilities summed €1,143m (-€143m vs Dec-19), with benefits captured by the projects and tax equity partners along with a new institutional tax equity financing in the period (flat vs Dec-19 in USD).

The Board of Directors will propose a dividend distribution in the ASM of €69.8m.

Operational Results	2020	2019	Δ YoY
EBITDA MW	11,500	10,812	+688
Other equity consolidated	669	550	+119
EBITDA MW + Equity Consolidated	**12,168**	**11,362**	**+806**
EBITDA MW metrics			
Load Factor (%)	30%	32%	(1pp)
Output (GWh)	28,537	30,041	(5%)
Avg. Electricity Price (€/MWh)	53.2	54.7	(3%)

Financial Results (€m)	2020	2019	Δ YoY
Revenues	**1,731**	**1,824**	**(5%)**
Other operating income/(cost)	(70)	(176)	(60%)
EBITDA	**1,655**	**1,651**	**+0%**
EBITDA/Revenues	*96%*	*91%*	*+5pp*
EBIT	1,054	1,059	(0%)
Net Financial Expenses	(285)	(349)	(18%)
Non-controlling interests	127	148	(14%)
Net Profit (Equity holders of EDPR)	**556**	**475**	**+17%**

Cash-flow and Net debt (€m)	2020	2019	Δ YoY
FFO (Funds From Operations)	**1,519**	**1,441**	**+78**
Operating Cash-Flow	**908**	**1,089**	**(181)**
Capex & Financial Investments	(3,191)	(1,401)	(1,790)
Changes in PP&E working capital	552	(100)	+653
Government grants	-	-	-
Net Operating Cash-Flow	**(1,731)**	**(412)**	**(1,319)**
Proceeds from Sell-down	950	989	(40)
Proceeds from institutional partnerships	305	186	+118
Payments to institutional partnerships	(56)	(81)	+25
Net interest costs (post capitalisation)	(101)	(138)	+37
Dividends net & other distributions	(184)	(151)	(33)
Forex & others	178	(138)	+315
Decrease / (Increase) in Net Debt	**(640)**	**257**	**(896)**

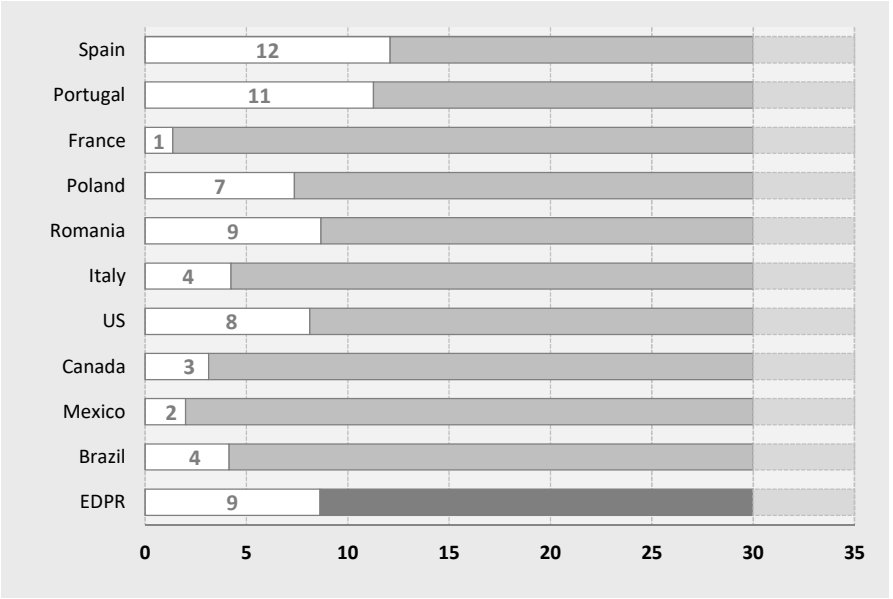
Net Debt & Tax Equity (€m)	Dec-20	Dec-19	Δ YTD
Net Debt	**3,443**	**2,803**	**+23%**
Institutional Partnership Liabilities	**1,143**	**1,287**	**(11%)**
Rents due from lease contracts	**689**	**618**	**+11%**

Asset Base & Investment Activity

Installed Capacity (MW)	Dec-20	△ YoY	2020 Built	2020 Sold	2020 Decom.	2020 △ YTD	Under Constr.
EBITDA MW							
Spain	2,137	+163	+401	-237	-	+163	85
Portugal	1,228	+64	+64	-	-	+64	135
France	126	+73	+73	-	-	+73	30
Belgium	10	+10	+10	-	-	+10	-
Poland	476	+58	+58	-	-	+58	292
Romania	521	-	-	-	-	-	-
Italy	271	-	-	-	-	-	136
Greece	-	-	-	-	-	-	45
Europe	**4,769**	**+367**	**+605**	**-237**	**-**	**+367**	**722**
United States	5,828	+114	+587	-465	-8	+114	908
Canada	68	+38	+38	-	-	+38	62
Mexico	400	+200	+200	-	-	+200	-
North America	**6,296**	**+352**	**+825**	**-465**	**-8**	**+352**	**970**
Brazil	**436**	**-32**	**+105**	**-137**	**-**	**-32**	**359**
Total EBITDA MW	**11,500**	**+688**	**+1,535**	**-839**	**-8**	**+688**	**2,051**
Equity Consolidated (MW)							
Spain + Portugal	187	+35	+35	-	-	+35	-
United States	471	+73	-	+73	-	+73	-
Wind Onshore	**658**	**+108**	**+35**	**+73**	**-**	**+108**	**-**
Wind Offshore	**11**	**+11**	**+11**	**-**	**-**	**+11**	**311**
Total Eq. Cons. MW	**669**	**+119**	**+46**	**+73**	**-**	**+119**	**311**
Total EBITDA + Eq. MW	**12,168**	**+806**	**+1,580**	**-766**	**-8**	**+806**	**2,363**

Assets' Average Age & Useful Life by Country

EBITDA MW



Investments (€m)	2020	2019	Δ %	Δ €
Europe	**571**	**254**	**+125%**	**+317**
North America	**1,189**	**784**	**+52%**	**+405**
Brazil	**203**	**31**	**+560%**	**+172**
Other	136	41	+233%	+95
Total Capex	**2,098**	**1,109**	**+89%**	**+989**
Financial investments	1,355	291	+365%	+1,064
Government grant	-	-	-	-
Sell-down strategy & divestments (1)	-1,546	-989	+56%	(557)
Net Investments	**1,908**	**411**	**+364%**	**+1,497**

Property, Plant & Equipment - PP&E (€m)	2020	2019	Δ €
PP&E (net)	**13,492**	**13,264**	**+228**
(-) PP&E assets under construction	2,572	1,447	+1,125
(=) PP&E existing assets (net)	**10,920**	**11,817**	**(897)**
(+) Accumulated Depreciation	5,654	5,699	(45)
(-) Government Grants	499	527	(28)
(=) Invested capital on existing assets	**16,075**	**16,989**	**(914)**

(1) 2020 figure considers equity proceeds from Sell-down transaction in Brazil, given that debt was deconsolidated in Dec-19 (€144m), Offshore assets sold to Ocean Winds, and transactions in Spain (237 MW) and US (392 MW net).

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Operating Performance

Load Factor	2020	2019	Δ 20/19
Europe	26%	28%	(2pp)
North America	33%	34%	(1pp)
Brazil	38%	43%	(5pp)
Total	**30%**	**32%**	**(1pp)**

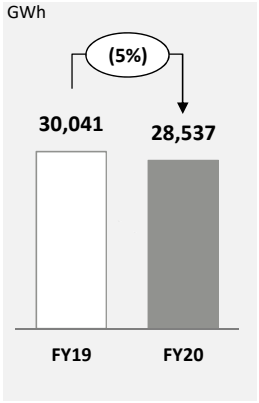
Renewables Index (vs LT average)	2020	2019	Δ 20/19
Europe	94%	102%	(8pp)
North America	90%	93%	(3pp)
Brazil	94%	94%	(1pp)
EDPR	**92%**	**97%**	**(5pp)**

Electricity Generation (GWh)	2020	2019	Δ 20/19
Europe	10,024	11,791	(15%)
North America	17,421	16,492	+6%
Brazil	1,093	1,757	(38%)
Total	**28,537**	**30,041**	**(5%)**

Selling Prices (per MWh)	2020	2019	Δ 20/19
Europe	€80.6	€77.3	+4%
North America	$44.0	$45.3	(3%)
Brazil	R$217.6	R$205.3	+6%
Average Selling Price	**€53.2**	**€54.7**	**(3%)**

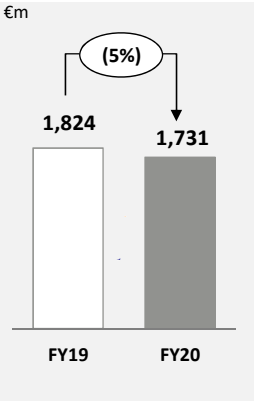
Electricity Sales and Other (€m)	2020	2019	Δ 20/19
Europe	824	925	(11%)
North America	669	651	+3%
Brazil	36	74	(51%)
Total	**1,529**	**1,642**	**(7%)**

Electricity Output



Average Selling Price €/MW

Revenues



Income from Institutional Partnerships (€m)	2020	2019	Δ 20/19
Total	**202**	**182**	**+11%**

Revenues	2020	2019	Δ 20/19
Revenues (€m)	**1,731**	**1,824**	**(5%)**
Revenues per avg. MW in operation (€k)	**161**	**168**	**(4%)**

Note: Operational Performance considers only capacity consolidated at EBITDA level.

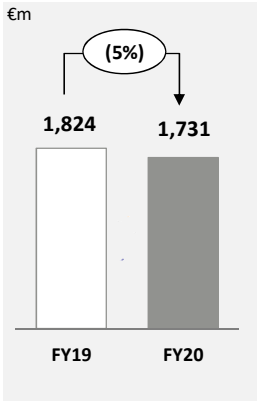
PUBLIC

Financial Performance

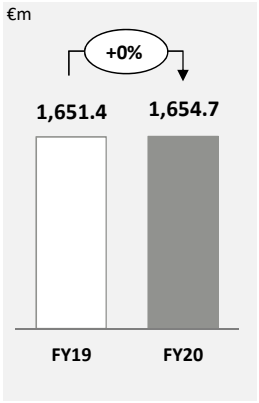
Revenues to EBITDA (€m)	2020	2019	Δ %
Electricity sales and other	1,529.0	1,642.1	(7%)
Income from Institutional Partnerships	201.8	181.6	+11%
Revenues	**1,730.8**	**1,823.7**	**(5%)**
Other operating income	498.4	399.7	+25%
Operating Costs	(568.3)	(575.3)	(1%)
Supplies and services (S&S)	(304.4)	(309.0)	(1%)
Personnel costs (PC)	(141.2)	(130.7)	+8%
Other operating costs	(122.7)	(135.6)	(10%)
Share of profit of associates (1)	(6.1)	3.4	-
EBITDA	**1,654.7**	**1,651.4**	**+0%**
Provisions	(0.7)	(1.2)	(43%)
Depreciation and amortisation	(616.6)	(609.0)	+1%
Amortisation of deferred income (government grants)	16.6	17.3	(4%)
EBIT	**1,054.0**	**1,058.6**	**(0%)**
Net Financial Expenses	**(285.1)**	**(349.5)**	**(18%)**
Net interest costs of debt	(124.6)	(155.8)	(20%)
Institutional partnerships costs	(94.7)	(85.3)	+11%
Capitalised financial expenses	26.1	17.7	+47%
Fx & Fx derivatives	(6.9)	1.4	-
Other	(85.0)	(127.5)	(33%)
Pre-Tax Profit	**768.9**	**709.1**	**+8%**
Income taxes (2)	(86.1)	(86.4)	(0%)
Profit of the period	**682.9**	**622.7**	**+10%**
Non-controlling interests	127.2	147.5	(14%)
Net Profit (Equity holders of EDPR)	**555.7**	**475.1**	**+17%**

Efficiency and Profitability Ratios	2020	2019	Δ %
Revenues/Average MW in operation (€k)	161.0	168.0	(4%)
Core Opex (S&S + PC) /Average MW in operation (€k)	41.4	40.5	+2%
Core Opex (S&S + PC) /MWh (€)	15.6	14.6	+7%
EBITDA margin	96%	91%	+5pp
EBITDA/Average MW in operation (€k)	153.9	151.8	+1%

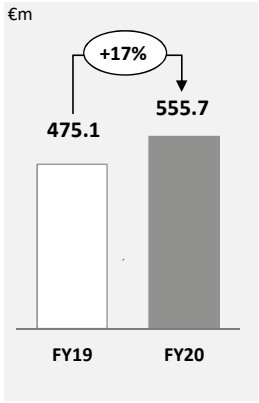
Revenues



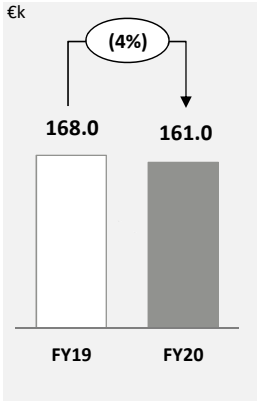
EBITDA (1)



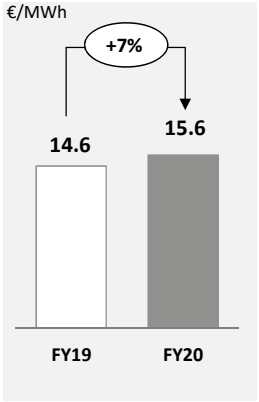
Net Profit



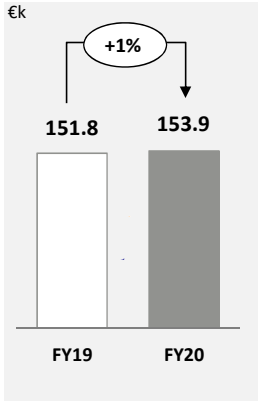
Revenues/Avg. MW



Core Opex/MWh



EBITDA/Avg. MW



(1) From 2020 onwards Share of Profit of Associates will be accounted at EBITDA level. Only for YoY comparison purposes, 2019 data is also adjusted
(2) Includes €3.2m from extraordinary contribution to the energy sector (CESE)

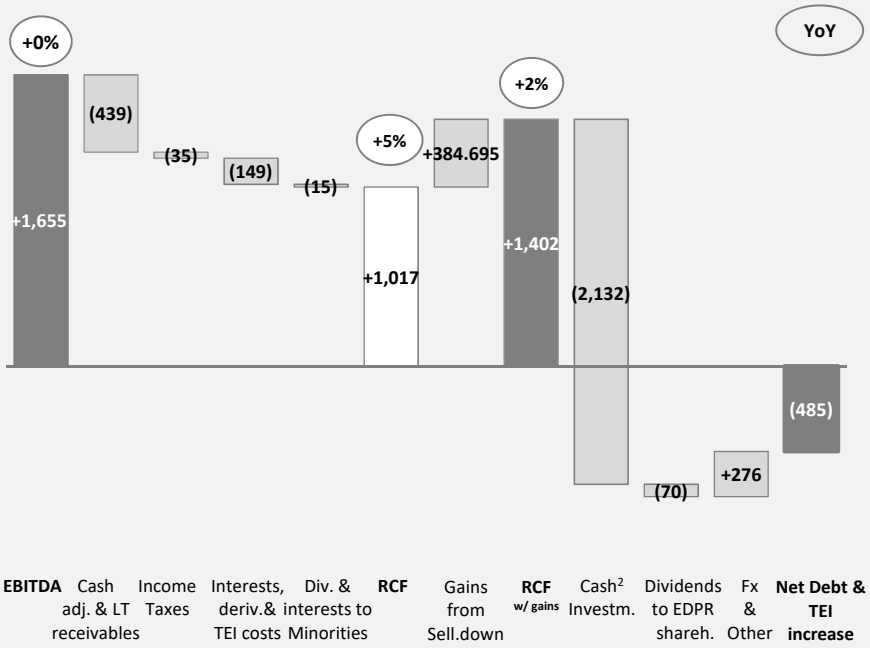
PUBLIC

Cash-Flow

Cash-Flow (€m)	2020	2019 [1]	Δ %
EBITDA	**1,655**	**1,651**	**+0%**
Current income tax	(35)	(55)	(36%)
Net interest costs	(101)	(156)	(35%)
FFO (Funds From Operations)	**1,519**	**1,441**	**+5%**
Net interest costs	101	156	(35%)
Income from institutional partnership	(202)	(173)	+17%
Non-operating cash items adjustments	(433)	(293)	+47%
Changes in working capital	(78)	(41)	+88%
Operating Cash-Flow	**908**	**1,089**	**(17%)**
Capex	(2,098)	(1,109)	+89%
Financial investments	(1,093)	(291)	+275%
Changes in working capital related to PP&E suppliers	552	(100)	-
Government grants	-	-	-
Net Operating Cash-Flow	**(1,731)**	**(412)**	**+320%**
Sale of non-controlling interests and Sell-down Strategy	950	989	(4%)
Proceeds from institutional partnerships	305	186	+63%
Payments to institutional partnerships	(56)	(81)	(31%)
Net interest costs (post capitalisation)	(101)	(138)	(27%)
Dividends net and other capital distributions	(184)	(151)	+22%
Forex & others	178	(138)	-
Decrease / (Increase) in Net Debt	**(640)**	**257**	**(349%)**

From EBITDA to Retained Cash-Flow (RCF) to change in Debt and TEI (€m)

Note that RCF includes tax benefits generated by the projects in the US under the TE structures, which are not included in Organic Free Cash-flow concept



(1) From 2020 onwards Share of Profit of Associates are accounted at EBITDA level. 2019 figures restated for comparison purposes
(2) Cash investments include Capex (net of projects sold), Net financial investments and Changes in working capital related with PPE suppliers and Government Grants

PUBLIC

Net Debt and Institutional Partnership Liability

Net Debt (€m)	2020	2019	Δ €
Nominal Financial Debt + Accrued interests on Debt	3,947	3,417	+530
Collateral deposits associated with Debt	31	32	(1)
Total Financial Debt	**3,916**	**3,385**	**+531**
Cash and cash equivalents	474	582	(107)
Loans to EDP Group related companies and cash pooling	-1.0	0.0	(1.0)
Cash & Equivalents	**473**	**582**	**(108)**
Net Debt	**3,443**	**2,803**	**+640**

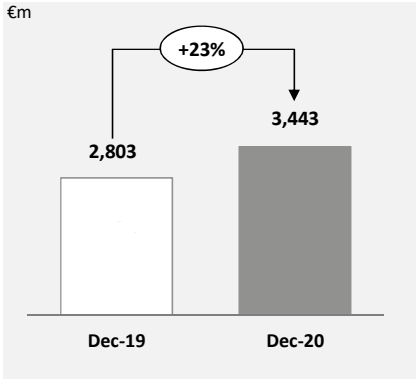
Average Debt (€m)	2020	2019	Δ %
Average nominal financial debt	3,369	3,735	(10%)
Average net debt	3,013	3,265	(8%)

Institutional Partnership (€m) (1)	2020	2019	Δ €
Institutional Partnership Liability	1,143	1,287	(143)

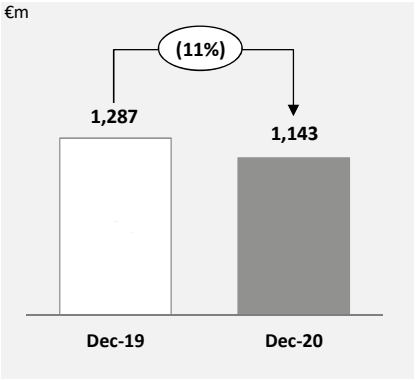
(1) Net of tax credits already benefited by the institutional investors and yet due to be recognised in the P&L

Rents due from lease contracts (€m)	2020	2019	Δ €
Rents due from lease contracts	689	618	+71

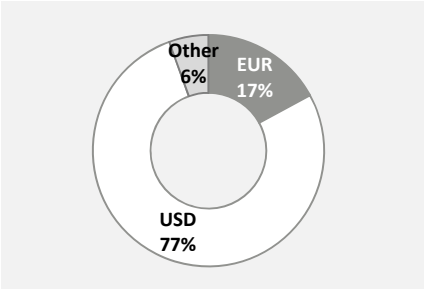
Net Debt



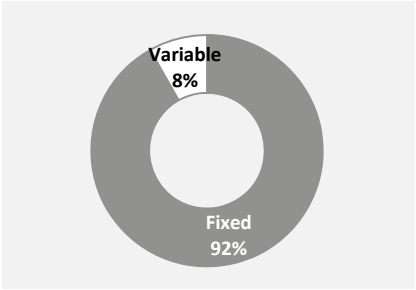
Institutional Partnership Liability



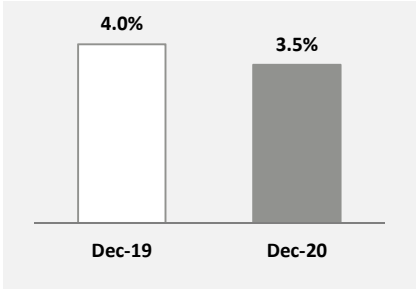
Financial Debt by Currency



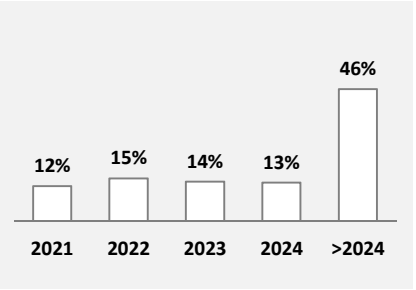
Financial Debt by Type



Avg. Interest Rate Cost (end of period)



Financial Debt by Maturity



PUBLIC

edp renováveis

Business Platforms

PUBLIC

Europe

Operational Indicators

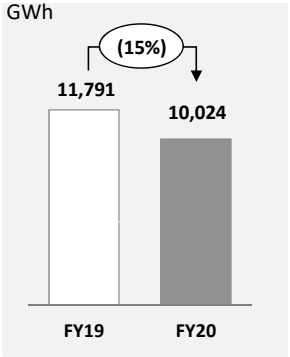
	EBITDA MW			Load Factor			Production (GWh)			Average Selling Price €/MW			Electricity Sales (€m) [1]		
	2020	2019	Δ 20/19	2020	2019	Δ 20/19	2020	2019	Δ 20/19	2020	2019	Δ 20/19	2020	2019	Δ 20/19
Spain	2,137	1,974	+163	25%	28%	(3pp)	4,346	5,298	(18%)	€78.8	€71.1	+11%	342.7	376.7	(9%)
Portugal	1,228	1,164	+64	26%	29%	(3pp)	2,624	3,160	(17%)	€86.3	€89.3	(3%)	226.6	282.1	(20%)
France	126	53	+73	31%	22%	+9pp	212	465	(54%)	€80.3	€90.2	(11%)	17.0	41.9	(59%)
Belgium	10	-	+10		22%	-	2	68	(97%)	€111.1	€105.6	+5%	0.3	7.2	(97%)
Italy	271	271	-	25%	27%	(2pp)	595	551	+8%	€90.6	€95.3	(5%)	53.9	52.5	+3%
Poland	476	418	+58	29%	30%	(1pp)	1,059	1,098	(4%)	€77.8	€71.8	+8%	81.6	73.0	+12%
Romania	521	521	-	26%	25%	+1pp	1,186	1,151	+3%	€70.7	€68.1	+4%	83.6	61.2	+36.6%
Europe	**4,769**	**4,401**	**+367**	**26%**	**28%**	**(2pp)**	**10,024**	**11,791**	**(15%)**	**80.6**	**77.3**	**+4%**	**824.2**	**924.8**	**(11%)**

Non-controlling Interest (Net MW)	2020	2019	Δ 20/19
Spain	111	60	+52
Portugal	512	530	(18)
Rest of Europe (RoE)	269	269	-
Europe	**892**	**858**	**+34**

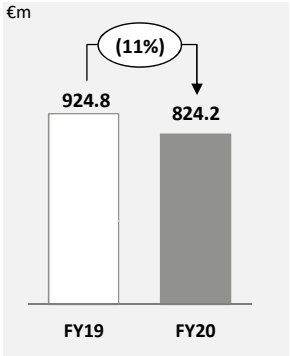
Income Statement (€m)	2020	2019	Δ 20/19
Revenues	**824.2**	**924.8**	**(11%)**
Other operating income	286.8	246.4	+16%
Operating Costs	(258.7)	(257.7)	+0.4%
Supplies and services (S&S)	(158.1)	(157.8)	+0.2%
Personnel costs (PC)	(32.2)	(29.0)	+11%
Other operating costs	(68.4)	(70.9)	(4%)
Share of profit of associates [2]	4.2	3.7	+14%
EBITDA	**856.5**	**917.2**	**(7%)**
EBITDA/Revenues	*104%*	*99%*	*+5pp*
Provisions	(0.7)	(1.2)	(44%)
Depreciation and amortisation	(222.9)	(255.2)	(13%)
Amortisation of deferred income (gov. grants)	0.6	1.0	(36%)
EBIT	**633.5**	**661.8**	**(4%)**

Opex ratios	2020	2019	Δ 20/19
Core Opex (S&S + PC)/Avg. MW in operation (€k)	43.1	38.7	+11%
Core Opex (S&S + PC)/MWh (€)	19.0	15.8	+20%

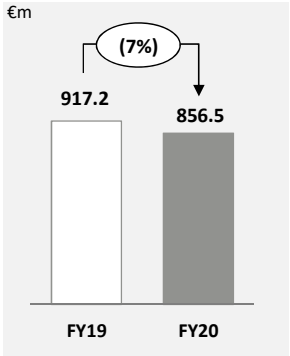
Production (GWh)



Revenues



EBITDA [2]



(1) For analysis purposes hedging results are included in electricity sales per country but excluded from the sum;
(2) From 2020 onwards Share of Profit of Associates will be accounted at EBITDA level. Only for YoY comparison purposes, 2019 data is also adjusted

PUBLIC

North America (USD)

Operational Indicators

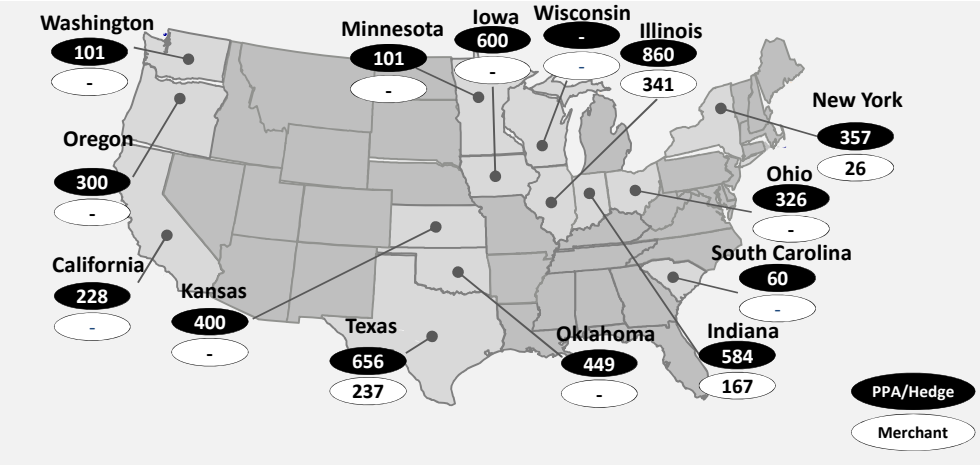
	EBITDA MW			Load Factor			Production (GWh)			Avg. Final Selling Price $/MW		
	2020	2019	Δ 20/19	2020	2019	Δ 20/19	2020	2019	Δ 20/19	2020	2019	Δ 20/19
US	5,828	5,714	+114	33%	34%	(1pp)	16,633	15,696	+6%	42.7	44.0	(3%)
Canada	68	30	+38	30%	27%	+3pp	78	70	+12%	110.3	110.7	(0%)
Mexico	400	200	+200	41%	42%	(1pp)	710	726	(2%)	66.9	65.4	+2%
North America	**6,296**	**5,944**	**+352**	**33%**	**34%**	**(1pp)**	**17,421**	**16,492**	**+6%**	**44.0**	**45.3**	**(3%)**

Non-controlling Interest (Net MW)	**2020**	**2019**	**Δ 20/19**
US	1,024	1,098	(73)
Canada	15	15	-
Mexico	98	98	-
North America	**1,137**	**1,210**	**(73)**

Income Statement (US$m)	**2020**	**2019**	**Δ 20/19**
Electricity sales and other	764.5	728.7	+5%
Income from institutional partnerships	230.5	203.3	+13%
Revenues	**995.0**	**931.9**	**+7%**
Other operating income	249.6	56.4	+343%
Operating Costs	(330.7)	(300.2)	+10%
Supplies and services (S&S)	(186.5)	(165.9)	+12%
Personnel costs (PC)	(87.0)	(70.9)	+23%
Other operating costs	(57.2)	(63.5)	(10%)
Share of profit of associates [(1)]	(0.2)	(0.3)	(36%)
EBITDA	**913.7**	**687.8**	**+33%**
EBITDA/Revenues	*92%*	*74%*	*+18pp*
Provisions	-	-	-
Depreciation and amortisation	(428.2)	(373.0)	+15%
Amortisation of deferred income (gov. grants)	18.2	18.2	-
EBIT	**503.8**	**333.0**	**+51%**

Opex ratios	**2020**	**2019**	**Δ 20/19**
Core Opex (S&S + PC)/Avg. MW in operation ($k)	45.5	42.6	+7%
Core Opex (S&S + PC)/MWh ($)	15.7	14.4	+9%

EDPR US: EBITDA MW by Market



MW per Incentive	**2020**
MW with PTCs	2,369
MW with ITCs	590
MW with Cash Grant and Self Shelter	1,014

FX (€/$)	**2020**	**2019**	**Δ 20/19**
End of Period	1.23	1.12	+9%
Average	1.14	1.12	+2%

(1) From 2020 onwards Share of Profit of Associates will be accounted at EBITDA level. Only for YoY comparison purposes, 2019 data is also adjusted

PUBLIC

Brazil (BRL)

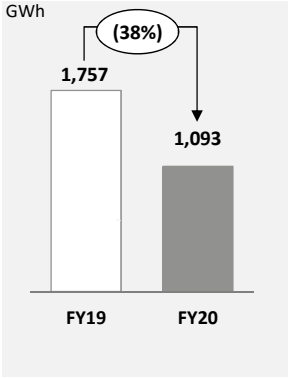
Operational Indicators

	EBITDA MW			Load Factor			Production (GWh)			Average Selling Price R$/MW		
	2020	2019	Δ 20/19	2020	2019	Δ 20/19	2020	2019	Δ 20/19	2020	2019	Δ 20/19
Brazil	436	467	(32)	38%	43%	(5pp)	1,093	1,757	(38%)	217.6	205.3	+6%

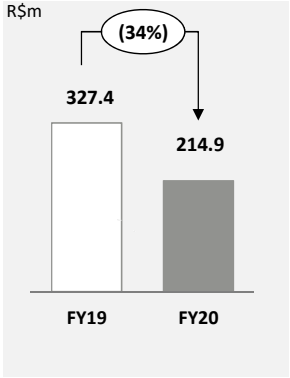
Non-controlling Interest (Net MW)	2020	2019	Δ 20/19
Brazil	162	162	-

Income Statement (R$m)	2020	2019	Δ 20/19
Revenues	**214.9**	**327.4**	**(34%)**
Other operating income	19.6	382.1	(95%)
Operating Costs	(83.1)	(103.8)	(20%)
Supplies and services (S&S)	(55.1)	(67.7)	(19%)
Personnel costs (PC)	(8.8)	(11.8)	(25%)
Other operating costs	(19.2)	(24.2)	(21%)
Share of profit of associates [1]	**(0.0)**	**0**	-
EBITDA	**151.4**	**605.7**	**(75%)**
EBITDA/Revenues	*70%*	*185%*	*(115pp)*
Provisions	(0.1)	(0.0)	-
Depreciation and amortisation	(52.0)	(69.3)	(25%)
Amortisation of deferred income (gov. grants)	-	0.4	-
EBIT	**99.3**	**536.7**	**(81%)**

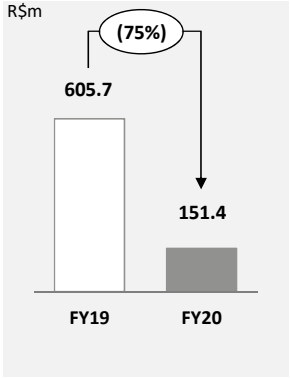
Production (GWh)



Revenues



EBITDA [1]



Opex ratios	2020	2019	Δ 20/19
Core Opex (S&S + PC)/Avg. MW in operation (R$k)	193.4	170.3	+14%
Core Opex (S&S + PC)/MWh (R$)	58.5	45.3	+29%

FX ($R/€)	2020	2019	Δ 20/19
End of Period	6.37	4.52	+41%
Average	5.89	4.41	+33%

(1) From 2020 onwards Share of Profit of Associates will be accounted at EBITDA level. Only for YoY comparison purposes, 2019 data is also adjusted

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Balance Sheet & Income Statements

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EDPR: Balance Sheet

Assets (€m)	Dec-20	Dec-19	Δ €
Property, plant and equipment, net	13,492	13,264	+228
Right-of-use asset	674	616	+58
Intangible assets and goodwill, net	1,537	1,490	+47
Financial investments, net	488	476	+12
Deferred tax assets	122	126	(4)
Inventories	55	34	+20
Accounts receivable - trade, net	279	303	(24)
Accounts receivable - other, net	999	556	+443
Assets held for sale	12	214	(202)
Collateral deposits	31	32	(1)
Cash and cash equivalents	474	582	(107)
Total Assets	**18,163**	**17,693**	**+470**

Equity (€m)	Dec-20	Dec-19	Δ €
Share capital + share premium	4,914	4,914	-
Reserves and retained earnings	1,878	1,584	+294
Net Profit (Equity holders of EDPR)	556	475	+81
Non-controlling interests	1,276	1,362	(86)
Total Equity	**8,624**	**8,335**	**+289**

Liabilities (€m)	Dec-20	Dec-19	Δ €
Financial debt	3,947	3,417	+530
Institutional partnerships	1,143	1,287	(143)
Rents due from lease contracts	689	618	+71
Provisions	315	278	+37
Deferred tax liabilities	427	355	+72
Deferred revenues from institutional partnerships	790	1,003	(213)
Other liabilities	2,227	2,400	(173)
Total Liabilities	**9,539**	**9,358**	**+181**
Total Equity and Liabilities	**18,163**	**17,693**	**+470**

EDPR: Income Statement by Region

2020 (€m)	Europe	N. America	Brazil	Other/Adj.[1]	Consolidated
Electricity sales and other	824.2	669.4	36.5	(1.1)	1,529.0
Income from institutional partnerships	-	201.8	-	-	201.8
Revenues	**824.2**	**871.2**	**36.5**	**(1.1)**	**1,730.8**
Other operating income	**286.8**	**195.1**	**3.3**	**13.2**	**498.4**
Operating Costs	**(258.7)**	**(289.5)**	**(13.8)**	**(6.2)**	**(568.3)**
Supplies and services	(158.1)	(163.3)	(9.1)	26.0	(304.4)
Personnel costs	(32.2)	(76.1)	(1.5)	(31.3)	(141.2)
Other operating costs	(68.4)	(50.1)	(3.3)	(0.9)	(122.7)
Share of profit of associates	4.2	(0.2)	(0.0)	(10.1)	(6.1)
EBITDA	**856.5**	**776.6**	**26.0**	**(4.3)**	**1,654.7**
EBITDA/Revenues	*104%*	*89%*	*71%*	*n.a.*	*96%*
Provisions	(0.7)	-	(0.0)	0.0	(0.7)
Depreciation and amortisation	(222.9)	(374.9)	(8.8)	(10.0)	(616.6)
Amortisation of deferred income (government grants)	0.6	16.0	-	-	16.6
EBIT	**633.5**	**417.6**	**17.1**	**(14.2)**	**1,054.0**

2019 (€m)	Europe	N. America	Brazil	Other/Adj.[1]	Consolidated
Electricity sales and other	924.8	650.8	74.2	(7.7)	1,642.1
Income from institutional partnerships	-	181.6	-	-	181.6
Revenues	**924.8**	**832.4**	**74.2**	**(7.7)**	**1,823.7**
Other operating income	**246.4**	**50.4**	**88.3**	**14.6**	**399.7**
Operating Costs	**(257.7)**	**(268.2)**	**(23.5)**	**(25.9)**	**(575.3)**
Supplies and services	(157.8)	(148.3)	(15.3)	12.3	(309.0)
Personnel costs	(29.0)	(63.3)	(2.7)	(35.7)	(130.7)
Other operating costs	(70.9)	(56.7)	(5.5)	(2.5)	(135.6)
Share of profit of associates [2]	3.7	(0.3)	0.0	0.0	3.4
EBITDA	**917.2**	**614.2**	**138.9**	**(19.0)**	**1,651.4**
EBITDA/Revenues	*99%*	*74%*	*187%*	*n.a.*	*91%*
Provisions	(1.2)	-	(0.0)	(0.0)	(1.2)
Depreciation and amortisation	(255.2)	(333.2)	(15.8)	(4.8)	(609.0)
Amortisation of deferred income (government grants)	1.0	16.3	0.09	(0.0)	17.3
EBIT	**661.8**	**297.3**	**123.2**	**(23.8)**	**1,058.6**

[1] Offshore is being reported under "Other/Adj"

[2] From 2020 onwards Share of Profit of Associates will be accounted at EBITDA level. Only for YoY comparison purposes, 2019 data is also adjusted

EDPR Europe: Income Statement by Country

2020 (€m)	Spain	Portugal	RoE	Other/Adj.[1]	Total Europe
Revenues	**310.9**	**229.4**	**234.6**	**49.3**	**824.2**
Operating Costs, Other operating income & Share of profit	11.0	(50.0)	(67.9)	139.2	32.2
EBITDA	**321.9**	**179.3**	**166.7**	**188.5**	**856.5**
EBITDA/Revenues	*104%*	*78%*	*71%*	*n.a.*	*104%*
Depreciation, amortisation and provisions	(96.0)	(52.5)	(67.6)	(6.8)	(223.0)
EBIT	**225.9**	**126.8**	**99.1**	**181.7**	**633.5**

2019 (€m)	Spain	Portugal	RoE	Other/Adj.[1]	Total Europe
Revenues	**379.9**	**283.8**	**266.9**	**(5.9)**	**924.8**
Operating Costs, Other operating income & Share of profit	(18.7)	98.3	(45.6)	(41.6)	(7.6)
EBITDA	**361.3**	**382.1**	**221.3**	**(47.5)**	**917.2**
EBITDA/Revenues	*95%*	*135%*	*83%*	*n.a.*	*99%*
Depreciation, amortisation and provisions	(108.1)	(53.7)	(87.5)	(6.1)	(255.5)
EBIT	**253.1**	**328.4**	**133.8**	**(53.6)**	**661.8**

[1] **Important note on Spain and Other**: Pursuant the changes in the Spanish regulatory framework, EDPR hedges its exposure to the Spanish pool price, accounted at the European platform level (Other/Adj.). On page 10, the hedging was included in the Spanish division only for analytical purposes.
[2] From 2020 onwards Share of Profit of Associates will be accounted at EBITDA level. Only for YoY comparison purposes, 2019 data is also adjusted

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Annex

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Remuneration Frameworks

Country	Short Description
US	• Sales can be agreed under PPAs (up to 20 years), Hedges or Merchant prices • Green Certificates (Renewable Energy Credits, REC) subject to each state regulation • Sales can be agreed under PPAs • Tax Incentives: PTC collected for 10-years since COD ($25/MWh in 2019) & Wind farms beginning construction in 2009 and 2010 could opt for 30% cash grant in lieu of PTC
Canada	• Feed-in Tariff (Ontario). Duration: 20-years • Renewable Energy Support Agreement (Alberta)
Mexico	• Technological-neutral auctions (opened to all technologies) in which bidders offer a global package price for the 3 different products (capacity, electricity generation and green certificates) • EDPR project: bilateral Electricity Supply Agreement under self-supply regime for a 25-year period
Brazil	• Old installed capacity under a feed-in tariff program ("PROINFA") • Since 2008, competitive auctions awarding 20-years PPAs • Sales can be agreed under PPAs
Spain	• Wind energy receives pool price and a premium per MW in order to achieve a target return defined by regulation. Already published for 2020-22 period • RDL 17/2019 has set the target return (TRF) @7.398% for WF's prior to 2013 and @7.09% for new installations until 2031 • Premium calculation is based on standard assets (standard load factor, production and costs) • Since 2016, all the new renewable capacity is allocated through competitive auctions
Portugal	• Wind farms commissioned before 2006 are subject to a FIT whose value is correlated with production and indexed with CPI. Initial tenure was the soonest of 15 years (or until 2020) or 33 GWh/MW but it was increased 7 years (tariff extension) with a cap and floor scheme in exchange of annual payments between 2013 and 2020 • ENEOP: price defined in an international competitive tender and set for 15 years (or the first 33 GWh/MW) + 7 years (extension cap/floor system: €74-€98/MWh). Tariff for first year established at c.€74/MWh and CPI monthly update for following years & VENTINVESTE: price defined in an international competitive tender and set for 20 years (or the first 44 GWh/MW) • Wind farms under the new regime (COD after 2006) are subject to a FIT for the soonest of 20-y from COD of 44 GWh/MW. Tariff is also indexed wit CPI • Solar PV projects awarded in the latest auction (Jul-19) are subject to a flat FIT during 15 years. Projects will bear the cost of imbalances
Belgium	• Market price + green certificate (GC) scheme. The min-price for GCs is set €65/GC • Option to negotiate long-term PPAs

Country	Short Description
France	• The majority of existing wind farms receive Feed-in tariff for 15 years: • First 10 years: €82/MWh; Years 11-15: depending on load factor €82/MWh @2,400 hours to €28/MWh @3,600 hours; indexed • Wind farms under the CR 2016 scheme receive 15-yr CfD which strike price value similar to existing FIT fee plus a management premium • Auctions (20-year CfD)
Poland	• Electricity price can be stablished through bilateral contracts • Wind farms before 2018 are subject to a GC scheme. Wind receive 1 GC/MWh during 15 years that can be traded in the market. Electricity suppliers have a substitution fee for non-compliance with GC obligations • Wind farms awarded in 2018, 2019 and 2020 auctions are subject to a two-side CfD with a tenure of 15 years
Romania	• Wind assets (installed until 2013) receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years. 1 out of the 2 GC earned until Mar-2017 can only be sold from Jan-2018 and until Dec-2025. Solar assets receive 6 GC/MWh for 15 years. 2 out of the 6 GC earned until Dec-2020 can only be sold after Jan-2021 and until Dec-2030. GC are tradable on market under a cap and floor system (cap €35 / floor €29.4) • Wind assets (installed in 2013) receive 1.5 GC/MWh until 2017 and after 0.75 GC/MWh until completing 15 years • The GCs issued starting in Apr-2017 and the GCs postponed to trading from Jul-2013 will remain valid and may be traded until Mar-2032
Italy	• Wind farms in operation prior to 2012YE are under a feed-in-premium scheme applicable for the first 15 years of operation. • Wind farms commissioned from 2013 onwards awarded in competitive auctions until 2017 are subject to a 20-years floor CfD scheme • Wind farms winning the 2019 and 2020 auctions will benefit from a 20-years two-side CfD scheme
Greece	• 20 years non-indexed CfD, allocated through tenders
Colombia	• Colombian wind farms have been awarded 15-years long-term contracts though competitive pay-as-bid auction. Contracts are signed with several Colombian distribution counties • Additionally, Colombian wind farms secured reliability charge contract, a monthly payment in exchange of having part of its capacity available when the system is under tight supply conditions
Offshore	• UK: 15 years CPI indexed CfD, allocated by tender, at £57.5/MWh (2012 tariff-based) • France: 20-year indexed feed-in tariff

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Sustainable Development Performance

Affordable and clean energy	2020	2019	Δ YoY	Comments
New renewable built capacity (MW)	1,580	888	692	Including the 486 MW from the acquisition of the renewable business of Viesgo. As of Dec-20, EDPR had 2.3 GW of new capacity under construction

Climate change	2020	2019	Δ YoY	
CO2 Avoided (kt) (1)	18,467	19,024	(3%)	GWh: -5%; Partially offset by higher emission factors YoY (+2%)

Decent work & Gender Equality & Innovation	2020	2019	Δ YoY	
Ethics				
Claims in the ethics channel (#)	3	3	-	2 considered unfounded and 1 inconclusive, so the processes were closed by the Ethics Committee
Health & Safety (2)				
Accidents (#)	24	10	+140%	South America: 10; North America: 8; Europe: 6; 96% related to contractors
Injury rate (3)	1.9	1	+53%	Impacted by +57% of worked hours vs 2019
Lost day rate (4)	68	46	+49%	
Human Capital				
Employees (#)	1,735	1,566	+11%	Supporting company's growth; Partially offset by transfers to JV with ENGIE
Turnover (%) (5)	9%	12%	(4pp)	
Female workforce (%)	30%	30%	+0.1pp	
Trained employees (%)	96%	94%	+2pp	

Life on land	2020	2019	Δ YoY	
Significant spills and fires (#) (6)	-	-	-	Zero spills and fires mindset

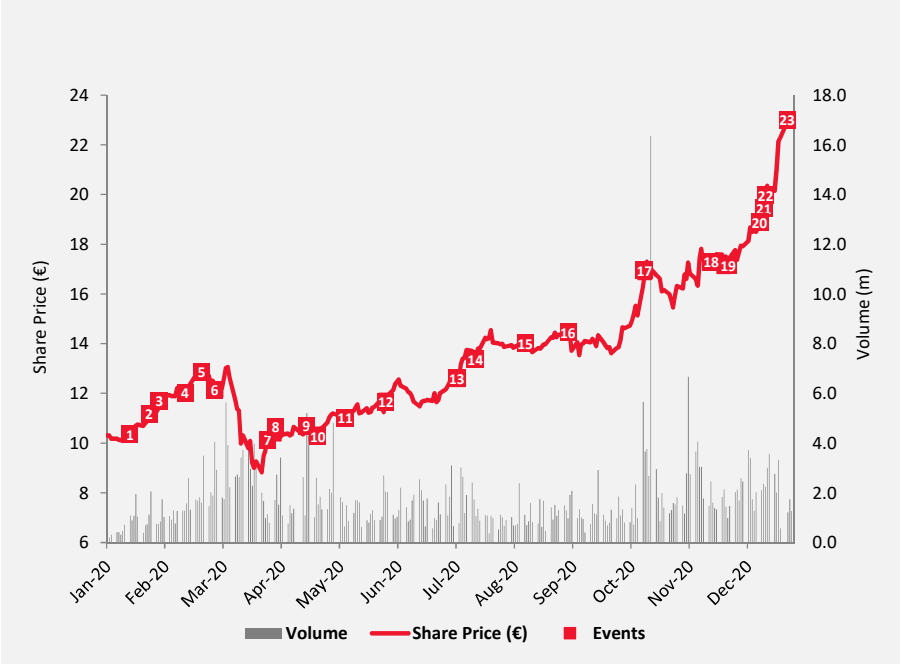
Responsible production and consumption (7)	2020	2019	Δ YoY	
Total waste (kg/GWh)	37	47	(20%)	
Total waste recovered (%)	76%	74%	+1pp	Target: >75%

Sustainable cities and communities	2020	2019	Δ YoY	
Investment in Access to Energy (€m)	4.6	4.9	(5%)	Fx impacts cumulative investment: SolarWorks! (€2.2m) & Rensource ($2.9m)
Social Investment (€m)	2.5	2.2	+12%	Impacted by EDPR Covid-19 Response Plan among local communities
Employees that participated in volunteering (%)	19%	26%	(7pp)	Impacted by Covid-19

(1) CO2 avoided calculated as energy generation * CO2 eq. emission factors of each country and state within the US. Please note that these factors vary in accordance with the country/state's energy mix;
(2) Includes staff and contractors data, excludes commuting and accidents without absence; Excludes 1Q UK data;
(3) Injury Rate calculated as [# of accidents with absence/Hours worked * 1,000,000];
(4) Lost Day Rate calculated as [# of working days lost/Hours worked * 1,000,000];
(5) Turnover calculated as: departures/headcount; excludes transfers to JV with Engie;
(6) EDPR defines significant spills and fires as any spill affecting water bodies/courses, protected soils or soils of interest because of its natural value, or fire affecting protected areas and/or species (according to local protection laws), derived from the operation & maintenance activities in the facilities;
(7) Excludes waste caused by non-recurrent events.

Share Performance & Shareholder Structure

EDPR Share Price Performance



2020 Main Events

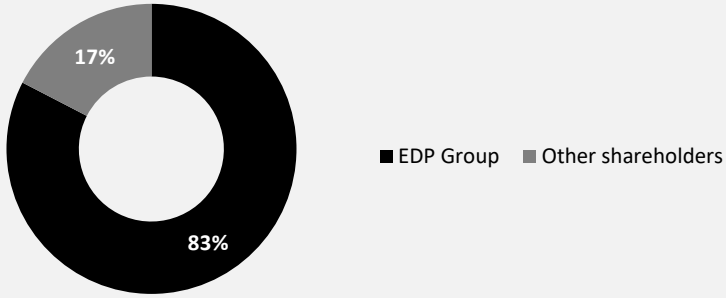
#	Date	Description	Share Price
1	13-Jan	EDPR secured a PPA for a new solar project in Brazil	10.34
2	23-Jan	EDPR reached an agreement with ENGIE to create a JV for offshore wind	11.17
3	29-Jan	EDPR informed about L-T contracts awarded at the Italian wind auction	11.67
4	12-Feb	EDPR concluded €0.3bn asset rotation deal for Brazilian wind farms	12.03
5	20-Feb	EDPR informed about its FY 2019 Results	12.84
6	28-Feb	Spain published the regulatory revision for wind energy assets	12.11
7	26-Mar	EDPR Annual Shareholders' Meeting	10.12
8	30-Mar	EDPR announced payment of dividends corresponding to 2019	10.34
9	16-Apr	EDPR secures a solar PPA in Mexico	10.66
10	21-Apr	EDPR secures a PPA for 59 MW in Spain	10.36
11	06-May	EDPR secures a 100 MW solar PPA in US	11.00
12	28-May	EDPR awarded L-T CfD for 54 MW at the Italian wind energy auction	11.72
13	06-Jul	Clarification on Public Prosecutor measures regarding EDPR Board	12.54
14	15-Jul	EDPR agreed to acquire 100% of the renewables business of Viesgo	13.36
15	10-Aug	EDPR announces €0.5bn Asset Rotation deal for wind farms in Spain	14.00
16	02-Sep	EDPR informed about a sale agreement in North America	14.42
17	13-Oct	EDPR secures PPA for 100 MW in the US	16.84
18	19-Nov	EDPR informs about PPA secured for 63 MW in Spain	17.26
19	24-Nov	EDPR announces PPA contract for a 74 MW solar project in the US	17.08
20	14-Dec	EDPR gets CFD for 5 project of wind and solar in Poland with 220 MW	18.94
21	15-Dec	EDPR announces conclusion of 242 MW sale agreement in Spain	19.44
22	16-Dec	EDPR concludes the acquisition of the renewables business of Viesgo	19.78
23	28-Dec	EDPR concludes an 80% equity stake sale agreement in North America	23.00

Capital Market Indicators

	2020 (1)	2019	2018	2017
Opening Price	€ 10.42	€ 7.78	€ 6.97	€ 6.04
Minimum Price	€ 8.82	€ 7.66	€ 6.62	€ 5.54
Maximum Price	€ 23.00	€ 10.42	€ 9.03	€ 7.03
Average Price	€ 13.57	€ 9.04	€ 7.85	€ 6.57
Closing Price	€ 22.80	€ 10.42	€ 7.78	€ 6.97
Share performance	+119%	+34%	+12%	+15%
Dividend per share	€ 0.08	€ 0.07	€ 0.06	€ 0.05
Total Shareholder Return	+36%	+35%	+12%	+16%
Volume (m) (2)	446.8	162.7	209.6	421.9
Daily Average (m)	1.7	0.6	0.8	1.6
Market Cap (€m)	19,889	9,089	6,787	6,080

(1) From 01-Jan-2020 until 31-Dec-2020; (2) Bloomberg data including exchanges and OTC

Shareholder Structure



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Attachment 5-3

Financial Reports - ENGIE

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2023 MANAGEMENT REPORT AND ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

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1 ENGIE 2023 RESULTS

ENGIE FY 2023 results

Another year of strong growth in results underpinned by successful execution of our strategy
Proposed dividend of €1.43 per share for 2023
Robust medium-term outlook 2024 – 2026

Business highlights

- High pace of growth in Renewables with 3.9 GW of additional installed capacity in 2023 reaching a total of 41.4 GW
- Acceleration in battery storage with the acquisition of BRP in the United States and the commissioning of Hazelwood in Australia
- Visibility reinforced on the contribution of Networks in France
- Continued progress in Net Zero 2045 trajectory with a 54% reduction vs. 2017 in GHG emissions from energy production to 52Mt in 2023
  Signature of the final agreement on Belgian nuclear, thereby fundamentally de-risking the Group

Financial performance

- *Guidance* 2023 achieved with NRIgs of €5.4 billion
- EBIT excluding nuclear of €9.5 billion, an organic increase of 18%, driven mainly by GEMS and Renewables
- Cash Flow From Operations(1) sharply up by €5 billion supported by improvement in working capital
- Growth capexup 48% to €8.1 billion
- Solid balance sheet with economic net debt to EBITDA at 3.1x
- Net financial debt at €29.5 billion, up €5.4 billion, economic net debt at €46.5 billion, up €7.7 billion
- 2024 NRIgs(2) expected in the range of €4.2 to €4.8 billion
- Proposed dividend of €1.43 per share for 2023, corresponding to a pay-out ratio of 65%

1.1 Key financial figures at December 31, 2023

In billions of euros	Dec. 31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)
Revenues	82.6	93.9	-12.0%	-11.4%
EBITDA (excluding Nuclear)	13.7	12.2	+12.5%	+12.7%
EBITDA	15.0	13.7	+9.5%	+9.7%
EBIT (excluding Nuclear)	9.5	8.0	+18.2%	+18.3%
Net recurring income of continuing activities, Group share	5.4	5.2	+2.8%	+2.7%
Net income, Group share	2.2	0.2		
CAPEX (1)	10.6	7.9	+17.4%	
Cash Flow From Operations (CFFO)	13.1	8.0	+63.1%	
Net financial debt	29.5	-€5.4 billion versus Dec. 31, 2022		
Economic net debt	46.5	+€7.7 billion versus Dec. 31, 2022		
Net financial debt	3.1x	+0.3X versus Dec. 31, 2022		

(1) Net of DBSO sell down (Develop, Build, Share & Operate), US tax equity proceeds, including net debt acquired.

(1) Cash Flow From Operations: Free Cash Flow before maintenance Capex and nuclear phase-out expenses
(2) Net recurring income Group share.

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1.2 2024-2026 outlook and guidance

The objectives for the financial years ending December 31, 2024, 2025 and 2026 presented below are based on data, assumptions and estimates considered reasonable by the Group at the date of publication of this document.

These data and assumptions may change or be modified as a result of uncertainties relating to the financial, accounting, competitive, regulatory and tax environments, or other factors of which the Group is unaware at the date of registration of this document. Furthermore, the realization of forecasts depends on the success of the Group's strategy. Consequently, the Group neither undertakes nor gives any guarantee that the forecasts set out in this section will be achieved.

The objectives presented below and underlying assumptions have also been established in accordance with the provisions of Delegated Regulation (EU) No. 2019/980, a supplement to Regulation (EU) No. 2017/1129, and the ESMA recommendations on forecasts.

These objectives result from the budget and medium-term plan processes described in Note 13 to the consolidated financial statements; they have been established on a basis comparable to historical financial information and in accordance with the accounting policies applied to the Group's consolidated financial statements for the year ended December 31, 2023 described in the consolidated financial statements.

1.2.1. 2024-2026 outlook and guidance

ENGIE continues actively to roll out its Strategic Plan aimed at achieving carbon Net Zero by 2045.

Despite decrease in market prices in the last quarters and given the now embedded growth of GEMS contribution to our activities, ENGIE upgrades net recurring income Group share guidance for 2024 to a range of €4.2 to 4.8 billion compared to the previous range of €3.8 to 4.4 billion. EBIT excluding Nuclear is expected within an indicative range of €7.5 to 8.5 billion (compared to €7.2 to 8.2 billion previously announced).

2026: a pivotal year for ENGIE

By 2026, the Group anticipates growth in Renewables fuelled by investments, in Energy Solutions driven by additional capacity and improved margins as well as a higher contribution from Networks and GEMS with a normalized yearly EBIT upgraded from €1.0 billion to €1.5 billion, which allows to offset the impact of the decrease in commodity prices and spreads in Europe, occurred in the second half of last year, on activities exposed to market prices. Batteries activities are also expected to make an increasing contribution to the Group's results from 2024 onwards. Furthermore, as anticipated, ENGIE expects a decrease in Nuclear results following the shutdown of several power plants in Belgium by 2025 and the LTO of Doel 4 and Tihange 3 reactors.

Therefore, ENGIE outlook for 2024 – 2026 is:

In billions of euros	2024	2025	2026
EBIT excluding Nuclear (new)	**7.5 - 8.5**	**7.9 - 8.9**	**8.2 - 9.2**
EBIT excluding Nuclear (previous)	7.2 - 8.2	7.5 - 8.5	n/a
NRIgs guidance (new)	**4.2 - 4.8**	**3.9 - 4.5**	**3.7 - 4.3**
NRIgs guidance (previous)	3.8 - 4.4	4.1 - 4.7	n/a

Price assumptions for the 2024-2026 guidance are based on forward prices in Europe as of 29 December 2023.

ENGIE is committed to a strong investment grade credit rating and continues to target a ratio below or equal to 4.0x economic net debt to EBITDA over the long-term.

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Main drivers for 2024-2026 EBIT evolution by activity:

2021	2023	Activity	Expectations for main EBIT evolution drivers	vs. 2021 (1)	vs. 2023 (1)	2026
EBIT excluding Nuclear €5,2 billion	EBIT excluding Nuclear €9,5 billion	**Renewables**	Investments contribution, lower prices	++	+	EBIT excluding Nuclear indication €8.2 billion to €9.2 billion
		Networks	Regulated tariffs reflecting inflation, cost and revenue clawback from previous period in France, new investments	++	++	
		Energy Solutions	Investments contribution, continued improvement of performance, negative one-offs in 2023	=+	+	
		FlexGen	Prices & volatility normalization, lower thermal volumes partially offset by acceleration in batteries	=-	-	
		Retail	Portfolio management and optimization, high comparison basis in 2023	=+	=-	
		GEMS	Normalization of prices and volatility	++	- - - -	
		Nuclear	Plant shutdowns and LTO impact from 2026	-	-	

Convention: each "+" sign amounts to c. €+500m, each "-" sign amounts to c. €-500m, "=+" sign amounts to a variation between 0 and +250, "=-" sign amounts to a variation between -250 to 0.

ENGIE forecasts an EBIT excluding nuclear between €8.2 and 9.2 billion in 2026 compared to €9.5 billion in 2023 (and €5.2 billion in 2021). Expected contribution from investments (+€1.6-2.0 billion) and performance (+€0.5-0.7 billion) should be offset by negative price effects of circa -€2.9-3.5 billion and other effects such as exchange rates, scope effects or climate.

The average annual growth rate of EBIT excluding nuclear between 2021 and 2026 is expected to reach 10% to 12%.

Capex

ENGIE confirms its €22-25 billion growth Capex target over 2023 to 2025 and expects to invest a similar yearly amount on average in 2026. Capital allocation is based on strict discipline respecting financial and ESG criteria.

Performance

ENGIE continues its efforts towards efficiency by significantly controlling its general and administrative expenses, improving the efficiency of support functions, and restructuring underperforming activities. The Group aims for a positive impact of these measures on EBIT amounting to circa €200 million p.a. over the period 2024-26.

Disposals

After successfully completing its previous disposal plan with €11 billion over the period 2021-22, the Group significantly reduced the amount of disposals in 2023 (€0.3 billion). ENGIE expects a limited portfolio turnover until 2026, with disposals estimated at less than €1 billion per year in average.

1.2.2. Assumptions

The assumptions used are as follows:

- Guidance and indications based on continuing operations;
- No change in accounting policies;
- No major regulatory or macro-economic changes;

- Inframarginal rent caps based on current legal texts;
- Updated regulatory framework for 2024-2027 on French networks;
- Full pass through of supply costs in French B2C retail tariffs;
- Average temperature in France;
- Average hydro, wind, and solar productions;
- Average forex:
  - €/USD: 1.11 for 2024, 1.13 for 2025 and 1.15 for 2026,
  - €/BRL: 5.34 over 2024-26;
- Belgian nuclear availability: c. 92% in 2024 and c. 94% in 2025, based on reactors availabilities as published on REMIT as of 01/01/2024, excluding LTO;
- Contingencies on Belgian operations of €0.2 billion in 2024 and €0.1 billion in 2025;
- Market commodity prices as at 29 December 2023;
- Recurring net financial costs of €(2.5)-(2.8) billion over 2024-26;
- Recurring effective tax rate: 25-27% over 2024-26.

1.3 Dividend policy reaffirmed and €1.43 per share proposal for 2023

The Board has reaffirmed the Group's dividend policy with a payout ratio of 65-75% of net recurring income Group share, and a floor of €0.65 per share for the 2024 to 2026 period.

For 2023, the Board has proposed a payout ratio of 65%. This translates to a dividend of €1.43 per share, which will be proposed for shareholder approval at the Annual General Meeting on 30 April 2024.

1.4 Successful roll-out of the strategic plan

Renewables

ENGIE added 3.9 GW of renewable capacity in 2023, comprising 1.9 GW in Northern America, 0.8 GW in Europe, 0.7 GW in Latin America and 0.4 GW in the rest of the world. Total installed capacity of Renewables at ENGIE is now 41.4 GW. As of 31 December 2023, the Group reported 6.3 GW of capacity under construction from 60 projects. The Group signed more than 70 PPA contracts in 2023 for a total of 2.7 GW, of which 2.0 GW with a duration longer than five years, being the world leader in corporate PPAs.

In 2023, ENGIE strengthened its renewable energy platform in South Africa with the acquisition of BTE Renewables (340 MW in operation with a 3 GW pipeline) and the consolidation of Kathu, a 100 MW concentrated solar power plant.

The Group confirms its total installed capacity target of 50 GW by 2025 and 80 GW by 2030. This ambition is supported by a pipeline of 92 GW at the end of December 2023, up 12 GW compared to end-December 2022.

Networks - Renewable gas

The French Energy Regulatory Commission (CRE) has set the remuneration for gas transport, storage and distribution infrastructure for the period 2024-27. The CRE considers, for this regulatory period, a weighted average cost of capital of 4.10% for transport (compared to 4.25% previously), 4.60% for storage (compared to 4.75%) and 4.00% for distribution (compared to 4.10%). This decision reflects the regulator's desire to maintain the long-term sustainability of tariffs. These tariffs also allow for the recovery of a significant amount related to the regulatory period ending in 2024.

In Brazil, ENGIE Brasil Energia sold 15% of its stake in TAG to CDPQ. The main objective of this partial sale is to promote asset rotation and focus attention on the company's investment plan in renewables and transmission lines. Also in Brazil, ENGIE strengthened its electricity transmission activity by winning, at the beginning of 2023, a new 30-year concession for the construction and operation of 1,000 km of high-voltage lines in the states of Bahia, Minas Gerais and Espirito Santo.

Biomethane development in France continued its progress with an annual production capacity of up to 10.8 TWh connected to ENGIE networks, an increase of 2.6 TWh compared to end-2022. ENGIE enlarged its biomethane presence in Europe

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with the acquisition of Ixora Energy Ltd, a leading biomethane producer based in the United Kingdom. The Group confirms its target of 10 TWh of biomethane production per year by 2030.

ENGIE has the ambition to develop green hydrogen production capacity of 4 GW by 2035.

FlexGen - Battery Energy Storage Systems (BESS)

In 2023, ENGIE accelerated its development in batteries with the commissioning of Hazelwood in Australia, its largest battery energy storage system in operation, and the acquisition of Broad Reach Power (BRP) in the United States.

ENGIE also obtained the construction permit for a 200 MW / 800 MWh battery energy storage system at the Vilvoorde site in Belgium, to be commissioned in 2025, with a 15-year capacity contract with Elia, the Belgian transmission network operator, from 2027.

At the end of December 2023, ENGIE had 1.3 GW of BESS in operation and 3.6 GW secured under development, mainly in the United States, Chile, Australia, Belgium and UK, in line with the objective to reach 10 GW of batteries installed by 2030.

Energy Solutions

Energy Solutions has achieved major wins in District Heating and Cooling (DHC). Backlog in French concessions stood at €21.3 billion in 2023, compared to €19.8 billion last year.

In line with ENGIE's objective of accelerating the transition to a carbon-neutral economy through environmentally friendly solutions, the Group was awarded several decarbonization contracts during the year as part of the on-site production activity.

The Group’s ambition is to produce 20 TWh of Green Distributed Heat, Cooling and Power by 2030 for its DHC and on-site production activities.

Disciplined capital allocation

In 2023, gross Capex amounted to €10.6 billion. Growth Capex came to €8.1 billion, of which 83% in Renewables, Energy Solutions and FlexGen, in line with ENGIE’s strategic roadmap.

Performance plan

Performance plan results contributed €178 million in 2023, with operational excellence across GBUs and improvement of loss-making entities partly offset by an increase in support function costs driven by a highly inflationary context. The Group reached €687 million in the cumulated performance plan between 2021 and 2023, above the €600 million target.

1.5 Belgian nuclear agreement

On December 13, 2023, ENGIE and the Belgian government signed the final agreements[(1)] for related to the 10-year extension of the Tihange 3 and Doel 4 nuclear reactors as well as all obligations related to nuclear waste. These transaction documents endorse the key principles of the framework agreement signed on July 21, 2023. It allows a balanced sharing of risks associated with the extended operation of the two nuclear units and eliminates uncertainties for the ENGIE Group related to the evolution of nuclear waste liabilities.

(1) Subject to the approval by the European Commission under state aid and the adoption of legislative amendments relating to the Belgian nuclear legal and regulatory framework.

1.6 Update on European proposals for windfall taxes

In December 2023, the French government extended the inframarginal rent cap until 31 December 2024.

The Finance Bill for 2024 provides for a rent cap applicable over a period of twelve months, from 1 January 2024 until 31 December 2024. The cap ranges from €42/MWh to €183/MWh depending on the power production technology. The excess revenue is subject to a tax rate of 50%. ENGIE is mainly impacted through the drawing rights on two EDF nuclear power plants (Chooz B and Tricastin, 1.2 GW, 9 TWh of annual output at an availability rate of 85%) subject to a €94/MWh cap and the gas power plants (1.4 GW capacity) subject to a €42/MWh cap on the clean spark spread.

1.7 Progress on key ESG targets

In 2023, greenhouse gas (GHG) emissions from energy production amounted to 52 million tons, down 54% from 2017. This represents 78% of the reduction target to 43 million tons to 2030 compared to 2017. In addition to the structural levers of decarbonisation, this better-than-expected performance is also the result of a lower utilisation rate of the combined cycle gas plants in Europe under the combined effect of mild temperatures and the normalisation of market conditions.

The share of renewables in ENGIE's total power generation capacity increased from 38% at the end of 2022 to 41% at the end of 2023, mainly thanks to the addition of 3.9 GW of renewable capacity during the year.

Concerning gender diversity target, ENGIE had 31% women in management positions at the end of 2023, another increase compared to the previous year. The Group continues to implement action plans to achieve the objective of managerial parity of 40% to 60% between women and men.

Finally, Moody's has assessed the Group's transition plan and given an overall rating of NZ-2, with an ambition aligned with a 1.5°C trajectory and a "solid" level on the implementation of objectives.

1.8 Health & Safety

In 2023, ENGIE completed a crucial turning point through the implementation of a global transformation plan, ENGIE One Safety, aimed at the long-term elimination of serious and fatal accidents. This plan strengthens our governance and oversight, as well as reinforces an ambitious engagement and communications program. Despite the roll-out of the transformation plan, six individuals lost their lives while working for or on behalf of the Group. Achieving the zero-fatality goal will be at the heart of priority in 2024. In addition, the Group continued to improve the prevention of lost-time accidents, as the frequency rate of these accidents fell from 2.0 at the end of 2022 to 1.8 at the end of 2023.

1.9 Full year 2023 financial review

1.9.3. Revenue

Revenue at €82.6 billion was down 12.0% on a gross basis and down 11.4% on an organic basis.

Contributive revenue, after elimination of intercompany operations, by activity:

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)
Renewables	5,512	6,216	-11.3%	-13.0%
Networks	6,873	6,961	-1.3%	+0.1%
Energy Solutions	11,033	11,441	-3.6%	-2.8%
FlexGen	5,264	7,126	-26.1%	-24.5%
Retail	16,443	16,810	-2.2%	-1.6%
Others	37,322	45,277	-17.6%	-17.0%
of which GEMS	*37,221*	*45,137*	*-17.5%*	*-16.9%*

TOTAL REVENUES (excluding Nuclear)	**82,447**	**93,830**	**+12.1%**	**-11.5%**
Nuclear	118	35	+237.6%	+237.6%
TOTAL REVENUES	**82,565**	**93,865**	**-12.0%**	**-11.4%**

Revenue for **Renewables** amounted to €5,512 million, -11.3% on a gross basis and -13.0% on an organic basis. Organically, revenue decreased mainly in Europe notably in France due to lower spot power prices compared to last year.

Revenue for **Networks** amounted to €6,873 million, -1.3% on a gross basis and +0.1% on an organic basis. Gross decrease included positive foreign exchange effects mainly in Latin America and scope out effects in Argentina. Organically, revenue increased driven by auctions of capacities for gas transport, favourable market for storage activities in Germany and in the UK and full commissioning of Novo Estado power transmission lines in Brazil partly offset by lower distributed volumes in French distribution.

Revenue for **Energy Solutions** amounted to €11,033 million, -3.6% on a gross basis and -2.8% on an organic basis. The gross decrease included scope out effect in France. Organically, decrease of commodity prices impacted negatively revenues mainly in France.

Revenue for **FlexGen** amounted to €5,264 million, -26.1% on a gross basis and -24.5% on an organic basis. Impact from foreign exchange amounts to €-98 million, mainly in Pakistan and Chile. The organic change is largely explained by Europe, mainly due to lower ancillaries and lower spreads in a normalizing market. In Latin America, revenue increased due to indexation of PPA contracts in Chile and higher generation and prices in Peru.

Revenue for **Retail** amounted to €16,443 million, -2.2% on a gross basis and -1.6% on an organic basis. Impact from foreign exchange amounts to €-93 million, mainly in Australia. Organically, the decrease was mainly driven by lower gas and power volumes due to sobriety and decrease of gas portfolio, partially offset by growth of power contracts and a higher average price of the portfolio.

Revenue for **Others** amounted to €37,332 million. The decrease compared to last year was mainly driven by GEMS, essentially impacted by a negative net impact of commodity prices and lower delivered volumes.

Nuclear reported almost no external revenue post-elimination of intercompany operations.

1.9.4. EBITDA

EBITDA (ex. Nuclear) at €13.7 billion, was up 12.5% on a gross basis and up 12.7% on an organic basis.

1.9.5. EBIT

EBIT (ex. Nuclear) at €9.5 billion was up 18.2% on a gross basis and up 18.3% on an organic basis.

- Foreign exchange: a net effect of €-26 million mainly driven by the depreciation of the US dollar and the UK pound sterling partly offset by the appreciation of the Brazilian real and the Australian dollar.
- Scope: net effect of €+31 million
- French temperatures: compared to the average, the temperature effect was a negative €182 million, generating a positive year-on-year variation of €7 million compared to FY 2022 across Networks, Retail and GEMS.

EBIT contribution by activity: growth mainly driven by GEMS, Renewables and Retail

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)	o/w temp. effect (France) vs. 2021
Renewables	2,005	1,627	+23.2%	+19.5%	
Networks	2,265	2,371	-4.5%	-4.5%	10
Energy Solutions	386	523	-26.2%	-26.2%	
FlexGen	1,513	1,768	-14.4%	-11.8%	
Retail	569	(6)	-	-	8
Others	2,741	1,736	+57.9%	+57.7%	2
of which GEMS	*3,551*	*2,618*	*+35.7%*	*+35.6%*	*2*
TOTAL EBIT (excluding Nuclear)	**9,479**	**8,019**	**+18.2%**	**+18.3%**	**20**
Nuclear	605	1,026	-41.0%	-41.0%	
TOTAL EBIT	**10,084**	**9,045**	**+11.5%**	**+11.5%**	**20**

Activity/geography matrix

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Dec. 31, 2023
Renewables	574	282	925	216	34	(27)	**2,005**
Networks	1,415	64	800	(5)	-	(9)	**2,265**
Energy Solutions	343	190	(1)	(142)	24	(27)	**386**
FlexGen	-	891	202	35	419	(34)	**1,513**
Retail	380	145	-	-	64	(20)	**569**
Others	32	1	1	(9)	-	2,716	**2,741**
Of which GEMS	*32*	-	-	-	-	*3,519*	***3,551***
TOTAL EBIT (excluding Nuclear)	**2,744**	**1,573**	**1,927**	**96**	**541**	**2,599**	**9,479**
Nuclear	-	605	-	-	-	-	**605**
TOTAL EBIT	**2,744**	**2,178**	**1,927**	**96**	**541**	**2,599**	**10,084**

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Dec. 31, 2022
Renewables	368	318	796	172	9	(36)	**1,627**
Networks	1,700	24	658	(3)	-	(8)	**2,371**
Energy Solutions	311	148	(5)	23	58	(11)	**523**
FlexGen	-	1,278	50	44	417	(22)	**1,768**
Retail	(164)	115	6	-	49	(12)	**(6)**
Others	(1)	(16)	-	(11)	-	1,763	**1,736**
Of which GEMS	-	-	-	-	-	*2,618*	***2,618***
TOTAL EBIT (excluding Nuclear)	**2,215**	**1,867**	**1,506**	**226**	**532**	**1,674**	**8,019**
Nuclear	-	1,026	-	-	-	-	**1,026**
TOTAL EBIT	**2,215**	**2,893**	**1,506**	**226**	**532**	**1,674**	**9,045**

1.9.5.1. Renewables: strong growth mainly driven by contribution of new capacity commissioned as well as higher volumes and prices in Europe

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)
EBIT	2,005	1,627	+23.2%	+19.5%
Total CAPEX	4,130	3,333	+23.9%	
CNR achieved prices (€/MWh) (1)	100	60	66.7%	
DBSO Margins (EBIT level)	19	102	-81.3%	
Operational KPIs				
Capacity additions (GW at 100%)	3.9	3.8		
Hydro volumes France (TWh at 100%)	14.6	12.8	1.8	

(1) Before hydro tax on CNR.

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Renewables reported 19.5% organic EBIT growth, driven by the contribution of new capacity commissioned (€+167 million) mainly in the US, Europe and Latin America and by a positive volume effect (€+112 million) due to higher hydro volumes in France and Portugal. EBIT also benefitted from a positive price effect (€+75 million) with higher captured prices mainly for French hydro including the reversal of 2022 buybacks, partly offset by the increase in hydro taxes in France. These positive effects largely offset lower DBSO margins in 2023 (€-83 million).

1.9.5.2. Networks: lower distributed volumes and higher energy costs in France, growth in international activities

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)
EBITDA	4,151	4,212	-1.5%	-1.3%
EBIT	2,265	2,371	-4.5%	-4.5%
Total CAPEX	2,173	2,321	+6.4%	
Operational KPIs				
Normative temp. effect (EBIT - France)	(129)	(139)[1]	10	
Smart meters (m)	11.3	10.9	0.4	

(1) Considering ~8€/MWh vs ~7€/MWh used in FY2022 publication.

Networks EBIT was down 4.5% on an organic basis due to lower distributed volumes in France mainly related to energy sobriety as well as higher energy and staff costs driven by inflation. Part of this impact will be mitigated during the forthcoming regulatory period. These effects were partly offset by tariff increase in France, Germany and Romania, an additional contribution from capacity subscribed for gas transit between France and Germany as well as a favourable environment in storage activities mainly in the UK and Germany. Outside Europe, EBIT was up 22% due to full commissioning of Novo Estado power transmission lines in Brazil and good performance mainly from TAG.

1.9.5.3. Energy Solutions: impacted by one-offs, partly offset by better performance in other activities

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)
Revenues	11,033	11,441	-3.6%	-2.8%
EBIT	386	523	-26.2%	-26.2%
Total CAPEX	1,102	864	+27.5%	
Operational KPIs				
Distrib. Infra installed cap. (GW)	25.3	25	+0.4%	
EBIT margin (excluding one-off)	5.2%	4.6%	+63 pb	
EBIT margin	3.5%	4.6%	-107 pb	
Backlog - French concessions (bn€)	21.3	19.8	1.5	

Energy Solutions EBIT was down 26.2% on an organic basis. EBIT decreased mainly due to two one-offs, cost overruns in the construction of two cogeneration plants in the US (€150 million) and the recognition of a deferred tax liability on Tabreed (€38 million) following the introduction of a corporate income tax in the UAE. Excluding these one-offs, Energy Solutions EBIT was up 10% organically. For local energy networks and on-site energy production, this was driven by improved operational performance, higher contributions from cogeneration units in France and contribution from new commissioning. These elements were partly offset by negative impacts of strikes in France in the first half of 2023 and lower DBSO margins in US solar linked to a change in business model towards full consolidation. For energy performance management activities, EBIT benefitted from contract optimization and increased selectivity in business development.

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1.9.5.4. *FlexGen*: market normalization in Europe partly offset by positive comparison impacts and improvement in Chile

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)
EBITDA	1,929	2,235	-13.7%	-11.2%
EBIT	1,513	1,768	-14.4%	-11.8%
Operational KPIs				
Average captured CSS Europe (€/MWh)	37.0	28.0	+30.0%	
Capacity (GW at 100%)	59.0	59.5	(0.5)	

FlexGen EBIT was down 11.8% on an organic basis. This fall was mainly driven by price effects (€-377 million) on the back of lower utilization of the assets in Europe following market normalization, partly offset by improvement in Chile (reduction of short positions and lower sourcing prices). EBIT was also weighed by a lower contribution from ancillary services in Europe after very high levels of earnings in 2022. On the positive side, EBIT benefitted from two favourable comparison impacts, as the Group recognised an extraordinary tax in Italy in the first half of 2022 and was also impacted by the cost of unplanned outages on French gas assets last year.

1.9.5.5. Retail: strong performance due to higher margins and portfolio optimization

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)
EBITDA	821	259		
EBIT	569	(6)		
Normative temp. effect (EBIT - France)	(45)	(53)	8	

Retail EBIT amounted to €569 million in 2023 compared to €(6) million in 2022. Organically, the EBIT increase was mainly driven by price effects due to portfolio management optimization resulting in higher margins as well as timing effects in sourcing. These positive factors were partly offset by mild winter and customer sobriety leading to long positions sold at low prices in 2023 versus long positions sold at high prices in 2022.

1.9.5.6. Others: significant contribution from GEMS

GEMS EBIT amounted to €3,551 million, up €933 million year-on-year, driven by the H1 2023 effects:

- the negative impact related to Gazprom contracts considering the risk of physical gas disruption in
- H1 2022, which did not repeat in 2023,
- the strong performance of energy management activities in Europe, still benefiting from good market conditions, albeit less favorable than in 2022,
- the gradual normalization of market conditions, leading to continuous reversal of market reserves,
- the good performance of the B2B business, in a market environment that allows full valuation of the cost of risk,
- the continued effect of deals signed in 2022 at good conditions which materialize at delivery date.

In the second half, GEMS' contribution decreased significantly compared to last year, as expected, due to a very elevated basis of comparison, the reduction of volumes and margins since the summer, positive timing effects in the first half that reversed in the second half, as well as the contribution from high-margin transactions locked in during 2022 which materialize at delivery date that have been smoothed over time. Excluding timing effects and variations in technical reserves, GEMS' operational performance in the second semester remains at a significantly higher level than in the years preceding the crisis.

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1.9.5.7. Nuclear: negatively impacted by shutdowns and higher taxes, partly offset by higher captured prices and increased availability

En millions d'+euros	Dec.31, 2023	Dec. 31, 2022	% change (reported basis)	% change (organic basis)
EBITDA	1,285	1,510	-14.9%	-14.9%
EBIT	605	1,026	-41.0%	-41.0%
Total Capex	174	229	-24.0%	
Operational KPIs				
Output (BE + FR, @ share, TWh)	32.0	42.1	-24.0%	
Availability (Belgium at 100%)	+88.8%	+83.6%	+520 pb	

Nuclear EBIT decreased 41.0% organically, driven by the phase-out of the reactors Doel 3 in September 2022 and Tihange 2 in February 2023 (€-538 million), the nuclear inframarginal tax and Belgian nuclear taxes (€-333 million) as well as higher D&A following the increase of the dismantling assets resulting from the 2022 CPN triennial provision review. These negative effects were partly offset by a positive volume effect (€+425 million) mainly due to higher availability for Belgian assets at 88.8% and higher captured prices (€+363 million).

1.9.6. Comparable basis organic growth analysis

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported/organic basis)
Revenues	**82,565**	**93,865**	**-12.0%**
Scope effect	(220)	(399)	-
Exchange rate effect	-	(491)	-
Comparable data	**82,345**	**92,977**	**-11.4%**

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported/organic basis)
EBITDA	**15,017**	**13,713**	**+9.5%**
Scope effect	(96)	(65)	-
Exchange rate effect	-	(43)	-
Comparable data	**14,922**	**13,606**	**+9.7%**

In millions of euros	Dec.31, 2023	Dec. 31, 2022	% change (reported/organic basis)
EBIT	**10,084**	**9,045**	**+11.5%**
Scope effect	(76)	(45)	-
Exchange rate effect	-	(26)	-
Comparable data	**10,008**	**8,974**	**+11.5%**

The calculation of organic growth aims to present comparable data both in terms of the exchange rates used to convert the financial statements of foreign companies and in terms of contributing entities (consolidation method and contribution in terms of comparable number of months). Organic growth in percentage terms represents the ratio between the data for the current year (N) and the previous year (N-1) restated as follows:

- the N-1 data is corrected by removing the contributions of entities transferred during the N-1 period or prorata temporis for the number of months after the transfer in N;
- the N-1 data is converted at the exchange rate for the period N;
  the N data is corrected with the N acquisition data or prorata temporis for the number of months prior to the N-1 acquisition.

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2 OTHER INCOME STATEMENT ITEMS

The reconciliation between EBIT and Net income/(loss) is presented below:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022	% change (reported basis)
EBIT	**10,084**	**9,045**	**+11,5%**
(+) Mark-to-Market on commodity contracts other than trading instruments	2,430	(3,661)	
(+) Non-recurring share in net income of equity method entities	(22)	(17)	
Current operating income including operating MtM and share in net income of equity method entities	**12,493**	**5,367**	**+132.7%**
Impairment losses	(1,318)	(2,774)	
Restructuring costs	(47)	(230)	
Changes in scope of consolidation	(85)	91	
Other non-recurring items	(4,945)	(1,328)	
Income/(loss) from operating activities	**6,098**	**1,127**	**+441.3%**
Net financial income/(loss)	(2,163)	(3,003)	
Income tax benefit/(expense)	(1,031)	83	
NET INCOME/(LOSS)	**2,903**	**390**	**+644.9%**
Net recurring income/(loss) relating to continuing operations, Group share	**5,366**	**5,223**	
Net recurring income/(loss) Group share per share	**2.18**	**2.24**	
Net income/(loss) Group share	**2,208**	**216**	
Non-controlling interests	**695**	**173**	

The reconciliation between Net recurring income/(loss) Group share and Net income/(loss) Group share is presented below:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Net recurring income/(loss) relating to continuing operations, Group share	**5,366**	**5,223**
Impairment & Others	(5,456)	(1,494)
Restructuring costs	(47)	(230)
Changes in scope of consolidation	(85)	91
Mark-to-Market on commodity contracts other than trading instruments	2,430	(3,661)
Net recurring income/(loss) relating to discontinued operations, Group share	-	287
Net income/(loss) Group share	**2,208**	**216**

Income from operating activities amounted to €6,098 million, representing a strong increase compared to 2022, mainly due to the change in unrealized gains and losses on commodity financial instruments not qualified as hedges, lower impairment losses and EBIT growth, partly offset by the impact of the revision of nuclear provisions.

Income from operating activities was affected by:

- net impairment losses of €1,318 million (compared with €2,774 million in 2022), mainly relating to renewable energy production assets in North America and assets affected by the Group's exit from coal (*see Note 9.1*);
- restructuring costs of €47 million (compared with €230 million in 2022) (*see Note 9.2*);
- negative scope effects of €85 million (compared with a positive €91 million in 2022) (*see Note 9.3*);
- other non-recurring items amounting to a negative €4,945 million (compared with a negative €1,328 million in 2022), mainly comprising the effects of the revision of nuclear provisions to take into account the agreement signed with the Belgian government on June 29, 2023, which became binding following the signature of supplements to the initial agreement on July 21, 2023 and the implementation of which was set out in the transaction documents signed on December 13, 2023 (*see Note 9.4*).

The **net financial loss** amounted to €2,163 million in 2023, compared with €3,003 million in 2022 (*see Note 10*), mainly due to the rise in the cost of debt.

Adjusted for non-recurring items, the net financial loss amounted to €1,975 million in 2023, compared with €1,819 million in 2022. This €156 million deterioration is due to the €96 million increase in other financial expenses (notably the increase in the unwinding adjustment) and the €60 million rise in the cost of net debt.

PUBLIC

Income tax for 2023 amounted to a benefit of €1,031 million (compared with a benefit of €83 million in 2022).

Adjusted for these non-recurring items, the recurring effective tax rate was 27.1% at December 31, 2023 compared with 22.6% at December 31, 2022, mainly due to:

- the change in the tax situation in certain countries that only partially recognize, in 2023 and/or 2022, their deferred tax assets (notably Belgium, Italy, Luxembourg, Germany and the Netherlands) – approximately +8.3 points;
- the unfavorable impact in 2022 of the non-deductibility of the one-off tax contribution, recognized as an operating expense, and the temporary solidarity contribution voted in Italy – approximately -3.3 points.

Net recurring income, Group share relating to continuing operations amounted to €5,366 million compared with €5,223 million in 2022. This increase was mainly driven by the growth in EBIT, partly offset by the increase in the tax expense.

Net income, Group share amounted to €2,208 million, up sharply compared to 2022, mainly due to the change in unrealized gains and losses on commodity financial instruments not qualified as hedges, partially offset by the impact of the revision of nuclear provisions.

Net income attributable to non-controlling interests amounted to €695 million, an improvement on the 2022 figure (up €521 million), notably in Renewables in the United States.

PUBLIC

3 CHANGES IN NET FINANCIAL DEBT

Net financial debt stood at €29.5 billion, up €5.4 billion compared to December 31, 2022.

This increase was mainly driven by:

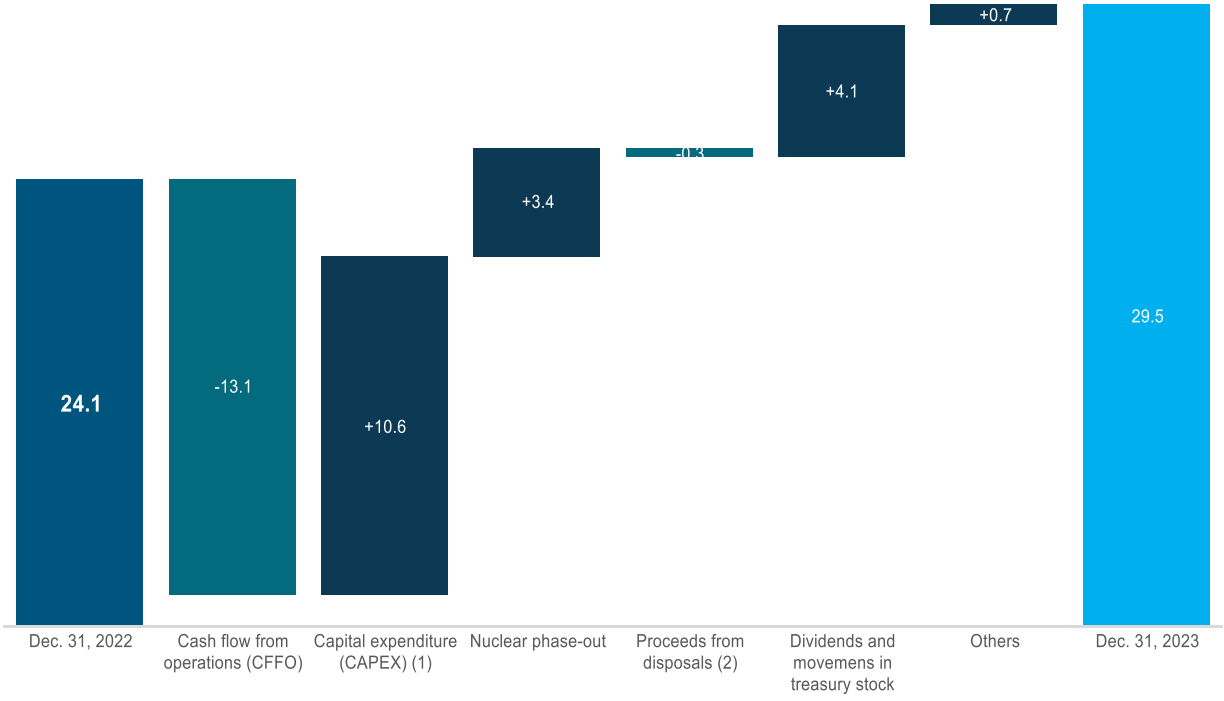
- capital expenditure over the period of €10.6 billion;
- dividends paid to ENGIE SA shareholders and to non-controlling interests of €4.1 billion;
- Belgian nuclear phase-out funding and expenses(1) of €3.4 billion;
- other elements of €0.7 billion.

These elements were partly offset by:

- Cash Flow From Operations of €13.1 billion;
- disposals of €0.3 billion.

Changes in net financial debt break down as follows:

In billions of euros



(1) Capital expenditure net of DBSO and tax equity proceeds.
(2) Including scope effects relating to disposals and acquisitions.

(1) Synatom funding previously reported in gross Capex and waste/dismantling expenses previously reported in CFFO.

PUBLIC

Economic net debt stood at €46.5 billion, up €7.7 billion compared to December 31, 2022, mostly due to the increase in Asset Retirement Obligation provisions (+€5.6 billion, mainly the increase of nuclear provisions following the agreement reached with the Belgian State) and higher financial net debt (+€5.4 billion), partly offset by the change in nuclear provision assets related to additional funding (-€3.4 billion).

Changes in economic net debt break down as follows:

In billions of euros

(1) Increase in nuclear provisions following the agreement signed with the Belgian government

The **net financial debt to EBITDA ratio** stood at 2.0x, up 0.2x compared to December 31,2022.
The average cost of gross debt was 4.31%.

In millions of euros	Dec 31, 2023	Dec 31, 2022
Net financial debt	29,493	24,054
EBITDA	15,017	13,713
NET DEBT/EBITDA RATIO	**1.96**	**1.75**

The **economic net debt to EBITDA** ratio stood at 3.1x, up 0.3x compared to December 31, 2022, and in line with the target ratio of below or equal to 4.0x.

In millions of euros	Dec 31, 2023	Dec 31, 2022
Economic net debt	46,517	38,808
EBITDA	15,017	13,713
ECONOMIC NET DEBT/EBITDA RATIO	**3.10**	**2.83**

3.1 Cash flow from operations (CFFO)

Cash Flow From Operations (CFFO) amounted to €13.1 billion, up €5.1 billion compared to 2022. This increase was mainly supported by an improvement in change in Working Capital Requirements (€+2.8 billion).

PUBLIC

Working Capital Requirements were positive at €0.4 billion, with a positive year-on-year variation of €2.8 billion mainly driven by price effects due to gas withdrawal at higher prices (€+3.9 billion), unbilled energy volumes (€+3.5 billion), margin calls (€+1.3 billion) and the positive timing effect on tariff shields (€+0.9 billion). These positive effects were partly offset by the impact of reversal of market reserves at GEMS (€-2.2 billion) which is neutral on CFFO, net receivables (€-1.9 billion) and nuclear impacts (€-2.1 billion) of which mainly taxes.

3.2 Liquidity

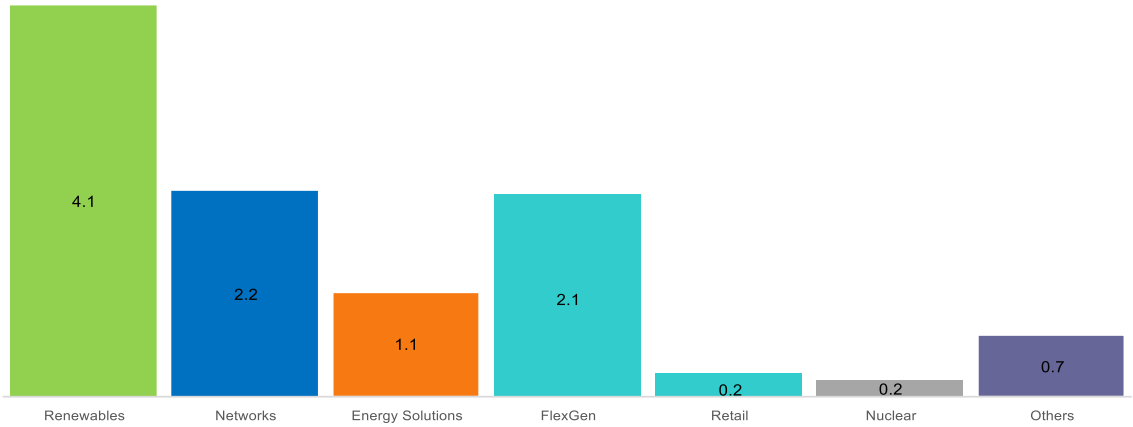
Liquidity stood at €23.6 billion at December 3, 2023, including €17.0 billion of cash[(1)].

3.3 Capital expenditure (CAPEX)

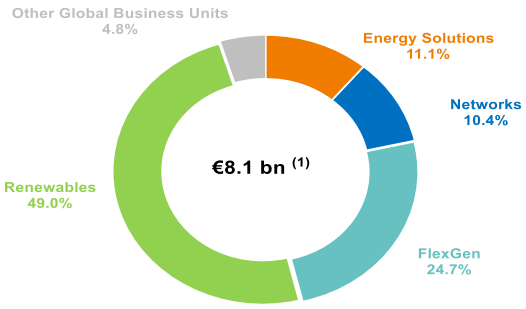
Total Capex amounted to €10.6 billion, including growth CAPEX of €8.1 billion.

Capital expenditure (CAPEX) by activity

In billions of euros



Growth capital expenditure amounted to €8.1 billion, breaking down as follows by activity:



Main projects (€bn)	
Renewables	1.3
Kathu Consolidation	0.6
USA: Tacoma	0.8
Brazil: Wind & Solar (Santo Agostinho, Assurua & Assu Sol)	0.5
Trivoli	0.4
Chile & Peru: BESS Coya & Lomas de Taltal & Punta Lomitas wind projects	0.4
USA: Bernard Creek (Solar)	0.3
France Wind & Solar (mainly Engie Green)	0.3
Poland (Stella 2, Cyranka & Pasadena)	0.2
FlexGen	1.8
Broad Reach Power Acquisition	1.5
Flemalle	0.2
Networks	0.8
French regulated infrastructures	0.5
Brazil Transmission Lines	0.2
Energy Solutions	0.9
France large infrstructures (mainly DHC)	0.4
NorthAm On-site PV & storage	0.1

(1) *Net of disposals under DBSO operations, excluding Corporat, and tax equity proceeds.*

(1) Cash and cash equivalents plus liquid debt instruments held for cash investment purposes minus bank overdrafts.

PUBLIC

The **geography/activity matrix** for growth capital expenditure is presented below:

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Dec. 31, 2023
Renewables	323	481	1,103	994	1,059	7	**3,966**
Networks	501	163	174	-	-	-	**839**
Energy Solutions	477	155	4	136	79	47	**897**
FlexGen	-	341	14	1,492	(8)	5	**1,843**
Retail	53	45	-	-	8	54	**160**
Nuclear	-	-	19	-	-	-	**19**
Others	-	8	-	1	6	352	**368**
Of which GEMS	-	-	-	-	-	*82*	***82***
TOTAL GROWTH CAPEX	**1,354**	**1,193**	**1,314**	**2,622**	**1,144**	**464**	**8,090**

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Dec. 31, 2022
Renewables	361	1,094	876	648	214	10	**3,202**
Networks	669	174	245	-	-	-	**1,087**
Energy Solutions	354	122	19	66	75	58	**694**
FlexGen	-	181	9	34	(9)	6	**220**
Retail	62	42	-	-	7	62	**173**
Nuclear	-	-	-	-	-	-	**-**
Others	-	4	-	-	-	103	**108**
Of which GEMS	-	-	-	-	-	*63*	***63***
TOTAL GROWTH CAPEX	**1,445**	**1,617**	**1,148**	**748**	**287**	**240**	**5,484**

3.4 Dividends and movements in treasury stock

Dividends paid and movements in treasury stock during the period amounted to €4.1 billion and mainly include ENGIE's dividend payment in April for the 2022 fiscal year for €3.4 billion, and dividends paid by various subsidiaries to their non-controlling interests in an amount of €0.5 billion.

3.5 Net financial debt at December 31, 2023

Excluding amortized cost but including the impact of foreign currency derivatives, at December 31, 2023 a total of 65% of net financial debt was denominated in euros, 19% in US dollars and 10% in Brazilian real.

Including the impact of financial instruments, 89% of net debt was at fixed rates.

The average maturity of the Group's net financial debt is 13.2 years.

At December 31, 2023, the Group had total undrawn confirmed credit lines of €12.2 billion.

3.6 Rating

On 23 November 2023, S&P reaffirmed ENGIE SA long-term issuer rating at BBB+ and short-term rating at A-2 with stable outlook.

On 13 July 2023, Moody's confirmed ENGIE SA long-term issuer rating at Baa1 and short-term rating at P-2 with stable outlook.

On 18 July 2023, Fitch reaffirmed ENGIE SA long-term issuer rating at A- and short-term rating at F1 with stable outlook.

4 OTHER ITEMS IN THE STATEMENT OF FINANCIAL POSITION

In millions of euros	Dec. 31, 2023	Dec. 31, 2022	Net change
Non-current assets	**119,023**	**131,521**	**(12,498)**
Of which goodwill	*12,864*	*12,854*	*10*
Of which property, plant and equipment and intangible assets, net	*66,399*	*62,853*	*3,547*
Of which derivative instruments	*12,764*	*33,134*	*(20,370)*
Of which investments in equity method entities	*9,213*	*9,279*	*(66)*
Current assets	**75,617**	**103,969**	**(28,352)**
Of which trade and other payables	*20,092*	*31,310*	*(11,218)*
Of which derivative instruments	*8,481*	*15,252*	*(6,772)*
Of which assets classified as held for sale	*-*	*428*	*(428)*
Total equity	**35,724**	**39,285**	**(3,560)**
Provisions	32,593	27,027	5,566
Borrowings	47,287	40,591	6,696
Derivative instruments	24,561	51,276	(26,715)
Other liabilities	54,475	77,311	(22,835)
Of which liabilities directly associated with assets classified as held for sale	*-*	*371*	*(371)*

The **carrying amount of property, plant and equipment** and intangible assets was €66.4 billion, up €3.5 billion compared with December 31, 2022. This change is mainly due to capital expenditure over the period (positive €8.8 billion), changes in the scope of consolidation (positive €1.9 million), partially offset by depreciation (negative €4.9 billion) and impairment losses recognized over the period (negative €1.2 billion) (*see Note 13*).

Goodwill amounted to €12.9 billion, stable compared with December 31, 2022 (*see Note 13*).

Investments in equity method entities increased by €0.1 billion (*see Note 4.2*).

Total equity amounted to €35.7 billion, a decrease of €3.6 billion compared with December 31, 2022, This decrease stemmed mainly from dividends distributed (negative €3.9 billion), and other comprehensive income (negative €2.6 billion, including a negative €3.1 billion of cash flow hedges on commodities, a negative €0.6 billion of actuarial gains and losses and a positive €0.9 billion of deferred taxes) partially offset by net income for the period (positive €2.9 billion).

Provisions increased by €5.6 billion to €32.6 billion compared with December 31, 2022. This increase is mainly due to the effects of the revision of nuclear provisions to take into account the interim agreement signed with the Belgian government on June 29, 2023, which became binding following the signature of the supplements to the initial agreements on July 21, 2023 and the implementation of which was set out in the transaction documents signed on December 13, 2023 as well as the final opinion of the Commission for Nuclear Provisions (CNP) on July 7, 2023 (*see Note 17*).

The decrease in **derivative instruments** is mainly due to the extreme volatility in commodity prices over the period.

PUBLIC

5 PARENT COMPANY FINANCIAL STATEMENTS

The figures provided below relate to the financial statements of ENGIE SA, prepared in accordance with French GAAP and applicable regulations.

Revenues for ENGIE SA in 2023 totaled €54,149 million, a decrease compared to 2022 (€68,500 million) on the gas market.

The company reported a net operating loss of €987 million in 2023, a sharp deterioration of €2,038 million compared with income of €1,051 million in 2022. The energy margin deteriorated by €1,042 million.

Net financial income amounted to €662 million, down €1,125 million compared to 2022, mainly due to lower dividends received.

Non-recurring items represented income of €578 million in 2023, mainly comprising changes in the value of equity interests (including Electrabel).

The income tax benefit amounted to €247 million, versus an income tax benefit of €321 million in 2022, including a tax consolidation benefit of €233 million.

Net income for the year came in at €500 million.

Shareholders' equity amounted to €28,376 million compared with €31,118 million at the end of 2022. The €2,742 million decrease was mainly due to the 2022 net income of €500 million, and to the 2022 dividend payment of €3,449 million.

At December 31, 2023, borrowings and debt stood at €47,084 million, and cash and cash equivalents totaled €14,004 million (of which €7,828 million relating to subsidiaries' current accounts).

Information relating to payment terms

Pursuant to Articles L.441-14 and D.441-6 of the French Commercial Code, companies whose annual financial statements are subject to a statutory audit must publish information regarding supplier and customer payment terms. The purpose is to demonstrate that there is no significant failure to comply with such terms.

Information relating to supplier and customer payment terms mentioned in Articles L.441-10 to L.441-16 of the French Commercial Code

	Articles L441-10 to L441-16 : Invoices received, unpaid and overdue at the reporting date						Articles L441-10 to L441-16 : Invoices issued, unpaid and overdue at the reporting date					
In millions of euros	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) By aging category												
Number of invoices	-					69,321	-					5,900,621
Aggregate invoice amount (incl.	-	15.7	11.1	0.8	716.7	744.3	-	29.9	26.8	51.5	1,130.4	1,238.6
Percentage of total amount of	-	0.02%	0.02%	0.00%	1.14%	1.18%						
Percentage of total revenues							-	0.05%	0.04%	0.08%	1.77%	1.94%
(B) Invoices excluded from (A) relating to disputed or unrecognized receivables and payables												
Number of excluded invoices			501						682			
Aggregate amount of excluded			(66.9)						1.8			
(C) Standard payment terms used (contractual or legal terms - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	Legal payment terms: 30 days						Contractual payment terms: 14 days Legal payment terms: 30 days					

PUBLIC

02 CONSOLIDATED FINANCIAL STATEMENTS

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PUBLIC

INCOME STATEMENT

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
REVENUES	**6.2 & 7**	**82,565**	**93,865**
Purchases and operating derivatives	8.1	(56,992)	(74,535)
Personnel costs	8.2	(8,149)	(8,078)
Depreciation, amortization and provisions	8.3	(4,911)	(5,187)
Taxes	8.4	(2,627)	(3,380)
Other operating income		1,541	1,624
Current operating income including operating MtM		**11,427**	**4,309**
Share in net income of equity method entities	6.2	1,066	1,059
Current operating income including operating MtM and share in net income of equity method entities		**12,493**	**5,367**
Impairment losses	9.1	(1,318)	(2,774)
Restructuring costs	9.2	(47)	(230)
Changes in scope of consolidation	9.3	(85)	91
Other non-recurring items	9.4	(4,945)	(1,328)
NET INCOME/(LOSS) FROM OPERATING ACTIVITIES		**6,098**	**1,127**
Financial expenses		(3,340)	(3,700)
Financial income		1,177	697
NET FINANCIAL INCOME/(LOSS)	**10**	**(2,163)**	**(3,003)**
Income tax benefit/(expense)	11	(1,031)	83
NET INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS		**2,903**	**(1,793)**
NET INCOME/(LOSS) RELATING TO DISCONTINUED OPERATIONS [1]		**-**	**2,183**
NET INCOME/(LOSS)		**2,903**	**390**
Net income/(loss) Group share		**2,208**	**216**
Of which Net income/(loss) relating to continuing operations, Group share		*2,208*	*(1,965)*
Of which Net income/(loss) relating to discontinued operations, Group share		*-*	*2,182*
Non-controlling interests		**695**	**173**
Of which Non-controlling interests relating to continuing operations		*695*	*172*
Of which Non-controlling interests relating to discontinued operations		*-*	*1*
BASIC EARNINGS/(LOSS) PER SHARE (EUROS)	**12**	**0.88**	**0.06**
Of which Basic earnings/(loss) relating to continuing operations per share		*0.88*	*(0.84)*
Of which Basic earnings/(loss) relating to discontinued operations per share		*-*	*0.90*
DILUTED EARNINGS/(LOSS) PER SHARE (EUROS)	**12**	**0.87**	**0.06**
Of which Diluted earnings/(loss) relating to continuing operations per share		*0.87*	*(0.84)*
Of which Diluted earnings/(loss) relating to discontinued operations per share		*-*	*0.90*

(1) Net income from discontinued operations for 2022 corresponds to the share of income from Equans.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

PUBLIC

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
NET INCOME/(LOSS)		**2,903**	**390**
Debt instruments	14.1	325	(378)
Net investment hedges	15	148	(15)
Cash flow hedges (excl. commodity instruments)	15	(83)	938
Commodity cash flow hedges [(1)]	15	(3,162)	(4,719)
Deferred tax on recyclable or recycled items		765	951
Share of equity method entities in recyclable items, net of tax		36	871
Translation adjustments		(343)	848
Recyclable items relating to discontinued operations, net of tax		-	(118)
TOTAL RECYCLABLE ITEMS		**(2,315)**	**(1,622)**
Equity instruments	14.1	120	(685)
Actuarial gains and losses		(580)	2,718
Deferred tax on non recyclable items		135	(613)
Share of equity method entities in actuarial gains and losses, net of tax		1	5
Non-recyclable items relating to discontinued operations, net of tax		-	48
TOTAL NON-RECYCLABLE ITEMS		**(324)**	**1,472**
TOTAL RECYCLABLE ITEMS AND NON-RECYCLABLE ITEMS		**(2,639)**	**(150)**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**264**	**240**
Of which owners of the parent		*(717)*	*(257)*
Of which non-controlling interests		*981*	*497*

(1) The fall in commodity market prices during 2023 contributed to significant changes in the fair value of financial instruments, impacting other comprehensive income. In 2023, the hedging of electricity supply activities in France, Belgium and the Netherlands and sales resulting from the production of some of our assets in these same areas qualified as cash flow hedging instruments in accordance with IFRS 9. Unrealized gains and losses on the effective portion of the hedges are now recorded in Other comprehensive income, as are hedges of our gas supply activities in Europe that already qualified, and are recycled to operating income at the same time as the hedged transactions to which they relate.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

PUBLIC

STATEMENT OF FINANCIAL POSITION

ASSETS

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
Non-current assets			
Goodwill	13.1	12,864	12,854
Intangible assets, net	13.2	8,449	7,364
Property, plant and equipment, net	13.3	57,950	55,488
Other financial assets	14	14,817	10,599
Derivative instruments	14	12,764	33,134
Assets from contracts with customers	7	1	9
Investments in equity method entities	3	9,213	9,279
Other non-current assets	22	990	766
Deferred tax assets	11	1,974	2,029
TOTAL NON-CURRENT ASSETS		**119,023**	**131,521**
Current assets			
Other financial assets	14	2,170	2,394
Derivative instruments	14	8,481	15,252
Trade and other receivables, net	7	20,092	31,310
Assets from contracts with customers	7	9,530	12,575
Inventories	22	5,343	8,145
Other current assets	22	13,424	18,294
Cash and cash equivalents	14	16,578	15,570
Assets classified as held for sale		-	428
TOTAL CURRENT ASSETS		**75,617**	**103,969**
TOTAL ASSETS		**194,640**	**235,490**

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

PUBLIC

EQUITY AND LIABILITIES

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
Shareholders' equity		30,057	34,253
Non-controlling interests	2	5,667	5,032
TOTAL EQUITY	**16**	**35,724**	**39,285**
Non-current liabilities			
Provisions	17	18,792	24,663
Long-term borrowings	14	37,920	28,083
Derivative instruments	14	16,755	39,417
Other financial liabilities	14	82	90
Liabilities from contracts with customers	7	93	121
Other non-current liabilities	22	3,614	3,646
Deferred tax liabilities	11	5,632	6,408
TOTAL NON-CURRENT LIABILITIES		**82,889**	**102,427**
Current liabilities			
Provisions	17	13,801	2,365
Short-term borrowings	14	9,367	12,508
Derivative instruments	14	7,806	11,859
Trade and other payables	14	22,976	39,801
Liabilities from contracts with customers	7	3,960	3,292
Other current liabilities	22	18,118	23,583
Liabilities directly associated with assets classified as held for sale		-	371
TOTAL CURRENT LIABILITIES		**76,027**	**93,778**
TOTAL EQUITY AND LIABILITIES		**194,640**	**235,490**

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

PUBLIC

STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholders' equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2021	**2,435**	**26,058**	**5,238**	**3,767**	**1,711**	**(2,017)**	**(199)**	**36,994**	**4,986**	**41,980**
Net income/(loss)			216					216	173	390
Other comprehensive income/(loss)			1,311		(2,379)	595		(474)	324	(150)
TOTAL COMPREHENSIVE INCOME/(LOSS)			**1,527**		**(2,379)**	**595**		**(257)**	**497**	**240**
Share-based payment	-	3	45					48	-	48
Dividends paid in cash [1]		(394)	(1,689)					(2,082)	(482)	(2,565)
Purchase/disposal of treasury stock			(43)				10	(33)	-	(33)
Operations on deeply-subordinated perpetual notes [1]			(77)	(374)				(451)		(451)
Transactions between owners [1] [2]			154					154	56	210
Transactions with an impact on non-controlling interests			-					-	(41)	(41)
Share capital increases and decreases								-	19	19
Normative changes [3]			(116)					(116)	(6)	(121)
Other changes		-	(5)		-			(5)	3	(1)
EQUITY AT DECEMBER 31, 2022	**2,435**	**25,667**	**5,036**	**3,393**	**(668)**	**(1,422)**	**(189)**	**34,253**	**5,032**	**39,285**

(1) Transactions of the period are listed in Note 16 "Equity" to the consolidated financial statements for the year ended December 31, 2022.

(2) *Mainly relates to the sale of part of the renewable assets portfolio in the United States (see Note 16.2.4 "Other transactions" to the consolidated financial statements for the year ended December 31, 2022).*

(3) SaaS arrangement (see Note 1.1.2 "Other text" to the consolidated financial statements for the year ended December 31, 2022).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

PUBLIC

In millions of euros	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholders' equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2022	**2,435**	**25,667**	**5,036**	**3,393**	**(668)**	**(1,422)**	**(189)**	**34,253**	**5,032**	**39,285**
Net income/(loss)			2,208					2,208	695	2,903
Other comprehensive income/(loss)			(307)		(2,348)	(270)		(2,925)	286	(2,639)
TOTAL COMPREHENSIVE INCOME/(LOSS)			**1,901**	**-**	**(2,348)**	**(270)**	**-**	**(717)**	**981**	**264**
Share-based payment	-	-	53					53	-	53
Dividends paid in cash [(1)]		(1,752)	(1,675)					(3,427)	(522)	(3,949)
Purchase/disposal of treasury stock			(69)				12	(57)	-	(57)
Operations on deeply-subordinated perpetual notes			(80)	-				(80)	-	(80)
Transactions between owners [(2)]			(99)					(99)	(68)	(168)
Transactions with an impact on non-controlling interests			-					-	40	40
Share capital increases and decreases								-	201	201
Normative change			(5)					(5)	-	(5)
Other changes [(3)]		-	137	-	-		-	137	4	140
EQUITY AT DECEMBER 31, 2023	**2,435**	**23,916**	**5,198**	**3,393**	**(3,015)**	**(1,693)**	**(177)**	**30,057**	**5,667**	**35,724**

(1) *Transactions of the period are listed in Note 16 "Equity".*

(2) *Mainly concerns the acquisition of the minority interest held by Mitsui & Co, Ltd ("Mitsui") in International Power (Australia) Holdings Pty Limited ("IPAH") (see Note 4 "Main changes in Group structure").*

(3) *Mainly concerns the resolution of the dispute with the French tax authorities on the withholding tax receivable assigned without recourse by the Group in 2005. This dispute is presented in Note 23 "Legal and anti-trust proceedings".*

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF CASH FLOWS

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
NET INCOME/(LOSS)		**2,903**	**390**
- Net income/(loss) relating to discontinued operations		**-**	**2,183**
NET INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS		**2,903**	**(1,793)**
- Share in net income/(loss) of equity method entities		(1,066)	(1,059)
+ Dividends received from equity method entities		1,031	713
- Net depreciation, amortization, impairment and provisions		11,020	8,057
- Impact of changes in scope of consolidation and other non-recurring items		136	74
- Mark-to-market on commodity contracts other than trading instruments		(2,430)	3,661
- Other items with no cash impact		(382)	(157)
- Income tax expense	11	1,031	(83)
- Net financial income/(loss)	10	2,163	3,003
Cash generated from operations before income tax and working capital requirements		**14,407**	**12,415**
+ Tax paid		(1,687)	(1,504)
Change in working capital requirements	**22.1**	**397**	**(2,424)**
CASH FLOW FROM OPERATING ACTIVITIES RELATING TO CONTINUING OPERATIONS		**13,117**	**8,488**
CASH FLOW FROM OPERATING ACTIVITIES RELATING TO DISCONTINUED OPERATIONS		**-**	**98**
CASH FLOW FROM OPERATING ACTIVITIES		**13,117**	**8,586**
Acquisitions of property, plant and equipment and intangible assets	13.2 & 13.3	(7,328)	(6,379)
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	4 & 14	(1,392)	(289)
Acquisitions of investments in equity method entities and joint operations	4 & 14	(237)	(407)
Acquisitions of equity and debt instruments	14	(1,675)	175
Disposals of property, plant and equipment, and intangible assets	13.2 & 13.3	122	173
Loss of controlling interests in entities, net of cash and cash equivalents sold	4 & 14	27	6,728
Disposals of investments in equity method entities and joint operations	4 & 14	131	1,461
Disposals of equity and debt instruments	14	(8)	268
Interest received on financial assets		118	(37)
Dividends received on equity instruments		9	18
Change in loans and receivables originated by the Group and other	5.6	(1,585)	(2,877)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES RELATING TO CONTINUING OPERATIONS		**(11,818)**	**(1,167)**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES RELATING TO DISCONTINUED OPERATIONS		**-**	**(3,123)**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		**(11,818)**	**(4,290)**
Dividends paid [(1)]		(4,067)	(2,665)
Repayment of borrowings and debt		(6,671)	(10,972)
Change in financial assets held for investment and financing purposes		15	188
Interest paid		(1,058)	(822)
Interest received on cash and cash equivalents		569	194
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives and on early buyback of borrowings		134	(216)
Increase in borrowings		10,716	8,669
Increase/decrease in capital		200	(259)
Purchase and/or sale of treasury stock		(57)	(115)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES RELATING TO CONTINUING OPERATIONS		**(218)**	**(5,997)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES RELATING TO DISCONTINUED		**-**	**3,019**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(218)**	**(2,979)**
Effects of changes in exchange rates and other relating to continuing operations		(73)	356
Effects of changes in exchange rates and other relating to discontinued operations		-	7
Effects of changes in exchange rates and other		(73)	363
TOTAL CASH FLOW FOR THE PERIOD		**1,008**	**1,680**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**15,570**	**13,890**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**16,578**	**15,570**

(1) The line "Dividends paid" includes the coupons paid to owners of deeply-subordinated perpetual notes (see Note 16 "Equity").

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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03 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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ENGIE SA, the parent company of the Group, is a French société anonyme with a Board of Directors that is subject to the provisions of Book II of the French Commercial Code (Code du commerce), as well as to all other provisions of French law applicable to French commercial companies. It was incorporated on November 20, 2004 for a period of 99 years.

It is governed by current and future laws and by regulations applicable to *sociétés anonymes* and its bylaws.

The Group is headquartered at 1 place Samuel de Champlain, 92400 Courbevoie (France).

ENGIE shares are listed on the Paris, Brussels and Luxembourg stock exchanges.

On February 21, 2024, the Group's Board of Directors approved and authorized for issue the consolidated financial statements of the Group for the year ended December 31, 2023.

NOTE 1 ACCOUNTING FRAMEWORK AND BASIS FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 Accounting standards

Pursuant to European Regulation (EU) 2019/980 dated March 14, 2019, financial information concerning the assets, liabilities, financial position and profit and loss of ENGIE has been provided for the last two reporting periods (ended December 31, 2022 and 2023). This information was prepared in accordance with European Regulation (EC) 1606/2002 “on the application of international accounting standards” dated July 19, 2002. The Group's consolidated financial statements for the year ended December 31, 2023 have been prepared in accordance with IFRS Standards as published by the International Accounting Standards Board and endorsed by the European Union [(1)].

The accounting standards applied in the consolidated financial statements for the year ended December 31, 2023 are consistent with the policies used to prepare the consolidated financial statements for the year ended December 31, 2022, except for those described below.

1.1.1 IFRS Standards, amendments or IFRIC Interpretations applicable as from 2023

- IFRS 17 - *Insurance Contracts* (including amendments).
- Amendments to IAS 1 – *Presentation of Financial Statements* and the Materiality Practice Statement: Disclosure of Accounting Policies.
- Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates.
- Amendments to IAS 12 – *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IAS 12 – *Income Taxes*: International Tax Reform - Pillar 2 Model.

This standard and these amendments have no material impact on the Group's consolidated financial statements.

(1) Available on the European Commission’s website:
http://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX:02002R1606-20080410

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1.1.2 IFRS Standards, amendments or IFRIC Interpretations effective from 2024 and that the Group has elected not to early adopt

- Amendments to IAS 1 – *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-Current.
- Amendments to IFRS 16 – *Leases*: Lease Liability in a Sale and Leaseback.
- Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures – Supplier Finance Arrangements [(1)].
- Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability [(1)].

The impact of these amendments is currently being assessed.

1.2 Measurement and presentation basis

1.2.1 Historical cost convention

The Group's consolidated financial statements are presented in euros and have been prepared using the historical cost convention, except for financial instruments, which are accounted for under the financial instrument categories defined by IFRS 9.

1.2.2 Chosen options

1.2.2.1 Reminder of IFRS 1 transition options

The Group used some of the options available under IFRS 1 for its transition to IFRS in 2005. The options that continue to have an impact on the consolidated financial statements are:

- translation adjustments: the Group elected to reclassify cumulative translation adjustments within consolidated equity at January 1, 2004;
- business combinations: the Group elected not to restate business combinations that took place prior to January 1, 2004 in accordance with IFRS 3.

1.2.2.2 Business combinations

Business combinations carried out prior to January 1, 2010 were accounted for in accordance with IFRS 3 prior to the revision. In accordance with IFRS 3 revised, these business combinations have not been restated.

Since January 1, 2010, the Group applies the purchase method as defined in IFRS 3 revised, which consists in recognizing the identifiable assets acquired and liabilities assumed at their fair values at the acquisition date, as well as any non-controlling interests in the acquiree. Non-controlling interests are measured either at fair value or at the entity's proportionate interest in the net identifiable assets of the acquiree. The Group determines on a case-by-case basis which measurement option to be used to recognize non-controlling interests.

(1) These standards and amendments have not yet been adopted by the European Union.

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1.2.2.3 Consolidated statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method starting from net income.

“Interest received on non-current financial assets” is classified within investing activities because it represents a return on investments. “Interest received on cash and cash equivalents” is shown as a component of financing activities because the interest can be used to reduce borrowing costs. This classification is consistent with the Group's internal organization, where debt and cash are managed centrally by the Group treasury department.

As impairment losses on current assets are considered to be definitive losses, changes in current assets are presented net of impairment.

Cash flows relating to the payment of income tax are presented on a separate line.

1.2.3 Foreign currency transactions

1.2.3.1 Translation of foreign currency transactions

Foreign currency transactions are recorded in the functional currency at the exchange rate prevailing on the date of the transaction.

Functional currency is the currency of the primary economic environment in which an entity operates, which in most cases corresponds to local currency. However, certain entities may have a functional currency different from the local currency when that other currency is used for an entity's main transactions and better reflects its economic environment.

At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The resulting translation gains and losses are recorded in the consolidated income statement for the year to which they relate;
- non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical cost applicable at the date of the transaction.

1.2.3.2 Translation of the financial statements of subsidiaries with a functional currency other than the euro (the presentation currency)

The statements of financial position of these subsidiaries are translated into euros at the official year-end exchange rates. Income statement and cash flow statement items are translated using the average exchange rate for the year. Any differences arising from the translation of the financial statements of these subsidiaries are recorded under “Translation adjustments” as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are classified as assets and liabilities of those foreign entities and are therefore denominated in the functional currencies of the entities and translated at the year-end exchange rate.

1.3 Use of estimates and judgment

1.3.1 Estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities and contingent assets and liabilities at the reporting date, as well as income and expenses reported during the period.

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Developments in the economic and financial environment, particularly relating to volatile commodities markets, and the war in Ukraine have prompted the Group to step up its risk oversight procedures, mainly in measuring financial instruments and assessing counterparty and liquidity risk. The estimates used by the Group, among other things, to test for impairment and to measure provisions, also take into account this environment and the market volatility.

Accounting estimates are made in a context that remains sensitive to energy market developments, therefore making it difficult to apprehend medium- and short-term economic prospects. Particular attention has been paid to the consequences of fluctuations in the price of gas and electricity.

Due to uncertainties inherent in the estimation process, the Group regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used in preparing the Group's consolidated financial statements relate mainly to:

- measurement of the recoverable amount of goodwill (*see Note 13.1*), other intangible assets (*see Note 13.2*) and property, plant and equipment (*see Note 13.3*);
- measurement of the fair value of financial assets and liabilities, and, in the current context, factoring in the uncertainty surrounding the key assumptions used, in particular updating the main valuation inputs of commodity derivatives, in particular the “bid ask” reserve, to reflect the volatility of commodity prices (*see Notes 14 and 15*);
- assessment of expected credit losses, particularly in order to update probabilities of default and other inputs, mainly for calculating the CVA (Credit Valuation Adjustment) in a context of market price uncertainty and volatility (*see Note 15*);
- the measurement of provisions, in particular those relating to the treatment of nuclear waste under the agreement signed on June 29, 2023 with the Belgian government on the extension of the Tihange 3 and Doel 4 nuclear reactors and on all nuclear waste-related obligations, which became binding following the signature of supplements to the initial agreements on July 21, 2023. Transaction documents signed on December 13, 2023 specify the practical implementation of the first agreements of June and July. These estimates also concern provisions for dismantling facilities, disputes, and pensions and other employee benefits (*see Notes 17 and 18*);
- measurement of un-metered revenues (energy in the meter), for which the valuation techniques have been impacted by changes in certain customers' consumption habits in a context of fluctuations in commodity prices (*see Note 7*);
- measurement of recognized tax loss carry-forwards, taking into account, where applicable, taxable income revisions and projections (*see Note 11*).

1.3.2 Judgment

As well as relying on estimates, Group management also makes judgments to define the appropriate accounting policies to apply to certain activities and transactions, particularly when the IFRS Standards and IFRIC Interpretations in force do not specifically deal with the related accounting issues.

In particular, the Group exercised its judgment in:

- assessing the nature of control (*see Notes 2 and 3*);
- identifying the performance obligations of sales contracts (*see Note 7*);
- determining how revenues are recognized for distribution or transmission services invoiced to customers (*see Note 7*);
- recognizing support measures granted by certain governments, particularly in France and Romania (“tariff shield”), aimed at protecting both consumers and suppliers of gas and electricity against sharp fluctuations in commodity prices (*see Note 7*);
- identifying "own use contracts" as defined by IFRS 9 within non-financial purchase and sale contracts (electricity, gas, etc.) (*see Note 14*);
- identifying offsetting arrangements that meet the criteria set out in IAS 32 *Financial Instruments: Presentation* (*see Note 14*);
- determining whether arrangements are or contain a lease (*see Note 13.3*);
- recognizing contributions in the energy sector in Europe (*see Note 8*).

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Entities for which judgment on the nature of control has been exercised are listed in Note 2 “Main subsidiaries at December 31, 2023” and Note 3 “Investments in equity method entities”.

1.3.3 Consideration of climate issues in the preparation of the Group's financial statements

In addition to the operational and financial issues and risks taken into account in determining future cash flows, the discount rate net of inflation and projected growth, the Group has also exercised its judgment to use assumptions reflecting climate change issues, in order to determine their potential impact on the consolidated financial statements. In particular, the Group checked whether there were any indications that non-financial assets might be impaired:

- the commitments made by France, Europe and various countries at international level, in particular with regard to long-term carbon neutrality, are taken into account (i) in assessing the value of the Group's assets, in particular through the long-term price scenarios used in impairment tests (*see Note 13.4*), and (ii) in assessing dismantling provisions, in particular by assessing the useful life of gas infrastructures in France based on the expected change in the energy mix (*see Note 17*);
- the commitments made specifically by ENGIE are also reflected in the assessment of the value of the Group's assets (*see Note 13.4.1*), in particular (i) the complete withdrawal from coal activities by 2027, which primarily concerns South America, depending on each asset's specific prospects (closure, conversion or disposal) and (ii) the gradual decarbonization of the Group's power generation activities to net zero by 2045 and, more broadly, the Group's investment strategy in favor of the energy transition by expanding its renewable energy fleet, substituting natural gas with renewable gas, thereby confirming a mixed gas/electricity scenario in the Group's long-term projections under the present regulation/remuneration methods for regulated assets (in France in particular), and developing low-carbon services offerings.

As a reminder, the management of climate and environmental risks and their challenges for the Group are presented in Chapter 2 “Risk factors” and Chapter 3 “Non-Financial Statement and CSR Information” of the Universal Registration Document.

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NOTE 2 MAIN SUBSIDIARIES AT DECEMBER 31, 2023

Accounting standards

Controlled entities (subsidiaries) are fully consolidated in accordance with IFRS 10 – *Consolidated Financial Statements*. An investor (the Group) controls an entity and therefore must consolidate it if all of the following three criteria are met:

- it has the ability to direct the relevant activities of the entity;
- it has the rights and is exposed to variable returns from its involvement with the entity;
- it has the ability to use its power over the entity to affect the investor's return.

2.1 List of main subsidiaries at December 31, 2023

The following lists are made available by the Group to third parties, pursuant to Regulation No. 2016-09 of the French accounting standards authority (ANC) issued on December 2, 2016:

- list of companies included in consolidation;
- list of companies excluded from consolidation because their individual and cumulative incidence on the Group's consolidated financial statements is not material. They correspond to entities deemed not significant as regards the Group's main key figures (revenues, total equity, etc.) or entities that have ceased all activities and are undergoing liquidation/closure proceedings;
- list of main non-consolidated interests.

This information is available on the Group's website (www.engie.com, Investors/Regulated information section). Non-consolidated companies are classified as non-current financial assets (*see Note 14.1.1.1)* under "Equity instruments at fair value".

The list of the main subsidiaries consolidated under the full consolidation method presented below was determined, as regards operating entities, based on their contribution to Group revenues, EBITDA, net income and net debt. The main equity-accounted investments (associates and joint ventures) are presented in Note 3 "Investments in equity method entities".

Some entities such as ENGIE SA, ENGIE Énergie Services SA or Electrabel SA comprise both operating activities and headquarters functions which report to management teams of different reportable segments. In the following tables, these operating activities and headquarters functions are shown within their respective reportable segments under their initial company name followed by a (*) sign.

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Renewables

			% interest	
Company name	**Activity**	**Country**	**Dec. 31, 2023**	**Dec. 31, 2022**
BTE Renewables	Electricity distribution and generation	South Africa	60.0	-
Compagnie Nationale du Rhône	Electricity distribution and generation	France	50.0	50.0
ENGIE Energía Perú *	Electricity distribution and generation	Peru	61.8	61.8
ENGIE Green	Electricity distribution and generation	France	100.0	100.0
ENGIE Renouvelables	Electricity distribution and generation	France	100.0	100.0
ENGIE Romania *(1)	Natural gas distribution, Energy sales	Romania	51.0	51.0
ENGIE Solar	Solar EPC	France	100.0	100.0
Groupe ENGIE Brasil Energia *	Electricity distribution and generation	Brazil	68.7	68.7
Groupe ENGIE Energía Chile *	Electricity distribution and generation	Chile	60.0	60.0
Jupiter Equity Holding LLC	Electricity distribution and generation	United States	51.0	51.0
Mercury Equity Holding LLC	Electricity distribution and generation	United States	51.0	51.0
Saturn Equity Holding LLC	Electricity distribution and generation	United States	100.0	100.0
Kathu Solar Park (2)	Electricity distribution and generation	South Africa	57.7	48.5

(1) On February 20, 2024, ENGIE finalized the acquisition of an additional 12% stake in ENGIE Romania.

(2) Following the acquisition of an additional stake in 2023, the Group now fully consolidates Kathu Solar Park (see Note 4.2).

Networks

			% interest	
Company name	**Activity**	**Country**	**Dec. 31, 2023**	**Dec. 31, 2022**
Elengy	Natural gas, LNG	France	60.8	60.8
ENGIE Romania *(1)	Natural gas distribution, Energy sales	Romania	51.0	51.0
Fosmax LNG	Natural gas, LNG	France	60.8	60.8
GRDF	Natural gas distribution	France	100.0	100.0
ENGIE Brazil Energia Group *	Electricity distribution and generation	Brazil	68.7	68.7
ENGIE Energía Chile Group *	Electricity distribution and generation	Chile	60.0	60.0
GRTgaz Group (excluding Elengy)	Natural gas transportation	France, Germany	60.8	60.8
Storengy Deutschland GmbH	Underground natural gas storage	Germany	100.0	100.0
Storengy SAS	Underground natural gas storage	France	100.0	100.0

(1) On February 20, 2024, ENGIE finalized the acquisition of an additional 12% stake in ENGIE Romania.

Energy Solutions

			% interest	
Company name	**Activity**	**Country**	**Dec. 31, 2023**	**Dec. 31, 2022**
Cofely Besix	Systems, facilities and maintenance	UAE	100.0	100.0
CPCU	Urban heating networks	France	66.5	66.5
Energie SaarLorLux AG	Energy services	Germany	51.0	51.0
ENGIE Deutschland GmbH	Energy services	Germany	100.0	100.0
ENGIE Energie Services SA *	Energy services, Networks	France	100.0	100.0
ENGIE Servizi S.p.A	Energy services	Italy	100.0	100.0
Tractebel Engineering	Engineering	Belgium	100.0	100.0

FlexGen

			% interest	
Company name	**Activity**	**Country**	**Dec. 31, 2023**	**Dec. 31, 2022**
Group Broad Reach Power	Battery storage	United States	100.0	-
Electrabel SA *	Electricity generation, Energy sales	Belgium	100.0	100.0
ENGIE Energía Perú *	Electricity distribution and generation	Peru	61.8	61.8
ENGIE Energie Nederland N.V. *	Electricity generation, Energy sales	Netherlands	100.0	100.0
ENGIE Italia S.p.A *	Electricity generation, Energy sales	Italy	100.0	100.0
ENGIE SA *	Electricity generation, Energy sales	France	100.0	100.0
ENGIE Thermique France	Electricity generation	France	100.0	100.0
First Hydro Holdings Company	Electricity generation	United Kingdom	75.0	75.0
ENGIE Energía Chile Group *	Electricity distribution and generation	Chile	60.0	60.0
Pelican Point Power Limited	Electricity generation	Australia	100.0	72.0
UCH Power Limited	Electricity generation	Pakistan	100.0	100.0

Retail

Company name	Activity	Country	% interest Dec. 31, 2023	% interest Dec. 31, 2022
Electrabel SA *	Electricity generation, Energy sales	Belgium	100.0	100.0
ENGIE Italia S.p.A *	Electricity generation, Energy sales	Italy	100.0	100.0
ENGIE Romania *(1)	Natural gas distribution, Energy sales	Romania	51.0	51.0
ENGIE SA *	Electricity generation, Energy sales	France	100.0	100.0
Simply Energy	Energy sales	Australia	100.0	72.0

(1) On February 20, 2024, ENGIE finalized the acquisition of an additional 12% stake in ENGIE Romania.

Nuclear

Company name	Activity	Country	% interest Dec. 31, 2022	% interest Dec. 31, 2022
Electrabel SA *	Electricity generation, Energy sales	Belgium	100.0	100.0
Synatom	Managing provisions relating to power plants and nuclear fuel	Belgium	100.0	100.0

Others

Company name	Activity	Country	% interest Dec. 31, 2023	% interest Dec. 31, 2022
Cogac	Holding	France	100.0	100.0
Electrabel SA *	Electricity generation, Energy sales	Belgium	100.0	100.0
ENGIE CC	Financial subsidiaries, Central	Belgium	100.0	100.0
ENGIE Deutschland AG *	Holding, Energy management trading	Germany	100.0	100.0
ENGIE Energie Nederland Holding B.V. *	Holding, Energy management trading	Netherlands	100.0	100.0
ENGIE Energie Nederland N.V.	Electricity generation, Energy sales	Netherlands	100.0	100.0
ENGIE Energy Services International SA	Holding	Belgium	100.0	100.0
ENGIE Energie Services SA *	Energy services, Networks	France	100.0	100.0
ENGIE Energy Management *	Energy management trading	France, Belgium,	100.0	100.0
ENGIE Finance SA	Financial subsidiaries	France	100.0	100.0
ENGIE Global Markets	Energy management trading	France, Belgium, Singapore	100.0	100.0
ENGIE Holding Inc.	Holding - parent company	United States	100.0	100.0
ENGIE Italia S.p.A *	Holding, Energy management trading	Italy	100.0	100.0
ENGIE North America	Electricity distribution and generation, Natural gaz, LNG, Energy services	United States	100.0	100.0
ENGIE Resources Inc.	Energy sales	United States	100.0	100.0
ENGIE Romania *(1)	Natural gas distribution, Energy sales	Romania	51.0	51.0
ENGIE SA *	Holding - parent company, Energy management trading, energy sales	France	100.0	100.0
GDF International	Holding	France	100.0	100.0
Genfina	Holding	Belgium	100.0	100.0
ENGIE Energía Chile Group *	Electricity distribution and generation	Chile	60.0	60.0
International Power Limited	Holding	United Kingdom	100.0	100.0

(1) On February 20, 2024, ENGIE finalized the acquisition of an additional 12% stake in ENGIE Romania.

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2.2 Significant judgments exercised when assessing control

The Group primarily considers the following information and criteria when determining whether it has control over an entity:

- governance arrangements: voting rights and whether the Group is represented in the governing bodies, majority rules and veto rights;
- the nature of substantive or protective rights granted to shareholders, relating to the entity's relevant activities;
- deadlock resolution mechanisms;
- whether the Group is exposed, or has rights, to variable returns from its involvement with the entity.

The Group exercised its judgment regarding the entities and sub-groups described below.

Entities in which the Group has the majority of the voting rights

GRTgaz (France Infrastructures): 60.8%

The analysis of the shareholders' agreement concluded with Société d'Infrastructures Gazières, a subsidiary of *Caisse des Dépôts et Consignations* (CDC), which holds 38.6% of the share capital of GRTgaz, was completed by an assessment of the rights granted to the French Energy Regulatory Commission (*Commission de Régulation de l'Énergie* – CRE). As a regulated activity, GRTgaz has a dominant position on the gas transportation market in France. Accordingly, since the transposition of the Third European Directive of July 13, 2009 into French law (*Code de l'énergie* – Energy Code) on May 9, 2011, GRTgaz has been subject to independence rules as regards its directors and senior management team. The French Energy Code confers certain powers on the CRE in the context of its duties to control the proper functioning of the gas markets in France, including verifying the independence of the members of the Board of Directors and senior management and assessing the choice of investments. The Group considers that it exercises control over GRTgaz and its subsidiaries (including Elengy) based on the Group's ability to appoint the majority of the members of the Board of Directors and take decisions about the relevant activities, especially in terms of the level of investment and planned financing.

Entities in which the Group does not have the majority of the voting rights

For entities in which the Group does not have the majority of the voting rights, judgment is exercised with regard to the following items, in order to assess whether there is a situation of *de facto* control:

- dispersion of the shareholding structure: number of voting rights held by the Group relative to the number of rights held respectively by the other holders of voting rights and their dispersion;
- voting patterns at shareholders' meetings: the percentages of voting rights exercised by the Group at shareholders' meetings in recent years;
- governance arrangements: representation in the governing body with strategic and operational decision-making power over the relevant activities;
- rules for appointing key management personnel;
- contractual relationships and material transactions.

The main fully consolidated entity in which the Group does not have the majority of the voting rights at December 31, 2022 is Compagnie Nationale du Rhône (49.98%).

Compagnie Nationale du Rhône ("CNR" – Renewables France): 49.98%

The Group holds 49.98% of the share capital of CNR, with CDC holding 33.2%, and the balance of 16.82% being dispersed among around 200 local authorities. In view of the current provisions of the French "Murcef" law, under which a majority of CNR's share capital must remain under public ownership, the Group is unable to hold more than 50% of the share capital. However, the Group considers that it exercises *de facto* control as it holds the majority of the voting rights exercised at shareholders' meetings due to the widely dispersed shareholding structure and the absence of evidence of the minority shareholders acting in concert.

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2.3 Main subsidiaries with non-controlling interests

The following table shows the subsidiaries with non-controlling interests that are deemed to be material, the respective contributions to equity and to net income at December 31, 2023 and December 31, 2022, as well as the dividends paid to non-controlling interests:

Company name	Activity	Percentage interest of non-controlling interests		Net income/(loss) of non-controlling interests		Equity of non-controlling interests		Dividends paid to non-controlling interests	
In millions of euros		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
GRTgaz Group (France Infrastructures, France)	Regulated gas transportation activities and management of LNG terminals	39.2	39.2	158	190	1,611	1,614	194	168
ENGIE Energía Chile Group (Latin America, Chile) (1)	Electricity distribution and generation - thermal power plants	40.0	40.0	(147)	(158)	504	680	-	-
ENGIE Romania Group (Rest of Europe, Romania) (2)	Distribution of natural gas, Energy sales	49.0	49.0	70	31	671	607	-	-
ENGIE Brasil Energia Group (Latin America, Brazil) (1)	Electricity distribution and generation	31.3	31.3	145	116	569	296	58	112
ENGIE Energía Perú (Latin America, Peru) (1)	Electricity distribution and generation - thermal and hydroelectric power plants	38.2	38.2	5	21	412	433	12	12
Other subsidiaries with non-controlling interests (3)				464	(27)	1,900	1,401	258	190
TOTAL				**695**	**173**	**5,667**	**5,032**	**522**	**482**

(1) ENGIE Energia Chile, ENGIE Brasil Energia and ENGIE Energia Perú are listed in their respective countries.

(2) On February 20, 2024, ENGIE finalized the acquisition of an additional 12% stake in ENGIE Romania.

(3) The net income/(loss) of other non-controlling interests is mainly impacted by the net income of the operating MtMs for an amount of €386 million in 2023 and a net loss of €158 million in 2022.

2.3.1 Condensed financial information on main subsidiaries with non-controlling interests

The condensed financial information concerning these subsidiaries presented in the table below is based on a 100% interest and is shown before intragroup eliminations.

	GRTgaz Group		ENGIE Energía Chile Group		ENGIE Romania Group [1]	
In millions of euros	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Income statement						
Revenues	2,623	2,535	1,732	1,648	2,111	2,819
Net income/(loss)	403	485	(367)	(395)	142	63
Net income/(loss) Group share	245	295	(220)	(237)	72	32
Other comprehensive income/(loss) – Group share	56	54	(43)	85	(7)	(15)
TOTAL COMPREHENSIVE INCOME/(LOSS) –	**301**	**349**	**(264)**	**(152)**	**65**	**17**
Statement of financial position						
Current assets	1,189	1,319	1,170	1,108	796	1,091
Non-current assets	9,780	9,961	3,058	3,210	1,062	975
Current liabilities	(1,325)	(1,360)	(655)	(540)	(398)	(753)
Non-current liabilities	(5,532)	(5,803)	(2,325)	(2,091)	(102)	(86)
TOTAL EQUITY	**4,112**	**4,116**	**1,247**	**1,688**	**1,358**	**1,227**
TOTAL EQUITY OF NON-CONTROLLING	**1,611**	**1,614**	**504**	**680**	**671**	**607**
Statement of cash flows						
Cash flow from operating activities	1,090	1,117	482	(320)	412	(365)
Cash flow from (used in) investing activities	(486)	(450)	(424)	(384)	(148)	(121)
Cash flow from (used in) financing activities	(616)	(663)	86	635	(254)	317
TOTAL CASH FLOW FOR THE PERIOD [2]	**(13)**	**4**	**144**	**(68)**	**11**	**(169)**

(1) On February 20, 2024, ENGIE finalized the acquisition of an additional 12% stake in ENGIE Romania.

(2) Excluding effects of changes in exchange rates and other.

	ENGIE Brasil Energia Group		ENGIE Energía Perú	
In millions of euros	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Income statement				
Revenues	1,979	2,164	704	525
Net income/(loss)	434	370	12	56
Net income/(loss) Group share	288	254	8	34
Other comprehensive income/(loss) – Group share	(73)	72	(24)	51
TOTAL COMPREHENSIVE INCOME/(LOSS) – GROUP SHARE	**216**	**326**	**(17)**	**85**
Statement of financial position				
Current assets	1,691	1,322	543	384
Non-current assets	5,571	4,731	1,778	1,923
Current liabilities	(1,081)	(1,019)	(372)	(257)
Non-current liabilities	(4,875)	(4,213)	(870)	(915)
TOTAL EQUITY	**1,306**	**822**	**1,079**	**1,135**
TOTAL EQUITY OF NON-CONTROLLING INTERESTS	**569**	**296**	**412**	**433**
Statement of cash flows				
Cash flow from operating activities	1,309	1,027	162	62
Cash flow from (used in) investing activities	(711)	(685)	(94)	(186)
Cash flow from (used in) financing activities	(39)	(1,010)	(72)	17
TOTAL CASH FLOW FOR THE PERIOD [1]	**559**	**(668)**	**(4)**	**(107)**

(1) Excluding effects of changes in exchange rates and other.

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NOTE 3 INVESTMENTS IN EQUITY METHOD ENTITIES

Accounting standards

The Group accounts for its investments in associates and joint ventures using the equity method. Under IFRS 11 – *Joint Arrangements*, a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. An associate is an entity over which the Group has significant influence.

The respective contributions of associates and joint ventures in the statement of financial position, the income statement and the statement of comprehensive income at December 31, 2023 and December 31, 2022 are as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Statement of financial position		
Investments in associates	4,259	4,187
Investments in joint ventures	4,954	5,092
INVESTMENTS IN EQUITY METHOD ENTITIES	**9,213**	**9,279**
Income statement		
Share in net income/(loss) of associates	486	400
Share in net income/(loss) of joint ventures	580	659
SHARE IN NET INCOME/(LOSS) OF EQUITY METHOD ENTITIES	**1,066**	**1,059**
Statement of comprehensive income		
Share of associates in "Other comprehensive income/(loss)"	11	510
Share of joint ventures in "Other comprehensive income/(loss)"	26	366
SHARE OF EQUITY METHOD ENTITIES IN "OTHER COMPREHENSIVE INCOME/(LOSS)"	**37**	**876**

Significant judgments

The Group primarily considers the following information and criteria in determining whether it has joint control or significant influence over an entity:

- governance arrangements: whether the Group is represented in the governing bodies, majority rules and veto rights;
- the nature of substantive or protective rights granted to shareholders, relating to the entity's relevant activities. This can be difficult to determine in the case of "project management" or "one-asset" entities, as certain decisions concerning the relevant activities are made upon the creation of the joint arrangement and remain valid throughout the project. Accordingly, the analysis of rights relates to the relevant residual activities of the entity (those that significantly affect the variable returns of the entity);
- deadlock resolution mechanisms;
- whether the Group is exposed, or has rights, to variable returns from its involvement with the entity. This can also involve analyzing the Group's contractual relations with the entity, in particular the conditions in which these contracts are entered into, their duration as well as the management of conflicts of interest that may arise when the entity's governing body casts votes.

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The Group exercised its judgment regarding the following entities and sub-groups:

Project management entities in the Middle East and in Africa

The significant judgments made in determining the consolidation method to be applied to these project management entities related to the risks and rewards relating to contracts between ENGIE and the entity concerned, as well as an analysis of the residual relevant activities over which the entity retains control after its creation. The Group considers that it exercises significant influence or joint control over these entities, since the decisions taken throughout the term of the project about the relevant activities such as refinancing, or the renewal or amendment of significant contracts (sales, purchases, operating and maintenance services) require, depending on the case, the unanimous consent of two or more parties sharing control.

Joint ventures in which the Group holds an interest of more than 50%

Tihama (60%)

ENGIE holds a 60% stake in the Tihama cogeneration plant in Saudi Arabia and its partner Saudi Oger holds 40%. The Group considers that it has joint control over Tihama since decisions about its relevant activities, including for example the approval of the budget and amendments to major contracts, etc., require the unanimous consent of the parties sharing control.

Transportadora Associada de Gás S.A. ("TAG" - Latin America): 65.0% holding interest representing a net interest in TAG of 54.8% *(1)*

The Group exercises joint control over TAG since decisions about its relevant activities, including, for example, the preparation of the budget and medium-term plan, investments, operations and maintenance, etc., are taken by a majority vote requiring the agreement of ENGIE and *Caisse de dépôt et placement du Québec* (CDPQ).

Joint control – difference between joint ventures and joint operations

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of "other facts and circumstances" when determining the classification of jointly controlled entities.

The IFRS Interpretations Committee (IFRS IC) (November 2014) decided that for an entity to be classified as a joint operation, other facts and circumstances must give rise to direct enforceable rights to the assets, and obligations for the liabilities, of the joint arrangement.

In view of this position and its application to our analyses, the Group has no material joint operations at December 31, 2023.

3.1 Investments in associates

3.1.1 Contribution of material associates and of associates that do not have a material impact on the Group's financial statements taken individually

The table below shows the contribution of each material associate along with the aggregate contribution of associates deemed not material taken individually, in the consolidated statement of financial position, income statement, statement of comprehensive income, and the "Dividends received from equity method entities" line of the statement of cash flows.

(1) In January 2024, the Group completed the sale of a 15% stake in TAG to CDPQ (current partner). On completion of this transaction the Group no longer holds any potential voting rights. The Group's holding in TAG amounts to 50%, resulting in a net interest of 44.5% (the impact of this partial disposal on net financial debt 2024 amounts to €0.5 billion).

The Group used qualitative and quantitative criteria to determine material associates. These criteria include the contribution to the consolidated line items “Share in net income/(loss) of associates” and “Investments in associates”, the total assets of associates in Group share, and associates carrying major projects in the study or construction phase for which the related investment commitments are material.

Company name	Activity	Capacity	Consolidation percentage of investments in associates		Carrying amount of investments in associates		Share in net income/(loss) of associates		Other comprehensive income/(loss) of associates		Dividends received from associates	
In millions of euros			Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Project management entities in the Middle East (Middle-East, Asia & Africa, Saudi Arabia, Bahrain, Qatar, United Arab Emirates, Oman, Kuwait) (1)	Gas-fired power plants and seawater desalination facilities		-	-	1,346	1,378	176	181	24	411	143	145
Movhera	Hydro power plant	1 688 MW	40.00	40.00	556	521	31	(13)	11	41	8	-
Energia Sustentável do Brasil (Brazil)	Hydro power plant	3 750 MW	40.00	40.00	596	567	10	(3)	-	-	-	-
GASAG (Germany)	Gas and heat networks		31.57	31.58	255	279	26	26	(36)	(62)	15	17
Eolia Renovables	Wind power plant	943 MW	40.00	40.00	343	359	14	33	(3)	2	28	-
Other investments in associates that are not material taken individually					1,163	1,082	227	176	15	118	123	109
INVESTMENTS IN ASSOCIATES					**4,259**	**4,187**	**486**	**400**	**11**	**510**	**316**	**271**

(1) Investments in associates operating gas-fired power plants and seawater desalination facilities in the Arabian Peninsula have been grouped together under “Project management entities in the Middle East”. This mainly includes around 40 associates operating thermal power plants with a total installed capacity of 26,388 MW (at 100%).

These associates have fairly similar business models and joint arrangements: the project management entities selected as a result of a competitive bidding process develop, build and operate power generation plants and seawater desalination facilities. The entire output of these facilities is sold to government-owned companies under power and water purchase agreements, over periods generally spanning 20 to 30 years.

In accordance with their contractual arrangements, the corresponding plants are recognized in accordance with IFRIC 12, IFRS 16 or IAS 16 as property, plant and equipment or as financial receivables. The shareholding structure of these entities systematically includes a government-owned company based in the same country as the project management entity. The Group’s percentage interest and percentage voting rights in each of these entities varies between 20% and 50%.

The share in net income/(loss) of associates includes a net non-recurring income of €18 million in 2023 (compared to a net non-recurring loss of €18 million in 2022), mainly including changes in the fair value of derivative instruments, impairment losses and disposal gains and losses, net of tax *(see Note 5.3 “Net recurring income Group share (NriGs)”)*.

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3.1.2 Financial information regarding material associates

The tables below provide condensed financial information for the Group's main associates. The amounts shown have been determined in accordance with IFRS, before the elimination of intragroup transactions and after (i) adjustments made in line with Group accounting policies and (ii) fair value measurements of the assets and liabilities of the associate performed at the acquisition date at the level of ENGIE, as required by IAS 28. All amounts are presented based on a 100% interest with the exception of "Total equity attributable to ENGIE".

In millions of euros	Revenues	Net income/ (loss)	Other comprehensive income/ (loss)	Total comprehensive income/ (loss)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Total equity	Consolidation % of Group	Total equity attributable to ENGIE
AT DECEMBER 31, 2023											
Project management entities in the Middle East	4,886	714	88	802	2,635	18,229	2,856	12,785	5,223	-	1,346
Energia Sustentável do Brasil	625	24	-	24	286	3,276	2,077	(5)	1,489	40.00	596
Movhera	434	78	28	106	249	2,055	85	829	1,390	40.00	556
GASAG	2,283	84	(112)	(28)	1,640	2,058	2,643	247	809	31.57	255
Eolia Renovables	177	36	(7)	29	138	2,165	226	1,219	858	40.00	343
AT DECEMBER 31, 2022											
Project management entities in the Middle East	5,067	764	1,695	2,459	2,824	19,711	3,343	13,781	5,411	-	1,378
Energia Sustentável do Brasil	581	(7)	-	(7)	239	3,275	2,098	-	1,416	40.00	567
Movhera	384	(33)	103	70	147	2,124	699	269	1,303	40.00	521
GASAG	1,606	82	(196)	(114)	1,491	2,140	2,462	284	885	31,57	279
Eolia Renovables	216	82	4	86	297	2,097	340	1,155	900	40.00	359

3.1.3 Transactions between the Group and its associates

The data below set out the impact of transactions with associates on the Group's 2023 consolidated financial statements.

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt
Project management entities in the Middle East	-	200	10	28	147	-	-
Contassur [1]	-	-	-	242	2	-	-
Energia Sustentável do Brasil	133	-	-	-	-	14	-
Movhera	-	42	11	7	119	1	3
Other	116	30	-	34	126	47	(36)
AT DECEMBER 31, 2023	**248**	**271**	**22**	**311**	**395**	**62**	**(33)**

(1) Contassur is a life insurance company accounted for using the equity method. Contassur offers insurance contracts, chiefly with pension funds that cover post-employment benefit obligations for Group employees and also employees of other companies mainly engaged in regulated activities in the electricity and gas sector in Belgium. Insurance contracts entered into by Contassur represent reimbursement rights recorded within "Other assets" in the statement of financial position. These reimbursement rights totaled €242 million at December 31, 2023 (€208 million at December 31, 2022).

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3.2 Investments in joint ventures

3.2.1 Contribution of joint ventures to the Group

The table below shows the contribution of each material joint venture along with the aggregate contribution of joint ventures deemed not material taken individually to the consolidated statement of financial position, income statement, statement of comprehensive income, and the "Dividends received from equity method entities" line of the statement of cash flows.

The Group used qualitative and quantitative criteria to determine material joint ventures. These criteria include the contribution to the line items "Share in net income/(loss) of joint ventures" and "Investments in joint ventures", the Group's share in the total assets of joint ventures, and joint ventures conducting major projects in the study or construction phase for which the related investment commitments are material.

Company name	Activity	Capacity	Consolidation percentage of investments in joint ventures		Carrying amount of investments in joint ventures		Share in net income/(loss) of joint ventures		Other comprehensive income/(loss) of joint ventures		Dividends received from joint ventures	
In millions of euros			Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Transportadora Associada de Gás S.A. (TAG) (Brazil) (1)	Gas transmission network		65.00	65.00	1,059	1,129	368	267	29	153	387	184
National Central Cooling Company "Tabreed" (Middle-East, Asia & Africa, Abu Dhabi)	District cooling networks		40.00	40.00	872	874	34	53	35	-	39	18
EcoÉlectrica (Puerto Rico)	Combined-cycle gas-fired power plant and LNG terminal	534 MW	50.00	50.00	293	314	52	42	-	-	61	60
Portfolio of power generation assets in Portugal	Electricity generation	2,396 MW	50.00	50.00	218	240	34	33	(2)	15	40	61
WSW Energie und Wasser AG (Germany)	Electricity distribution and generation		33.10	33.10	197	249	(33)	19	-	1	19	11
Iowa University partnership (United States)	Energy services		39.10	39.10	222	229	6	6	(1)	2	4	1
Ocean Winds	Electricity generation	1,462 MW	50.00	50.00	415	431	6	80	(47)	124	-	-
Georgetown University partnership (United States)	Energy services		50.00	50.00	200	203	7	6	-	3	-	-
Tihama Power Generation Co (Saudi Arabia)	Electricity generation	1,544 MW	60.00	60.00	91	94	24	21	(2)	5	21	29
Ohio State Energy Partners (United States)	Energy services		50.00	50.00	50	82	(25)	4	9	8	17	16
Megal GmbH (Germany)	Gas transmission network		49.00	49.00	55	61	-	2	-	-	6	9
Transmisora Eléctrica del Norte (Chile) (2)	Electricity transmission line		50.00	50.00	114	116	3	5	(3)	19	-	-
Other investments in joint ventures that are not material taken individually					1,169	1,071	104	120	7	37	121	53
INVESTMENTS IN JOINT VENTURES					**4,954**	**5,092**	**580**	**659**	**26**	**366**	**715**	**442**

(1) The Group's interest in Transportadora Associada de Gás S.A. (TAG) is 54.83%. In January 2024, the Group completed the sale of a 15% stake in TAG to CDPQ (current partner). On completion of this transaction, the Group's holding stands at 50%, resulting in a net interest of 44.5% (the impact of this partial disposal on net financial debt in 2024 amounts to €0.5 billion).

(2) The Group's interest inTransmisora Eléctrica del Norte is 30%.

The share in net income/(loss) of joint ventures includes a non-recurring loss of €39 million in 2023 (non-recurring gain of €1 million in 2022), resulting chiefly from changes in the fair value of derivatives, impairment losses and disposal gains and losses, net of tax *(see Note 5.3 "Net recurring income Group share (NriGs)")*.

3.2.2 Financial information regarding material joint ventures

The amounts shown have been determined in accordance with IFRS before the elimination of intragroup items and after (i) adjustments made in line with Group accounting policies and (ii) fair value measurements of the assets and liabilities of the joint venture performed at the date of acquisition at the level of ENGIE, as required by IAS 28. All amounts are presented based on a 100% interest with the exception of "Total equity attributable to ENGIE" in the statement of financial position.

3.2.2.1 Information on the income statement and statement of comprehensive income

In millions of euros	Revenues	Depreciation and amortization of intangible assets and property, plant and equipment	Net financial income/(loss)	Income tax benefit/(expense)	Net income/(loss)	Other comprehensive income/(loss)	Total comprehensive income/(loss)
AT DECEMBER 31, 2023							
Transportadora Associada de Gás S.A. (TAG)	1,672	(234)	(308)	(295)	566	45	610
National Central Cooling Company "Tabreed"	-	(8)	(5)	39	84	89	173
EcoÉlectrica	185	(31)	2	(6)	104	-	104
Portfolio of power generation assets in Portugal	456	(48)	(19)	(28)	97	(7)	90
WSW Energie und Wasser AG	2,338	(19)	(4)	8	(118)	-	(118)
Iowa University partnership	89	-	(21)	-	15	5	20
Ocean Winds	39	(7)	124	(5)	13	(94)	(81)
Georgetown University	81	(2)	(21)	(1)	13	5	18
Tihama Power Generation Co	114	(5)	(8)	(6)	40	(4)	36
Ohio State Energy Partners	188	(1)	(66)	-	(50)	15	(35)
Megal GmbH	122	(70)	(4)	2	-	-	-
Transmisora Eléctrica del Norte	71	-	(32)	(5)	9	(4)	4
AT DECEMBER 31, 2022							
Transportadora Associada de Gás S.A. (TAG)	1,549	(292)	(386)	(215)	411	235	647
National Central Cooling Company "Tabreed"	167	-	(35)	-	133	-	133
EcoÉlectrica	166	(32)	1	(4)	85	-	85
Portfolio of power generation assets in Portugal	512	(50)	(14)	(27)	74	48	122
WSW Energie und Wasser AG	1,213	(14)	-	(28)	50	3	53
Iowa University partnership	87	-	(21)	-	16	6	22
Ocean Winds	40	(9)	(23)	(1)	160	247	407
Georgetown University	60	(1)	(22)	-	12	5	17
Tihama Power Generation Co	119	(6)	(9)	(6)	35	9	45
Ohio State Energy Partners	180	(1)	(65)	(2)	7	15	22
Megal GmbH	122	(67)	(4)	1	5	-	5
Transmisora Eléctrica del Norte	70	-	(27)	(7)	13	19	32

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3.2.2.2 Information on the statement of financial position

In millions of euros	Cash and cash equivalents	Other current assets	Non-current assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Total equity	Consolidation % of Group	Total equity attributable to ENGIE
AT DECEMBER 31,										
Transportadora Associada de Gás S.A. (TAG)	269	479	6,119	569	299	2,672	1,699	1,629	65.00	1,059
National Central Cooling Company "Tabreed"	450	254	3,713	-	233	1,737	94	2,352	40.00	872
EcoÉlectrica	4	76	543	3	17	-	17	587	50.00	293
Portfolio of power generation assets in Portugal	285	403	550	101	236	372	51	479	50.00	218
WSW Energie und	68	422	878	211	277	222	96	562	33.10	197
Iowa University	1	17	1,146	4	7	586	-	568	39.10	222
Ocean Winds	313	-	3,786	1,670	514	773	314	830	50.00	415
Georgetown University	-	6	964	-	-	569	2	399	50.00	200
Tihama Power	54	62	206	72	42	46	11	152	60.00	91
Ohio State Energy	12	71	1,452	-	64	1,353	19	99	50.00	50
Megal GmbH	48	15	644	170	39	341	46	112	49.00	55
Transmisora Eléctrica del Norte	75	12	625	36	7	585	-	83	50.00	42
AT DECEMBER 31,										
Transportadora Associada de Gás S.A. (TAG)	124	367	6,216	668	71	2,771	1,460	1,737	65.00	1,129
National Central Cooling Company "Tabreed"	402	150	2,631	-	194	805	-	2,184	40.00	874
EcoÉlectrica	6	79	580	3	15	-	18	629	50.00	314
Portfolio of power generation assets in Portugal	247	514	733	99	278	500	60	557	50.00	240
WSW Energie und	82	518	950	263	260	147	150	731	33.10	249
Iowa University	2	17	1,162	7	7	581	-	586	39.10	229
Ocean Winds	337	-	2,425	1,149	189	137	424	863	50.00	431
Georgetown University	5	3	954	-	-	555	3	404	50.00	203
Tihama Power	49	145	221	78	51	119	11	156	60.00	94
Ohio State Energy	14	65	1,441	-	10	1,331	17	162	50.00	82
Megal GmbH	18	14	696	-	44	511	49	125	49.00	61
Transmisora Eléctrica del Norte	41	34	770	35	3	574	-	233	50.00	116

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3.2.3 Transactions between the Group and its joint ventures

The data below set out the impact of transactions with joint ventures on the Group's 2023 consolidated financial statements.

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt
EcoÉlectrica	-	-	-	-	-	-	22
WSW Energie und Wasser AG	(3)	17	-	3	-	-	-
Megal GmbH	65	-	-	-	-	6	-
Futures Energies Investissements Holding	69	25	11	4	182	8	-
Ocean Winds	-	-	28	3	535	-	-
Other	96	140	10	55	141	11	7
AT DECEMBER 31, 2023	**226**	**182**	**48**	**65**	**857**	**27**	**29**

3.3 Other information on investments accounted for using the equity method

3.3.1 Unrecognized share of losses of associates and joint ventures

Cumulative unrecognized losses of associates (corresponding to the cumulative amount of losses exceeding the carrying amount of investments in the associates concerned) including other comprehensive income/(loss), amounted to €37 million in 2023 (versus €6 million in 2022).

These unrecognized losses correspond to the negative fair value of derivative instruments designated as interest rate and commodity hedges ("Other comprehensive income/(loss)") contracted by associates in the Middle-East, Africa and Asia in connection with the financing of construction projects for power generation plants.

3.3.2 Commitments and guarantees given by the Group in respect of equity method entities

At December 31, 2023, the main commitments and guarantees given by the Group in respect of equity method entities concern:

- Energia Sustentável do Brasil ("Jirau"), for an aggregate amount of BRL 4,008 million (€742 million). At December 31, 2023, the loans granted by Banco Nacional de Desenvolvimento Econômico e Social, the Brazilian Development Bank, to Energia Sustentável do Brasil amounted to BRL 10,021 million (€1,855 million). Each partner stands as guarantor for this debt to the extent of its ownership interest in the consortium;
- TAG, mainly for bank guarantees for an amount of €143 million;
- The project management entities for an aggregate amount of €1,695 million. Commitments and guarantees given by the Group in respect of these project management entities chiefly correspond to:
  - equity contribution commitments for projects in the construction phase for an amount of € 1,088 million,
  - letters of credit to guarantee debt service reserve accounts for an aggregate amount of €167 million. The project financing set up in certain entities can require those entities to maintain a certain level of cash within the company (usually enough to service its debt for six months). This is particularly the case when the financing is without recourse. However, this level of cash may be replaced by letters of credit,
  - collateral given to lenders in the form of pledged shares in the project management entities, for an aggregate amount of €270 million,
  - performance bonds and other guarantees for an amount of €135 million.

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NOTE 4 MAIN CHANGES IN GROUP STRUCTURE

Accounting standards

In accordance with IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*, assets or groups of assets held for sale are presented separately on the face of the statement of financial position and are measured and accounted for at the lower of their carrying amount and fair value less costs to sell.

An asset is classified as "held for sale" when its sale is highly probable within twelve months from the date of classification, when it is available for immediate sale under its present condition and when management is committed to a plan to sell the asset and an active program to locate a buyer and complete the plan has been initiated. To assess whether a sale is highly probable, the Group takes into consideration among other things indications of interest and offers received from potential buyers as well as specific execution risks attached to certain transactions.

If an asset classified as "held for sale" no longer meets the above conditions it will be reclassified in accordance with the standard.

Furthermore, assets or groups of assets are presented as discontinued operations in the Group's consolidated financial statements when they are classified as "held for sale" and represent a separate major line of business under IFRS 5.

4.1 Disposals carried out in 2023

The table below shows the impact of the main disposals and sale agreements of 2023 on the Group's net financial debt, excluding partial disposals with respect to DBSO (1) activities:

In millions of euros	Disposal price	Reduction in net debt
Disposal of a thermal plant - Brazil	75	-
Other disposals that are not material taken individually	192	246
TOTAL	**267**	**246**

On May 31, 2023, ENGIE finalized the sale of its entire stake in the Pampa Sul thermal power plant to Grafito Fundo de Investimento em Participações Infraestrutura and Perfin Space X Fundo de Investimento em Participações em Infraestrutura.

Given the classification of this investment within "Assets held for sale" in 2022 and the deferral to 2025 of the payment of the contractual sale price, this transaction has no material impact on the Group's net financial debt at December 31, 2023. The disposal loss before tax amounted to €47 million in 2023.

No Group assets are classified within "Assets held for sale" at December 31, 2023.

(1) Develop, Build, Share and Operate, a model used in renewable energies based on continuous rotation of capital employed.

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4.2 Acquisitions carried out in 2023

In total, acquisitions carried out in 2023 (including financial investments in entities accounted for under the equity method) had an impact of €3,348 million on net financial debt. The main acquisitions carried out in 2023 are as follows:

- in October 2023, ENGIE finalized the acquisition of 100% of Broad Reach Power, a Houston-based company specialized in battery storage, from private equity funds EnCap and Apollo. The transaction involves 350 MW of operating assets, 880 MW of under-construction assets with a commissioning expected before the end of 2024, 1.7 GW of advanced stage projects and a significant pipeline of early stage projects. The projects are located in Texas, California and the central states of the United States. This investment is fully consolidated. This transaction had an impact of €1.4 billion on the Group's net financial debt (of which €0.1 billion in January 2024).
  The Group carried out a preliminary purchase price allocation, which will be finalized in the first half of 2024;

- in September 2023, ENGIE purchased an additional stake in Kathu Solar Park (RF) Proprietary Trading from Lereko Metier REIPPP Fund Trust, increasing its holding from 48.5% to 57.725%. Following this transaction, Kathu Solar Park (RF) Proprietary Trading is now fully consolidated by ENGIE (previously accounted for under the equity method). This transaction had an impact of approximately €0.6 billion on the Group's net financial debt, taking into account the consolidation of external debt;

- in December 2023, ENGIE and Meridiam purchased from ACTIS the full scope of BTE Renewables, a developer, owner and operator of renewable assets on the African continent, with an operating presence in South Africa and Kenya. The deal also included a carve-out of the Kenyan assets by ENGIE to Meridiam at closing. Following this transaction, BTE Renewables (South-African assets) has been fully consolidated by ENGIE. This transaction had an impact of approximately €0.4 billion on the Group's net financial debt;

- in December 2023, ENGIE finalized the acquisition of the minority stake (28%) held by Mitsui & Co, Ltd ("Mitsui") in International Power (Australia) Holdings Pty Limited ("IPAH"), a fully consolidated company in which the Group had a 72% stake. On completion of the transaction, the Group holds 100% of IPAH. The impact of this transaction on the Group's net financial debt amounted to around 0.2 billion euros;

- in September 2023, ENGIE also purchased the biomethane producer Ixora Energy Ltd. This investment is fully consolidated. This transaction had an impact of approximately €0.1 billion on the Group's net financial debt.

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NOTE 5 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION

The purpose of this note is to present the main non-GAAP financial indicators used by the Group as well as their reconciliation with the indicators of the IFRS consolidated financial statements.

5.1 EBITDA

The reconciliation between EBITDA and current operating income including operating MtM and share in net income of equity method entities is as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Current operating income including operating MtM and share in net income of equity method entities	**12,493**	**5,367**
Mark-to-market on commodity contracts other than trading instruments	(2,430)	3,661
Net depreciation and amortization/Other	4,886	4,576
Share-based payments (IFRS 2)	47	92
Non-recurring share in net income of equity method entities	22	17
EBITDA	**15,017**	**13,713**
Nuclear	1,285	1,510
EBITDA excluding Nuclear	**13,732**	**12,204**

5.2 EBIT

The reconciliation between EBIT and current operating income including operating MtM and share in net income of equity method entities is as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Current operating income including operating MtM and share in net income of equity method entities	**12,493**	**5,367**
Mark-to-market on commodity contracts other than trading instruments	(2,430)	3,661
Non-recurring share in net income of equity method entities	22	17
EBIT	**10,084**	**9,045**
Nuclear	605	1,026
EBIT excluding Nuclear	**9,479**	**8,019**

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5.3 Net recurring income Group share (NriGs)

Net recurring income Group share is a financial indicator used by the Group in its financial reporting to present net income Group share adjusted for unusual, abnormal or non-recurring items.

The reconciliation of net income/(loss) with net recurring income Group share is as follows:

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
NET INCOME/(LOSS) GROUP SHARE		**2,208**	**216**
NET INCOME/(LOSS) RELATING TO DISCONTINUED OPERATIONS, GROUP SHARE		**-**	**2,182**
NET INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS, GROUP SHARE		**2,208**	**(1,965)**
Net income attributable to non-controlling interests relating to continuing operations		695	172
NET INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS		**2,903**	**(1,793)**
Reconciliation items between "Current operating income including operating MtM and share in net income of equity method entities" and "Net income/(loss) from operating activities"		**6,395**	**4,241**
Impairment losses	*9.1*	*1,318*	*2,774*
Restructuring costs	*9.2*	*47*	*230*
Changes in scope of consolidation	*9.3*	*85*	*(91)*
Other non-recurring items	*9.4*	*4,945*	*1,328*
Other adjusted items		**(3,092)**	**3,389**
Mark-to-market on commodity contracts other than trading instruments	*8*	*(2,430)*	*3,661*
Ineffective portion of derivatives qualified as fair value hedges	*10*	*-*	*(7)*
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	*10*	*(8)*	*(46)*
Change in fair value of derivatives not qualified as hedges and ineffective portion of derivatives qualified as cash flow hedges	*10*	*13*	*(16)*
Non-recurring income/(loss) from debt instruments and equity instruments	*10*	*183*	*1,254*
Other adjusted tax impacts		*(872)*	*(1,474)*
Non-recurring income/(loss) included in share in net income of equity method entities		*22*	*17*
NET RECURRING INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS		**6,206**	**5,836**
Net recurring income/(loss) attributable to non-controlling interests		839	614
NET RECURRING INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS, GROUP SHARE		**5,366**	**5,223**
Net recurring income/(loss) relating to discontinued operations, Group share		-	287
NET RECURRING INCOME/(LOSS) GROUP SHARE		**5,366**	**5,510**

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5.4 Industrial capital employed

The reconciliation of industrial capital employed with items in the statement of financial position is as follows:

In millions of euros			Dec. 31, 2023	Dec. 31, 2022
(+)		Property, plant and equipment and intangible assets, net	66,399	62,853
(+)		Goodwill	12,864	12,854
	(-)	*Goodwill Gaz de France - SUEZ and International Power* [1]	*(7,229)*	*(7,241)*
(+)		IFRS 16 and IFRIC 12 receivables	3,348	2,521
(+)		Investments in equity method entities	9,213	9,279
	(-)	*Goodwill arising on the International Power combination* [1]	*(39)*	*(40)*
(+)		Financial assets covering nuclear provisions [2]	9,984	6,626
(+)		Initial Margins [2]	*1,276*	*1,741*
(+)		Trade and other receivables, net	20,092	31,310
	(-)	*Margin calls* [1] [3]	*(3,207)*	*(5,405)*
(+)		Inventories	5,343	8,145
(+)		Assets from contracts with customers	9,531	12,584
(+)		Other current and non-current assets	14,414	19,060
(+)		Deferred tax	(3,658)	(4,379)
	(+)	*Cancellation of deferred tax on other recyclable items* [1] [3]	*(745)*	*(14)*
(-)		Provisions	(32,593)	(27,027)
	(+)	*Actuarial gains and losses in shareholders' equity (net of deferred tax)* [1]	*1,500*	*1,058*
(-)		Trade and other payables	(22,976)	(39,801)
	(+)	*Margin calls* [1] [3]	*3,269*	*6,351*
(-)		Liabilities from contracts with customers	(4,053)	(3,412)
(-)		Other current and non-current liabilities	(21,777)	(27,279)
INDUSTRIAL CAPITAL EMPLOYED			**60,957**	**59,782**

(1) For the purpose of calculating industrial capital employed, the amounts recorded in respect of these items have been adjusted from those appearing in the statement of financial position.

(2) The Group changed the definition of industrial capital employed from January 1, 2023 to include financial assets hedging nuclear provisions and Initial Margins required by certain market activities.

(3) Margin calls included in "Trade and other receivables, net" and "Trade and other payables" correspond to advances received or paid as part of collateralization agreements set up by the Group to manage counterparty risk on commodity transactions.

5.5 Cash flow from operations (CFFO)

The reconciliation of cash flow from operations (CFFO) with items in the statement of cash flows is as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Cash generated from operations before income tax and working capital requirements	14,407	12,415
Tax paid	(1,687)	(1,504)
Change in working capital requirements	397	(2,424)
Interest received on financial assets	118	(37)
Dividends received on equity investments	9	18
Interest paid	(1,058)	(822)
Interest received on cash and cash equivalents	569	194
Nuclear - expenditure on power plant dismantling and reprocessing, fuel storage	321	163
Change in financial assets held for investment or financing purposes	15	188
(+) Change in financial assets held for investment or financing purposes recorded in the statement of financial position and other	*(15)*	*(176)*
CASH FLOW FROM OPERATIONS (CFFO)	**13,075**	**8,016**

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5.6 Capital expenditure (CAPEX) and growth CAPEX

The reconciliation of capital expenditure (CAPEX) with items in the statement of cash flows is as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Acquisitions of property, plant and equipment and intangible assets	7,328	6,379
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	1,392	289
(+) Cash and cash equivalents acquired	*204*	*14*
Acquisitions of investments in equity method entities and joint operations	237	407
Acquisitions of equity and debt instruments	1,675	(175)
Change in loans and receivables originated by the Group and other	1,585	2,877
(+) Other	-	*(10)*
(-) Disposal impacts relating to DBSO [(1)] activities	(62)	(472)
(-) Financial investments Synatom / Disposal of financial assets Synatom	(3,082)	(1,822)
(+) Change in scope - Acquisitions	1,338	371
TOTAL CAPITAL EXPENDITURE (CAPEX)	**10,614**	**7,858**
(-) Maintenance CAPEX	(2,524)	(2,373)
TOTAL GROWTH CAPEX	**8,090**	**5,485**

(1) Develop, Build, Share & Operate; including Tax equity financing received (See Note 22 "Working capital requirements, inventories, other assets and other liabilities").

5.7 Net financial debt

The reconciliation of net financial debt with items in the statement of financial position is as follows:

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
(+) Long-term borrowings	14.2 & 14.3	37,920	28,083
(+) Short-term borrowings	14.2 & 14.3	9,367	12,508
(+) Derivative instruments - carried in liabilities	14.4	24,561	51,276
(-) Derivative instruments hedging commodities and other items		*(23,973)*	*(50,542)*
(-) Other financial assets	14.1	(16,987)	(12,992)
(+) Loans and receivables at amortized cost not included in net financial debt		*8,891*	*6,720*
(+) Equity instruments at fair value		*2,124*	*1,495*
(+) Debt instruments at fair value not included in net financial debt		*4,558*	*3,394*
(-) Cash and cash equivalents	14.1	(16,578)	(15,570)
(-) Derivative instruments - carried in assets	14.4	(21,245)	(48,386)
(+) Derivative instruments hedging commodities and other items		*20,854*	*48,067*
NET FINANCIAL DEBT		**29,493**	**24,054**

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5.8 Economic net debt

Economic net debt is as follows:

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
NET FINANCIAL DEBT	14.3	**29,493**	**24,054**
Provisions for back-end of the nuclear fuel cycle and dismantling of nuclear facilities	17	23,887	19,017
Other nuclear liabilities [(1)]	17	816	-
Provisions for dismantling of non-nuclear facilities	17	1,384	1,330
Post-employment benefits - Pensions	18	957	452
(-) Infrastructures regulated companies		*253*	*272*
Post-employment benefits - Reimbursement rights	18	(242)	(208)
Post-employment benefits - Other benefits	18	3,962	3,704
(-) Infrastructures regulated companies		*(2,578)*	*(2,392)*
Deferred tax assets for pensions and related obligations	11	(1,013)	(812)
(-) Infrastructures regulated companies		*541*	*490*
Plan assets relating to nuclear provisions, inventories of uranium and receivables of Electrabel towards EDF [(1)]	17 & 22	(10,944)	(7,098)
ECONOMIC NET DEBT		**46,517**	**38,808**

(1) Following the agreements with the Belgian government on the extension of the Tihange 3 and Doel 4 nuclear reactors and on all obligations related to nuclear waste, economic net debt now includes all existing nuclear liabilities, including payables and receivables previously recognized under working capital. The impact on the indicator at December 31, 2022 would have been an increase in economic net debt of around € 556 million.

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NOTE 6 SEGMENT INFORMATION

6.1 Operating segment and reportable segment

ENGIE is organized around:

- four Global Business Units (GBUs) representing the Group's four strategic activities: Renewables GBU, Networks GBU, Energy Solutions GBU, and FlexGen & Retail GBU;
- two operating entities: Nuclear and Global Energy Management & Sales ("GEMS");
- an Other group mainly comprising the Corporate functions and certain Holdings.

The reportable segments are identical to the operating segments and correspond to the activities of the GBUs.

- **Renewables**: comprises all centralized renewable energy generation activities, including financing, construction, operation and maintenance of renewable energy facilities, using various energy sources such as hydroelectric, onshore wind, photovoltaic solar, offshore wind, and battery storage combined with a renewable asset. The energy produced is fed into the grid and sold either on the open or regulated market or to third parties through electricity sale agreements.
- **Networks**: comprises the Group's electricity and gas infrastructure activities and projects. These activities include the management and development of (i) gas and electricity transportation networks and natural gas distribution networks in and outside of Europe, (ii) underground natural gas storage in Europe, and (iii) regasification infrastructure in France and Chile. Apart from the historical infrastructure management activities, its asset portfolio also contributes to energy decarbonization and network greening (gradual integration of green gas, hydrogen-based projects, etc.).
- **Energy Solutions**: encompasses the construction and management of decentralized energy networks to produce energy (heating and cooling networks, distributed power generation plants, distributed solar power parks, low-carbon mobility, low-carbon cities and public lighting, etc.) and related services (energy efficiency, technical maintenance, sustainable development consulting).
- **FlexGen**: includes activities to compensate for the intermittent nature of renewable energy by providing upstream flexibility (flexible thermal generation and electricity, pumping or battery storage) and downstream flexibility (shaving or shifting consumption for BtoC customers). They also provide solutions for decarbonizing industry with low-carbon hydrogen. The GBU plays a key role in the energy transition. It also includes the financing, construction and operation of desalination plants, whether or not coupled with power generation plants.
- **Retail**: encompasses all the Group's activities relating to the sale of gas and electricity to end customers, whether professional or individual. It also includes all the Group's activities in services for residential clients.
- **Nuclear**: encompasses all of the Group's nuclear activities, with seven reactors in Belgium (four in Doel and three in Tihange) among which five in operation and drawing rights in France.
- **Others**: encompasses the activities of GEMS as well as Corporate and holding companies. The GEMS operating entity is responsible, at the global level, for the supply of energy and the management of risk and optimization of assets on the markets. It sells energy to companies and offers energy management services and solutions to support the decarbonization of the Group and its customers.

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6.2 Key indicators by reportable segment

REVENUES

	Dec. 31, 2023			Dec. 31, 2022 (1)		
In millions of euros	External revenues	Intra-Group Revenues	Total	External revenues	Intra-Group Revenues	Total
Renewables	5,512	172	5,684	6,216	136	6,352
Networks	6,873	1,032	7,905	6,961	961	7,922
Energy Solutions	11,033	381	11,414	11,441	262	11,703
FlexGen	5,264	2,508	7,772	7,126	1,144	8,271
Retail	16,443	367	16,810	16,810	534	17,344
Nuclear	118	2,325	2,444	35	2,653	2,688
Others	37,322	6,808	44,129	45,277	2,007	47,283
Of which GEMS (2)	*37,221*	*6,776*	*43,997*	*45,137*	*1,979*	*47,115*
Elimination of internal transactions	-	(13,593)	(13,593)	-	(7,697)	(7,697)
TOTAL REVENUES	**82,565**	**-**	**82,565**	**93,865**	**-**	**93,865**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1, 2023. The main internal reclassifications concern the transfer of EV Box from Energy Solutions to Others.

(2) Of which a negative price effect of around €6.3 billion compared to 2022.

EBITDA

In millions of euros	Dec. 31, 2023	Dec. 31, 2022 (1)
Renewables	2,665	2,202
Networks	4,151	4,212
Energy Solutions	868	985
FlexGen	1,929	2,235
Retail	821	259
Others	3,297	2,310
Of which GEMS	*3,829*	*2,837*
TOTAL EBITDA excluding Nuclear	**13,732**	**12,204**
Nuclear	1,285	1,510
TOTAL EBITDA	**15,017**	**13,713**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1, 2023. The main internal reclassifications concern the transfer of EV Box from Energy Solutions to Others.

EBIT

In millions of euros	Dec. 31, 2023	Dec. 31, 2022 (1)
Renewables	2,005	1,627
Networks	2,265	2,371
Energy Solutions	386	523
FlexGen	1,513	1,768
Retail	569	(6)
Others	2,741	1,736
Of which GEMS	*3,551*	*2,618*
TOTAL EBIT excluding Nuclear	**9,479**	**8,019**
Nuclear	605	1,026
TOTAL EBIT	**10,084**	**9,045**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1, 2023. The main internal reclassifications concern the transfer of EV Box from Energy Solutions to Others.

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SHARE IN NET INCOME/(LOSS) OF EQUITY METHOD ENTITIES

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Renewables	203	217
Networks	446	323
Energy Solutions	22	118
FlexGen	355	397
Retail	-	-
Nuclear	-	-
Others	40	4
Of which GEMS	*32*	*(1)*
TOTAL SHARE IN NET INCOME/(LOSS) OF EQUITY METHOD ENTITIES	**1,066**	**1,059**

Associates and joint ventures accounted for €486 million and €580 million respectively in the share of net income of equity method entities at December 31, 2023 (compared to €400 million and €659 million at December 31, 2022).

INDUSTRIAL CAPITAL EMPLOYED

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Renewables	20,001	16,588
Networks	25,198	25,221
Energy Solutions	7,593	7,575
FlexGen	9,289	8,091
Retail	390	1,023
Nuclear	(11,210)	(9,855)
Others	9,696	11,139
Of which GEMS	*6,596*	*9,060*
TOTAL INDUSTRIAL CAPITAL EMPLOYED	**60,957**	**59,782**

CAPITAL EXPENDITURE

In millions of euros	Dec. 31, 2023	31 déc. 2022 (1)
Renewables	4,130	3,333
Networks	2,173	2,322
Energy Solutions	1,102	864
FlexGen	2,135	481
Retail	247	270
Nuclear	174	229
Others	652	360
Of which GEMS	*182*	*149*
TOTAL CAPEX	**10,614**	**7,858**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1, 2023. The main internal reclassifications concern the transfer of EV Box from Energy Solutions to Others.

GROWTH CAPEX

In millions of euros	Dec. 31, 2023	Dec. 31, 2022 (1)
Renewables	3,966	3,202
Networks	839	1,087
Energy Solutions	897	694
FlexGen	1,843	220
Retail	160	173
Nuclear	19	1
Others	368	108
Of which GEMS	*82*	*63*
TOTAL GROWTH CAPEX	**8,091**	**5,485**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1, 2023. The main internal reclassifications concern the transfer of EV Box from Energy Solutions to Others.

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6.3 Key indicators by geographic area

The amounts set out below are analyzed by:

- destination of products and services sold for revenues;
- geographic location of consolidated companies for industrial capital employed.

	Revenues		Industrial capital employed	
In millions of euros	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
France	36,676	34,248	32,802	33,912
Belgium	8,408	12,705	(9,259)	(7,575)
Other EU countries	18,303	22,687	9,713	9,261
Other European countries	4,480	4,202	1,991	1,610
North America	5,329	6,133	8,989	7,264
Asia, Middle East & Oceania	4,366	8,875	3,830	3,667
South America	4,715	4,778	11,212	11,095
Africa	289	237	1,679	548
TOTAL	**82,565**	**93,865**	**60,957**	**59,782**

Due to the variety of its businesses and their geographical location, the Group operates in a very diverse range of situations and for a variety of customer types (industry, local authorities and individual customers). Accordingly, no external customer represents individually 10% or more of the Group's consolidated revenues.

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NOTE 7 REVENUES

7.1 Revenues

Accounting standards

Revenues from contracts with customers concern revenues from contracts that fall within the scope of IFRS 15 – *Revenue from Contracts with Customers*. Revenues are recognized when the customer obtains control of goods or services promised in the contract, for the amount of consideration to which an entity expects to be entitled in exchange for said promised goods or services.

A contractual analysis of the Group's sale contracts has led to the application of the following revenue recognition principles:

- **Gas, electricity and other energies**
  Revenues from sales of gas, electricity and other energies are recognized upon delivery of the power to the retail, business or industrial customer.
  Power deliveries are monitored in real time or on a deferred basis for those customers whose energy consumption is metered during the accounting period, in which case the portion of not yet metered revenues "in the meter" is estimated on the closing date.

- **Gas, electrical and other energy infrastructures**
  Revenues derived by gas and electricity infrastructure operators upon providing transportation or distribution or storage capacities, are recognized on a straight-line basis over the contract term.
  In the countries where the Group acts as an energy provider (supplier) without being in charge of its distribution or transportation, mainly in France and Belgium, an analysis of the energy sales contracts and of the related regulatory framework is carried out to determine whether the distribution or transportation services invoiced to the customers have to be excluded from the revenues recognized under IFRS 15.
  Judgment may be exercised by the Group for this analysis in order to determine whether the energy provider acts as an agent or a principal for the gas or electricity distribution or transportation services re-invoiced to the customers. The main criteria used by the Group to exercise its judgment and conclude, in certain countries, that the energy provider acts as an agent of the infrastructure operator are as follows: who is primarily responsible for fulfillment of the distribution or transportation services? Does the energy provider have the ability to commit to capacity reservation contracts towards the infrastructure operator? To what extent does the energy provider have discretion in establishing the price for the distribution or transportation services?

- **Constructions, installations, Operations and Maintenance (O&M)**
  Construction and installation contracts mainly concern assets built on the premises of customers such as cogeneration units, heaters or other energy-efficiency assets. The related revenues are usually recognized according to the percentage of completion on the basis of the costs incurred where the contracts fall within the scope of IFRS 15.
  O&M contracts generally require the Group to perform services ensuring the availability of power generating facilities. These services are performed over time and the related revenues are recognized according to the percentage of completion on the basis of the costs incurred.

If it is not possible to conclude from the contractual analysis that the contract falls within the scope of IFRS 15, the revenues are accounted for as non-IFRS 15 revenues.

Revenues from other contracts, corresponding to revenues from operations that do not fall within the scope of IFRS 15, presented in the "Others" column include trading, lease and concession income, as well as any financial component of operating services, and the effects of the tariff shield mechanisms

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The table below shows a breakdown of revenues by type:

In millions of euros	Sales of gas	Sales of electricity and other energies	Sales of services linked to infrastructures	Constructions, installations, and O&M	Others	Dec. 31, 2023
Renewables	-	5,010	106	261	135	**5,512**
Networks	138	5	6,068	434	228	**6,873**
Energy Solutions	268	4,163	88	6,434	80	**11,033**
FlexGen	92	4,332	274	400	166	**5,264**
Retail	7,631	6,229	82	1,003	1,497	**16,443**
Nuclear	-	4	7	28	79	**118**
Others	13,943	19,619	246	142	3,372	**37,322**
Of which GEMS	*13,943*	*19,619*	*241*	*46*	*3,372*	***37,221***
TOTAL REVENUES	**22,072**	**39,362**	**6,872**	**8,703**	**5,557**	**82,565**

The significant change in natural gas and electricity prices has led some governments to introduce a “tariff shield” for natural gas and electricity, particularly in France and Romania.

The measures having the most significant impact on the Group's consolidated financial statements are those introduced by the French government for natural gas and electricity. The Finance Act for 2023 (Law no. 2022-1726 of December 30, 2022) extended and modified the tariff shield arrangements for gas (until June 30, 2023) and electricity (until January 31, 2024). The loss of revenue borne by ENGIE constitutes an expense attributable to public service obligations, and is subject to State-guaranteed compensation calculated in accordance with the application procedures published by the French Energy Regulatory Commission (*Commission de Régulation de l'Énergie*).

These effects are mainly included in the “Others” column (“Revenues excluding IFRS 15”) of the “Retail” business.

In millions of euros	Sales of gas	Sales of electricity and other energies	Sales of services linked to infrastructures	Constructions, installations, and O&M	Others	Dec. 31, 2022
Renewables	-	5,797	88	242	89	**6,216**
Networks	232	1	6,021	478	230	**6,961**
Energy Solutions	246	4,713	96	6,424	73	**11,552**
FlexGen	22	4,522	1,601	396	588	**7,129**
Retail	7,793	5,372	153	958	2,534	**16,810**
Nuclear	-	5	8	24	(3)	**35**
Others	21,405	19,595	170	70	3,923	**45,163**
Of which GEMS	*21,405*	*19,595*	170	*45*	*3,923*	**45,137**
TOTAL REVENUES	**29,697**	**40,004**	**8,135**	**8,593**	**7,435**	**93,865**

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7.2 Trade and other receivables, assets and liabilities from contracts with customers

Accounting standards

On initial recognition, trade and other receivables are recorded at their transaction price as defined in IFRS 15.

A contract asset is an entity's right to consideration in exchange for goods or services that have been transferred to a customer but for which payment is not yet due or is contingent on the satisfaction of a specific condition stipulated in the contract. When an amount becomes due, it is transferred to receivables.

A receivable is recorded when the entity has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has already received consideration from the customer. The liability is derecognized upon recognition of the corresponding revenue.

Trade and other receivables and assets from contracts with customers are tested for impairment in accordance with the provisions of IFRS 9 on expected credit losses.

The impairment model for financial assets is based on the expected credit loss model. To calculate expected losses, the Group uses a matrix for trade receivables and assets from contracts with customers, for which the change in credit risk is monitored on a portfolio basis. The change in credit risk of for large customers and other large counterparties is monitored on an individual basis.

See Note 15 "Risks arising from financial instruments" for the Group's assessment of counterparty risk.

7.2.1 Trade and other receivables and assets from contracts with customers

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Trade and other receivables, net	20,092	31,310
Of which IFRS 15	*8,083*	*7,587*
Of which non-IFRS15	*12,009*	*23,723*
Assets from contracts with customers	9,531	12,584
Accrued income and unbilled revenues	*6,989*	*9,513*
Energy in the meter [(1)]	*2,542*	*3,071*

(1) Net of advance payments.

In 2023, the most significant assets from contracts mainly concerned GEMS (€3,766 million), Energy Solutions (€2,516 million) and Retail (€1,922 million).

	Dec. 31, 2023			Dec. 31, 2022		
In millions of euros	Gross	Allowances and expected credit losses	Net	Gross	Allowances and expected credit losses	Net
Trade and other receivables, net	22,160	(2,068)	20,092	33,282	(1,973)	31,310
Assets from contracts with customers	9,558	(27)	9,531	12,632	(48)	12,584
TOTAL	**31,718**	**(2,095)**	**29,623**	**45,914**	**(2,020)**	**43,894**

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Gas and electricity in the meter

For customers whose energy consumption is metered during the accounting period, the gas supplied but not yet metered at the reporting date is estimated based on historical data, consumption statistics and estimated selling prices.

For sales on networks used by a large number of grid operators, the Group is allocated a certain volume of energy transiting through the networks by the grid managers. As the final allocations are sometimes only known several months down the line, revenue figures cannot be determined with absolute certainty. However, the Group has developed measuring and modeling tools allowing it to estimate revenues with a reasonable degree of accuracy and subsequently ensure that risks of error associated with estimating quantities sold and the related revenues can be considered as immaterial.

In France and Belgium, un-metered revenues ("gas in the meter") are calculated using a direct method taking into account customers' estimated consumption based on the last invoice or metering not yet billed. These estimates are in line with the volume of energy allocated by the grid managers over the same period. The average price is used to measure "gas in the meter" and takes account of the category of customer and the age of the delivered unbilled "gas in the meter". The portion of unbilled revenues at the reporting date varies according to the assumptions about volume and average price.

"Electricity in the meter" is also determined using a direct allocation method similar to that used for gas, but taking into account specific factors related to electricity consumption. It is also measured on a customer-by-customer basis or by customer type.

Realized but not yet metered revenues ("un-metered revenues") mainly related to France and Belgium for an amount of €5,279 million at December 31, 2023 (€5,883 million at December 31, 2022).

7.2.2 Liabilities from contracts with customers

	Dec. 31, 2023			Dec. 31, 2022		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Liabilities from contracts with customers	93	3,960	4,053	121	3,292	3,412
Advances and downpayments received	*23*	*2,998*	*3,020*	*53*	*2,201*	*2,253*
Deferred revenues	*71*	*963*	*1,033*	*68*	*1,091*	*1,159*

In 2023, the Global Business Units reporting the greatest amounts of liabilities from contracts with customers were Retail (€1,563 million) and Energy Solutions (€1,638 million).

7.3 Revenues relating to performance obligations not yet satisfied

Revenues relating to performance obligations only partially satisfied at December 31, 2023 amounted to €867 million. They mainly concern Energy Solutions (€849 million) which handle a large number of construction, installation, and maintenance contracts under which revenues are recognized over time.

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NOTE 8 OPERATING EXPENSES

Accounting standards

Operating expenses include:

- purchases and operating derivatives including:
  - the purchase of commodities and associated costs (infrastructure, transport, storage, etc.),
  - the realized impact, as well as the change in fair value (MtM), of commodity transactions, with or without physical delivery, that fall within the scope of IFRS 9 – *Financial Instruments* and that do not qualify as trading or hedging. These contracts are set up as part of economic hedges of operating transactions in the energy sector;
- purchases of services and other items such as subcontracting and interim expenses, lease expenses (short-term lease contracts, leases with a low underlying asset value or leases with variable expenses), concession expenses, etc.;
- personnel costs;
- depreciation, amortization, and provisions; and
- taxes.

8.1 Purchases and operating derivatives

In millions of euros	Dec 31, 2023	Dec 31, 2022
Purchases and other income and expenses on operating derivatives other than trading (1)	(49,650)	(67,676)
Service and other purchases (2)	(7,342)	(6,860)
PURCHASES AND OPERATING DERIVATIVES	**(56,992)**	**(74,535)**

(1) Of which net income of €2,430 million in 2023 relating to MtM on commodity contracts other than trading (compared to a net expense of €3,661 million in 2022), notably on certain economic gas and electricity hedging positions not documented as cash flow hedges.

(2) Of which €75 million in lease expenses not included in the IFRS 16 lease liability (compared to €56 million in lease expenses in 2022).

The decrease in purchases and operating derivatives is mainly due to changes in commodity prices over the period.

8.2 Personnel costs

In millions of euros	Notes	Dec 31, 2023	Dec 31, 2022
Short-term benefits		(7,688)	(7,623)
Share-based payments	19	(47)	(104)
Costs related to defined benefit plans	18.3.4	(322)	(261)
Costs related to defined contribution plans	18.4	(92)	(91)
PERSONNEL COSTS		**(8,149)**	**(8,078)**

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8.3 Depreciation, amortization and provisions

In millions of euros	Notes	Dec 31, 2023	Dec 31, 2022
Depreciation and amortization	13	(4,886)	(4,576)
Net change in write-downs of inventories, trade receivables and other assets		(203)	(768)
Net change in provisions	17	178	157
DEPRECIATION, AMORTIZATION AND PROVISIONS		**(4,911)**	**(5,187)**

At December 31, 2023, depreciation and amortization mainly break down as €1,124 million for intangible assets and €3,762 million for property, plant and equipment.

8.4 Taxes

In millions of euros	Dec 31, 2023	Dec 31, 2022
TAXES	**(2,627)**	**(3,380)**

Taxes at December 31, 2023 include the Belgian nuclear tax and the inframarginal rent caps from electricity generation for a total of €969 million, including €329 million for the nuclear tax (compared with approximately €1,348 million and €917 million respectively at December 31, 2022). In addition, in 2022, the Group recognized an expense of €308 million corresponding to the exceptional tax on the energy sector introduced by the Italian authorities (the temporary Italian solidarity contribution was recognized in income tax and amounted to €132 million).

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NOTE 9 OTHER ITEMS OF NET INCOME/(LOSS) FROM OPERATING ACTIVITIES

Accounting standards

Other items of Net income/(loss) from operating activities include:

- "Impairment losses": this line includes impairment losses on goodwill, other intangible assets, property, plant and equipment and investments in entities consolidated using the equity method;
- "Restructuring costs": this line concerns costs corresponding to a restructuring program planned and controlled by management that materially changes either the scope of a business undertaken by the entity, or the manner in which that business is conducted, based on the criteria set out in IAS 37;
- "Changes in the scope of consolidation". This line includes:
  - direct costs related to acquisitions of controlling interests,
  - in a business combination achieved in stages, remeasurement at fair value at the acquisition date of the previously held interest,
  - subsequent changes in the fair value of contingent consideration,
  - gains or losses from disposals of investments which result in a change of consolidation method, as well as any impact from the remeasurement of retained interests with the exception of gains and losses arising from transactions realized in the framework of "Develop, Build, Share & Operate" (DBSO) or "Develop, Share, Build & Operate" (DSBO) business models. As they are part of the recurring rotation of the Group's capital employed, these transactions are recognized in current operating income subject to certain criteria being met (notably their recurrence).
- "Other non-recurring items": this line includes other elements of an unusual, abnormal or infrequent nature.

9.1 Impairment losses

In millions of euros	Notes	Dec. 31, 2023	Dec. 31, 2022
Impairment losses:			
Goodwill	13.1	(94)	-
Property, plant and equipment and other intangible assets	13.2 & 13.3	(1,587)	(2,306)
Investments in equity method entities and related provisions		(72)	(536)
TOTAL IMPAIRMENT LOSSES		**(1,753)**	**(2,841)**
Reversal of impairment losses:			
Property, plant and equipment and other intangible assets		435	67
TOTAL REVERSALS OF IMPAIRMENT LOSSES		**435**	**67**
TOTAL		**(1,318)**	**(2,774)**

9.1.1 Impairment losses recognized in 2023

Net impairment losses recognized at December 31, 2023 amounted to €1,318 million and relate notably to:

- renewable energy production assets in North America (€714 million), due to very specific operational difficulties linked to turbine performance on a wind asset, and the fall in long-term market prices affecting certain projects exposed to the SPP market in particular. It should be noted that for these projects, the fall in market prices had a positive impact on the fair value of VPPA (Virtual Power Purchase Agreement) contracts of around €+0.3 billion,

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with these mark-to-market changes, over the period covered by these contracts, recognized in operating expenses (*see Note 8.1 "Operating expenses"*);
- coal-fired generation assets in South America, for which the Group has decided to accelerate decommissioning from end 2025, in line with the Group's decarbonization plan (€515 million);
- other production or support assets for less significant amounts taken individually.

In addition, following the review procedure initiated by the Commission for Nuclear Provisions (CNP) in September 2022, the industrial scenario and all the technical and financial assumptions were approved on July 7, 2023. This resulted in a €646 million decrease in the dismantling asset provision (*see Note 17 "Provisions"*), against a reduction in dismantling assets. Given the impairment losses recognized on some of these assets at the end of the last year, an impairment reversal of €400 million was recorded in 2023.

These impairment losses mainly concern property, plant and equipment and intangible assets. Considering the effects of deferred taxes and the portion of impairment losses attributable to non-controlling interests, the impact of the impairment losses on net income Group share amounted to €642 million.

With the exception of the effects of decisions to dispose of non-strategic assets, no impairment losses were recognized on non-financial assets as a result of measures to prevent or mitigate climate risks or to achieve the 2045 net zero-carbon objective.

Impairment tests are carried out in accordance with the procedures described in Note 13.4.

9.1.2 Impairment losses recognized in 2022

Net impairment losses recognized at December 31, 2022 amounted to €2,774 million and related mainly to:

- the effects of the triennial revision of nuclear provisions on assets to be recognized against nuclear power plant dismantling provisions;
- the effects of the ongoing program to exit coal activities;
- the consequences of negotiations initiated or finalized during the year in connection with the renegotiation of PPA contracts or the disposal of non-strategic assets.

9.2 Restructuring costs

In 2023, restructuring costs totaled € 47 million (versus €230 million in 2022). Restructuring costs in both years mainly included costs related to staff reduction plans and measures to adapt to the economic situation in 2023 and 2022, as well as the shutdown or sale of operations, the closure or restructuring of certain facilities as well as other miscellaneous restructuring costs.

9.3 Changes in scope of consolidation

At December 31, 2023, the impact of changes in the scope of consolidation was a negative €85 million and mainly comprised the disposal of a coal-fired generation unit in Brazil (a negative €47 million).

At December 31, 2022, the impact of changes in the scope of consolidation was a positive €91 million and mainly comprised:

- a positive impact of €280 million relating to the disposal of shares held in Gaztransport et Technigaz (GTT) for a total representing approximately 24.6% of its share capital. This result includes the effects of the almost full conversion of the exchangeable bond issued by the Group in June 2021;
- a positive impact of €111 million relating to the disposal of geothermal assets in Indonesia;
- a negative impact of €127 million relating to the disposal of the Energy Solutions activities in Africa and France;

- a negative impact of €110 million relating to the purchase of shares in renewable assets in India with refinancing obligations carried out in 2023;
- a negative impact of €63 million relating to miscellaneous disposals that are not individually significant.

9.4 Other non-recurring items

Other non-recurring items amounted to a negative €4,945 million at December 31, 2023 and include the €-4,750 million impact of the revision of nuclear provisions to take account of the agreement reached with the Belgian government on June 29, 2023, which became binding following the signature of the supplements to the initial agreements on July 21, 2023 and whose implementation was specified in the transaction documents signed on December 13, 2023 (*see Note 17 "Provisions"*). This amount includes the additional provisions set aside under the agreement (€-5.1 billion), diminished by the effects of recognizing the receivable relating to Electrabel's partners' share in certain power plants (€0.4 billion).

Other non-recurring items also include the impact of the revision of the dismantling provision of the Hazelwood site in Australia for around €90 million.

Other non-recurring items at December 31, 2022 totaled a negative €1,328 million and mainly comprised:

- a negative impact of €979 million related to the triennial review of provisions for the management of the back-end nuclear cycle;
- a negative impact of €205 million related to provisions set up to cover clean-up obligations in France;
- a negative impact of €161 million related to the write-off of intangible assets and property, plant and equipment, mainly in France.

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NOTE 10 NET FINANCIAL INCOME/(LOSS)

In millions of euros	Expense	Income	Dec. 31, 2023	Expense	Income	Dec. 31, 2022
Interest expense on gross debt and hedges	*(1,708)*	*-*	*(1,708)*	*(1,104)*	*-*	*(1,104)*
Cost of lease liabilities	*(105)*	*-*	*(105)*	*(73)*	*-*	*(73)*
Foreign exchange gains/losses on borrowings and hedges	*(10)*	*-*	*(10)*	*(28)*	*-*	*(28)*
Ineffective portion of derivatives qualified as fair value hedges	*-*	*-*	*-*	*-*	*7*	*7*
Gains and losses on cash and cash equivalents and liquid debt instruments held for cash investment purposes	*-*	*596*	*596*	*-*	*197*	*197*
Capitalized borrowing costs	*268*	*-*	*268*	*109*	*-*	*109*
Cost of net debt	**(1,557)**	**596**	**(961)**	**(1,097)**	**205**	**(893)**
Cash payments made on the unwinding of swaps	*-*	*-*	*-*	*(9)*	*-*	*(9)*
Reversal of the negative fair value of these early unwound derivative financial instruments	*-*	*-*	*-*	*-*	*-*	*-*
Gains/(losses) on debt restructuring transactions	*-*	*8*	*8*	*-*	*55*	*55*
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	**-**	**8**	**8**	**(9)**	**55**	**46**
Net interest expense on post-employment benefits and other long-term benefits	*(161)*	*-*	*(161)*	*(92)*	*-*	*(92)*
Unwinding of discounting adjustments to other long-term provisions	*(772)*	*-*	*(772)*	*(617)*	*-*	*(617)*
Change in fair value of derivatives not qualified as hedges and ineffective portion of derivatives qualified as cash flow hedges	*(15)*	*-*	*(15)*	*(5)*	*-*	*(5)*
Income/(loss) from debt instruments and equity instruments	*(238)*	*-*	*(239)*	*(1,295)*	*36*	*(1,258)*
Interest income on loans and receivables at amortized cost	*-*	*106*	*106*	*-*	*69*	*69*
Other	*(596)*	*467*	*(130)*	*(585)*	*332*	*(253)*
Other financial income and expenses	**(1,783)**	**573**	**(1,210)**	**(2,594)**	**438**	**(2,156)**
NET FINANCIAL INCOME/(LOSS)	**(3,340)**	**1,177**	**(2,163)**	**(3,700)**	**697**	**(3,003)**

In 2023, the average cost of debt after hedging came out at 4.31% compared to 2.73% at December 31, 2022.

Net income/(loss) from debt and equity instruments amounted to a loss of €239 million and mainly included the loss on bonds and money market funds held by Synatom for €-149 million *(see Note 17.2.4 "Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material").*

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NOTE 11 INCOME TAX EXPENSE

Accounting standards

The Group calculates taxes in accordance with prevailing tax legislation in the countries where income is taxable.

In accordance with IAS 12, deferred taxes are recognized according to the liability method on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, using tax rates that have been enacted or substantively enacted by the reporting date. However, under the provisions of IAS 12, no deferred tax is recognized for temporary differences arising from goodwill for which impairment losses are not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which (i) is not a business combination and (ii) at the time of the transaction, affects neither accounting income nor taxable income. In addition, deferred tax assets are only recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates, joint ventures and branches, except if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Net balances of deferred taxes are calculated based on the tax position of each company or on the total income of companies included within the relevant consolidated tax group, and are presented in assets or liabilities for their net amount per tax entity.

Deferred taxes are reviewed at each reporting date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

Tax effects relating to coupon payments on deeply-subordinated perpetual notes are recognized in profit or loss.

11.1 Actual income tax expense recognized in the income statement

11.1.1 Breakdown of actual income tax expense recognized in the income statement

The income tax expense recognized in the income statement for 2023 amounted to €1,031 million (€83 million income tax benefit in 2022). It breaks down as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Current income taxes	(833)	(1,762)
Deferred taxes	(198)	1,845
TOTAL INCOME TAX BENEFIT/(EXPENSE) RECOGNIZED IN INCOME	**(1,031)**	**83**

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11.1.2 Reconciliation of theoretical income tax expense with actual income tax expense

A reconciliation of theoretical income tax expense with the Group's actual income tax expense is presented below:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Net income/(loss)	**2,903**	**390**
Share in net income of equity method entities	993	523
Net income/(loss) from discontinued operations	-	2,183
Income tax expense	(1,031)	83
Income/(loss) before income tax of consolidated companies (A)	**2,941**	**(2,400)**
Of which French companies	*1,532*	*(2,130)*
Of which companies outside France	*1,409*	*(270)*
Statutory income tax rate of the parent company (B)	25.8%	25.8%
THEORETICAL INCOME TAX BENEFIT/(EXPENSE) (C) = (A) X (B)	**(759)**	**620**
Reconciling items between theoretical and actual income tax expense		
Difference between statutory tax rate applicable to the parent and statutory tax rate in force in jurisdictions in France and abroad	(14)	(8)
Permanent differences (1)	(120)	(313)
Income taxed at a reduced rate or tax-exempt (2)	(22)	427
Additional tax expense (3)	(60)	(327)
Effect of unrecognized deferred tax assets on tax loss carry-forwards and other tax-deductible temporary differences (4)	(430)	(940)
Recognition or utilization of tax income on previously unrecognized tax loss carry-forwards and other tax-deductible temporary differences (5)	93	643
Impact of changes in tax rates (6)	8	(37)
Tax credits and other tax reductions (7)	360	20
Other (8)	(86)	(1)
INCOME TAX BENEFIT/(EXPENSE) RECOGNIZED IN INCOME	**(1,031)**	**83**

(1) Mainly includes disallowable impairment losses on goodwill, disallowed operating expenses and the deduction of interest expenses arising from hybrid debt.

(2) Mainly includes capital gains on disposals of securities exempt from tax or taxed at a reduced rate in some tax jurisdictions, the impact of the specific tax regimes used by some entities, disallowable impairment losses and capital losses on securities, and the impact of untaxed income from remeasuring previously-held (or retained) equity interests in connection with acquisitions and changes in consolidation methods.

(3) Mainly includes tax on dividends resulting from the parent company tax regime, withholding tax on dividends and interest levied in several tax jurisdictions, allocations to provisions for income tax, and regional and flat-rate corporate taxes. In 2022, this line also included the temporary Italian solidarity contribution (€132 million).

(4) Includes (i) the cancellation of the net deferred tax asset position for some tax entities in the absence of sufficient profit being forecast and (ii) the impact of disallowable impairment losses on fixed assets.

(5) Includes the impact of the recognition of net deferred tax asset positions for some tax entities.

(6) Mainly includes the impact of tax rate changes on deferred tax balances in the United Kingdom for 2023 and for 2022.

(7) Mainly includes reversals of provisions for tax litigation in Luxembourg, tax credits in France and in Singapore and other tax reductions.

(8) Mainly includes the correction of previous tax charges.

With regard to the future implementation of the OECD Pillar 2 rules, the Group does not have significant operations in countries where a minimum tax may be due, and therefore does not expect from this reform any material impacts on its income tax expense.

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11.1.3 Analysis of the deferred tax income/(expense) recognized in the income statement, by type of temporary difference

	Impact in the income statement	
In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Deferred tax assets:		
Tax loss carry-forwards and tax credits	(103)	1,051
Pension and related obligations	(3)	(1)
Non-deductible provisions	976	55
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(84)	454
Measurement of assets and liabilities at fair value (IAS 32/IFRS 9)	(2,373)	(1,260)
Other	265	(135)
TOTAL	**(1,322)**	**164**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	61	(545)
Measurement of assets and liabilities at fair value (IAS 32/IFRS 9)	1,326	1,781
Other	(263)	398
TOTAL	**1,124**	**1,634**
DEFERRED TAX INCOME/(EXPENSE)	**(198)**	**1,798**
Of which continuing activities	*(198)*	*1,845*

11.2 Deferred tax income/(expense) recognized in "Other comprehensive income"

Net deferred tax income/(expense) recognized in "Other comprehensive income" is broken down by component as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Equity and debt instruments	(6)	33
Actuarial gains and losses	141	(646)
Net investment hedges	(41)	11
Cash flow hedges on other items	802	943
Cash flow hedges on net debt	4	(3)
TOTAL EXCLUDING SHARE OF EQUITY METHOD ENTITIES AND DISCONTINUED OPERATIONS	**900**	**338**
Share of equity method entities	(28)	(132)
Discontinued operations	-	(21)
TOTAL	**872**	**185**

11.3 Deferred taxes presented in the statement of financial position

11.3.1 Change in deferred taxes

Changes in deferred taxes recognized in the statement of financial position, after netting deferred tax assets and liabilities by tax entity, break down as follows:

In millions of euros	Assets	Liabilities	Net position
AT DECEMBER 31, 2022	**2,029**	**(6,408)**	**(4,379)**
Impact on net income for the year	(1,322)	1,124	(198)
Impact on other comprehensive income items	1,559	(665)	894
Impact of changes in scope of consolidation	215	(214)	-
Impact of translation adjustments	(13)	5	(8)
Transfers to assets and liabilities classified as held for sale	(4)	4	-
Other	(210)	243	33
Impact of netting by tax entity	(279)	279	-
AT DECEMBER 31, 2023	**1,974**	**(5,632)**	**(3,658)**

11.3.2 Analysis of the net deferred tax position recognized in the statement of financial position (before netting deferred tax assets and liabilities by tax entity), by type of temporary difference

Accounting standards

Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. The probability that taxable profit will be available against which the unused tax losses can be utilized, is based on taxable temporary differences relating to the same taxation authority and the same taxable entity and estimates of future taxable profits. These estimates and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts over a six-year tax projection period as included in the medium-term business plan approved by Management, subject to exceptions justified by a particular context and, if necessary, on the basis of additional forecasts.

	Statement of financial position at	
In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Deferred tax assets:		
Tax loss carry-forwards and tax credits	2,121	2,202
Pension obligations	1,013	812
Non-deductible provisions	1,485	518
Difference between the carrying amount of PP&E and intangible assets and their tax bases	1,659	1,830
Measurement of assets and liabilities at fair value (IAS 32/IFRS 9)	7,649	8,346
Other	626	620
TOTAL	**14,553**	**14,328**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(9,893)	(9,873)
Measurement of assets and liabilities at fair value (IAS 32/IFRS 9)	(7,419)	(8,141)
Other	(897)	(693)
TOTAL	**(18,210)**	**(18,707)**
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(3,658)**	**(4,378)**

In accordance with the amendment to IAS 12, no deferred tax is recognized in respect of the future implementation of the OECD Pillar 2 rules.

11.4 Unrecognized deferred taxes

At December 31, 2023, the tax effect of tax losses and tax credits eligible for carry-forward but not utilized and not recognized in the statement of financial position amounted to €4,563 million (€4,165 million at December 31, 2022). Most of these unrecognized tax losses relate to companies based in countries which allow losses to be carried forward indefinitely (mainly Belgium, the Netherlands, Australia, and the United States). These tax losses carried forward did not give rise to the full or partial recognition of a deferred tax asset due to the absence of sufficient profit forecasts in the medium term.

The tax effect of other tax-deductible temporary differences not recorded in the statement of financial position was €1,778 million at end-December 2023 versus €1,590 million at end-December 2022.

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NOTE 12 EARNINGS PER SHARE

Accounting standards

Basic earnings per share is calculated by dividing net income Group share for the year by the weighted average number of ordinary shares outstanding during the year. The average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year.

For the diluted earnings per share calculation, the weighted average number of shares and basic earnings per share are adjusted to take into account the impact of the conversion or exercise of any dilutive potential ordinary shares (options, warrants and convertible bonds, etc.).

In compliance with IAS 33 – *Earnings per Share,* earnings per share and diluted earnings per share are based on net income/(loss) Group share after deduction of payments to bearers of deeply-subordinated perpetual notes *(see Note 16.2.1 "Issuance of deeply-subordinated perpetual notes").*

The Group's dilutive instruments included in the calculation of diluted earnings per share include bonus shares and performance shares granted in the form of ENGIE securities.

	Dec. 31, 2023	Dec. 31, 2022
Numerator (in millions of euros)		
Net income/(loss) Group share	**2,208**	**216**
Of which Net income/(loss) relating to continuing operations, Group share	*2,208*	*(1,965)*
Interest from deeply-subordinated perpetual notes	(80)	(77)
Net income/(loss)used to calculate earnings per share	**2,129**	**140**
Of which Net income/(loss) relating to continuing operations, Group share, used to calculate earnings per share	*2,129*	*(2,042)*
Net recurring income/(loss) Group share	**5,366**	**5,510**
Of which Net recurring income/(loss) relating to continuing operations, Group share	*5,366*	*5,223*
Interest from deeply-subordinated perpetual notes	(80)	(77)
Net recurring income/(loss)used to calculate earnings per share	**5,287**	**5,433**
Of which Net recurring income/(loss) relating to continuing operations, Group share, used to calculate earnings per share	*5,287*	*5,146*
Denominator (in millions of shares)		
Average number of outstanding shares	**2,422**	**2,420**
Impact of dilutive instruments:		
Bonus share plans reserved for employees	11	-
Diluted average number of outstanding shares	**2,433**	**2,420**
Earnings per share (in euros)		
Basic earnings/(loss) per share	**0.88**	**0.06**
Of which Basic earnings/(loss) Group share relating to continuing operations per share	*0.88*	*(0.84)*
Diluted earnings/(loss) per share	**0.87**	**0.06**
Of which Diluted earnings/(loss) Group share relating to continuing operations per share	*0.88*	*(0.84)*
Basic recurring earnings/(loss) per share	**2.18**	**2.24**
Of which Basic recurring earnings/(loss) Group share relating to continuing operations per share	*2.18*	*2.13*
Diluted recurring earnings/(loss) per share (1)	**2.17**	**2.23**
Of which Diluted recurring earnings/(loss) Group share relating to continuing operations per share (1)	*2.17*	*2.12*

(1) In 2022, the calculation of the denominator included 11 million potential ENGIE shares that had a dilutive effect on the NRIgs and NRIgs relating to continuing operations per share. This effect was not taken into account in the calculation of the NIgs and the NIgs relating to continuing operations per share due to the antidilutive effect on the latter.

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NOTE 13 FIXED ASSETS

13.1 Goodwill

Accounting standards

Upon a business combination, goodwill is measured as the difference between:

- on the one hand the sum of:
  - the consideration transferred;
  - the amount of non-controlling interests in the acquiree, and
  - in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree;
- on the other hand the net fair value of the identifiable assets acquired and liabilities assumed. The key assumptions and estimates used to determine the fair value of assets acquired and liabilities assumed include the market outlook for the measurement of future cash flows as well as applicable discount rates. These assumptions reflect management's best estimates at the acquisition date.

The amount of goodwill recognized at the acquisition date cannot be adjusted after the end of the 12-month measurement period.

Goodwill relating to interests in associates is included in the carrying amount of the investment consolidated under the equity method entities.

13.1.1 Movements in the carrying amount of goodwill

In millions of euros	**Net amount**
AT DECEMBER 31, 2022	**12,855**
Impairment losses	(95)
Changes in scope of consolidation and Other	134
Translation adjustments	(29)
AT DECEMBER 31, 2023	**12,864**

13.1.2 Information on goodwill

For the purposes of impairment testing, goodwill is allocated to operating segments, which represent the lowest level at which it is monitored for internal management purposes.

The table below shows the amount of goodwill at December 31, 2023:

In millions of euros	**Dec. 31, 2023**
Networks	5,366
Renewables	2,185
Retail	1,838
Energy Solutions	1,209
FlexGen	1,123
Nuclear	797
Other	346
TOTAL	**12,864**

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13.2 Intangible assets

Accounting standards

Initial measurement

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Amortization

Intangible assets are amortized on the basis of the expected pattern of consumption of the estimated future economic benefits embodied in the asset. Amortization is calculated mainly on a straight-line basis over the following useful lives:

	Useful life	
Main depreciation periods (years)	**Minimum**	**Maximum**
Concession rights	10	30
Customer portfolio	3	20
Other intangible assets	1	50

Intangible assets with an indefinite useful life are not amortized but are tested for impairment annually.

Intangible rights arising on concession contracts

IFRIC 12 – *Service Concession Arrangements* deals with the treatment to be applied by the concession operator in respect of certain concession arrangements.

For a concession arrangement to fall within the scope of IFRIC 12, usage of the infrastructure must be controlled by the concession grantor. This requirement is satisfied when the following two conditions are met:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls any residual interest in the infrastructure at the end of the term of the arrangement, for example it retains the right to take back the infrastructure at the end of the concession.

The intangible asset model according to paragraph 17 of IFRIC 12 applies if the operator receives a right (a license) to charge the users, or the grantor, depending on the use made of the public service. There is no unconditional right to receive cash, as the amounts depend on the extent to which the public uses the service.

Concession infrastructures that do not meet the requirements of IFRIC 12 are presented as property, plant and equipment. This is the case of gas distribution infrastructures in France. The related assets are recognized in accordance with IAS 16, given that GRDF operates its network under long-term concession arrangements, most of which are mandatorily renewed upon expiration pursuant to French law No. 46-628 of April 8, 1946.

Research and development costs

Research costs are expensed as incurred.

Development costs are capitalized when the asset recognition criteria set out in IAS 38 are met. Capitalized development costs are amortized over the useful life of the intangible asset.

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13.2.1 Movements in intangible assets

In millions of euros	Intangible rights arising on concession contracts	Capacity entitlements	Others	Total
GROSS AMOUNT				
AT DECEMBER 31, 2022	**3,630**	**3,282**	**13,498**	**20,410**
Acquisitions	269	-	1,143	1,412
Disposals	(43)	-	(271)	(315)
Translation adjustments	5	-	(52)	(46)
Changes in scope of consolidation	-	-	965	965
Transfer to "Assets classified as held for sale and discontinued operations"	-	-	-	-
Other	44	11	(59)	(4)
AT DECEMBER 31, 2023	**3,906**	**3,293**	**15,223**	**22,422**
ACCUMULATED AMORTIZATION AND IMPAIRMENT				
AT DECEMBER 31, 2022	**(1,706)**	**(2,208)**	**(9,131)**	**(13,046)**
Amortization	(151)	(106)	(867)	(1,124)
Impairment	(8)	-	(42)	(51)
Disposals	37	-	180	217
Translation adjustments	(1)	-	22	21
Changes in scope of consolidation	-	-	(19)	(19)
Other	(9)	-	37	29
AT DECEMBER 31, 2023	**(1,838)**	**(2,314)**	**(9,821)**	**(13,973)**
CARRYING AMOUNT				
AT DECEMBER 31, 2022	**1,924**	**1,074**	**4,366**	**7,364**
AT DECEMBER 31, 2023	**2,067**	**979**	**5,403**	**8,449**

In 2023, the net increase in “Intangible assets” was mainly attributable to:

- investments during the period (€1,412 million) relating mainly to intangible assets in progress (€863 million) notably capitalized costs in connection with the renewable business in the United States (€207 million), as information technology projects (€141 million) mainly at corporate ENGIE group level in France, and as investments in the extension and maintenance of transmission and distribution networks (€215 million) mainly in France, and relating to concession contracts in the business of Energy Solutions in France (€269 million);
- a net positive impact of changes in the scope of consolidation of €946 million, relating mainly to preliminary purchase price allocation carried out for the acquisition of Broad Reach Power, a US-based company specializing in battery storage (€760 million) and to the acquisition of the group BTE Renewables, a renewable energy producer with wind and solar PV projects in South Africa (€134 million) (*see Note 4 “Main changes in the Group structure”*);

partially offset by:

- amortization (negative €1,124 million);
- impairment losses (negative €51 million).

13.2.2 Capacity entitlements

The Group has acquired capacity entitlements from power stations operated by third parties. These power station capacity rights were acquired in connection with transactions or within the scope of the Group's involvement in financing the construction of certain power stations. In consideration, the Group received the right to purchase a share of the production over the useful life of the underlying assets. These rights are amortized over the useful life of the underlying right, not exceeding 50 years. The Group currently holds rights in the Chooz B and Tricastin power plants in France and in the virtual power plant (VPP) in Italy (2028 maturity).

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13.2.3 Other

At December 31, 2023, this caption mainly relates to software and licenses for €1,436 million, as well as intangible assets in progress for €1,576 million and intangible assets (client portfolio) acquired for €2,097 million as a result of business combinations and capitalized acquisition costs for customer contracts.

13.2.4 Information regarding research and development costs

Research and development activities primarily relate to various studies regarding technological innovation, improvements in plant efficiency, safety, environmental protection, service quality, and the use of energy resources. Research and development priorities are focused on climate change adaptation and mitigation, including renewable energy systems (photovoltaic solar, onshore and offshore wind), the production and use of green gases (hydrogen, biomethane) or the development of decentralized energy infrastructure (district heating and cooling, decentralized solar energy, low carbon cities and mobility).

Capitalized development costs, related to projects in the development phase that meet the criteria for recognition as an intangible asset as defined in IAS 38, totaled €21 million in 2023.

13.3 Property, plant and equipment

Accounting standards

Initial recognition and subsequent measurement

Items of property, plant and equipment are recognized at historical cost less any accumulated depreciation and any accumulated impairment losses.

The carrying amount of these items is not revalued as the Group has elected not to apply the allowed alternative method, which consists of regularly revaluing one or more categories of property, plant and equipment.

Investment subsidies are deducted from the gross value of the assets concerned.

In accordance with IAS 16, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present, legal or constructive obligation to dismantle the item or restore the site. A corresponding provision for this obligation is recorded for the amount of the asset component.

Borrowing costs that are directly attributable to the construction of the qualifying asset are capitalized as part of the cost of that asset.

Leases

In accordance with IFRS 16, the Group recognizes a right-of-use asset and a corresponding lease liability with respect to contracts considered as a lease in which the Group acts as lessee, except for leases with a term of 12 months or less (“short-term leases”), and leases for which the underlying asset is of a low value (“low-value asset”). Payments associated with these leases are recognized on a straight-line basis as expenses in profit and loss. The lease contracts in the Group mainly concern real estate, vehicles, LNG vessels, an hydroelectric concession contract and other equipment.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The lease liability is initially measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. This rate is calculated based on the Group's incremental borrowing rate adjusted in accordance with IFRS 16, taking into account (i) the economic environment of the subsidiaries, and in particular their credit risk, (ii) the currency in which the contract is concluded and (iii) the duration of the contract at inception (or the remaining duration for contracts existing upon the initial application of IFRS 16). The methodology applied to determine the incremental borrowing rate reflects the profile of the lease payments (duration method).

The lease term is assessed, including whether a renewal option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised, on a case-by-case basis. The lease term is reassessed if a significant event or a significant change in circumstances that is within the control of the lessee occurs and may affect the assessment made. In determining the enforceable period of a lease, the Group applies a broad interpretation of the term penalty and takes into consideration not only contractual penalties arising from termination, but also ancillary costs that could arise in case of an early termination of the lease.

Cushion gas

"Cushion" gas stored in underground storage facilities is essential for ensuring that reservoirs can be operated effectively, and is therefore inseparable from these reservoirs. Unlike "working" gas which is included in inventories (*see Note 22.2 "Inventories"*), cushion gas is reported in other property, plant and equipment.

Depreciation

In accordance with the components approach, each significant component of an item of property, plant and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

Property, plant and equipment is depreciated mainly using the straight-line method over the following useful lives:

	Useful life	
Main depreciation periods (years)	**Minimum**	**Maximum**
Plant and equipment		
• Storage - Production - Transport - Distribution	5	60(*)
• Installation – Maintenance	3	10
• Hydraulic plant and equipment	20	65
Solar and wind farms	25	30
Other property, plant and equipment	2	33

(*) Excluding cushion gas.

The range of useful lives is due to the diversity of the assets in each category. The minimum periods relate to smaller equipment and furniture, while the maximum periods concern network infrastructures and storage facilities.

Fixtures and fittings relating to hydro plants operated by the Group are depreciated over the shorter of the contract term and the useful life of the assets, taking into account the renewal of the concession period if such renewal is considered to be reasonably certain.

The right-of-use asset related to leases is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term. In that case the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as that used for property, plant and equipment mentioned above.

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13.3.1 Movements in property, plant and equipment

In millions of euros	Land	Buildings	Plant and equipment	Vehicles	Dismantling costs	Assets in progress	Right of use	Other	Total
GROSS AMOUNT									
AT DECEMBER 31, 2022	**649**	**2,762**	**96,016**	**304**	**6,038**	**5,649**	**5,094**	**1,319**	**117,831**
Acquisitions/Increases	10	12	711	32	-	5,921	700	38	7,425
Disposals	(2)	(18)	(821)	(20)	(8)	(23)	(280)	(166)	(1,338)
Translation adjustments	(3)	(12)	(290)	(1)	(13)	(86)	(72)	(13)	(490)
Changes in scope of consolidation	3	-	971	2	2	186	8	2	1,176
Transfer to "Assets classified as held for sale and discontinued operations"	-	-	(2)	-	-	-	-	-	(3)
Other	16	20	4,715	11	(624)	(4,930)	3	18	(771)
AT DECEMBER 31, 2023	**673**	**2,765**	**101,300**	**328**	**5,395**	**6,716**	**5,454**	**1,198**	**123,829**
ACCUMULATED DEPRECIATION AND IMPAIRMENT									
AT DECEMBER 31, 2022	**(153)**	**(1,772)**	**(52,709)**	**(226)**	**(4,155)**	**(724)**	**(1,710)**	**(895)**	**(62,343)**
Depreciation	(4)	(69)	(2,727)	(28)	(364)	-	(489)	(82)	(3,762)
Impairment	-	(1)	(1,474)	-	403	(50)	(10)	(1)	(1,133)
Disposals	-	18	763	18	4	6	299	165	1,272
Translation adjustments	-	5	161	1	7	4	20	7	204
Changes in scope of consolidation	-	-	(172)	(2)	-	-	2	(1)	(173)
Transfer to "Assets classified as held for sale and discontinued operations"	-	-	-	-	-	-	-	-	-
Other	(1)	26	(148)	(3)	(362)	535	(5)	14	56
AT DECEMBER 31, 2023	**(158)**	**(1,793)**	**(56,306)**	**(239)**	**(4,467)**	**(229)**	**(1,893)**	**(794)**	**(65,879)**
CARRYING AMOUNT									
AT DECEMBER 31, 2022	**497**	**991**	**43,307**	**78**	**1,883**	**4,925**	**3,384**	**424**	**55,488**
AT DECEMBER 31, 2023	**516**	**971**	**44,993**	**90**	**928**	**6,487**	**3,561**	**404**	**57,950**

In 2023, the net increase in “Property, plant and equipment” essentially takes into account:

- maintenance and development investments for a total amount of €6,724 million mainly related to the construction and the development of wind and solar farms primarily in France, the United States, Latin America and Poland (€3,450 million), as well as to the extension of the transportation and distribution networks in France, Romania and Latin America (€1,765 million), to FlexGen operating segment assets (€868 million) and to Energy Solutions operating activities (€437 million);
- a net positive impact of changes in the scope of consolidation of €1,003 million, relating mainly to the acquisition of Broad Reach Power, a US-based company specialized in battery storage (€531 million), the acquisition of BTE Renewables, one of Africa's leading renewable energy companies based in South Africa (€311 million) and the acquisition of Ixora in the UK (€22 million) in the Networks operating segment;

offset by:

- depreciation for a total amount of €3,762 million;
- a €646 million decrease in dismantling assets following the adoption of the industrial scenario and of all the technical and financial assumptions which were approved by the Commission for Nuclear Provisions (CNP) on July 7, 2023 at the end of the review procedure initiated in September 2022. This decrease was partially offset by a €403 million reversal of impairment on some of these assets (*see Note 13.4 “Impairment testing of goodwill, intangible assets and property, plant and equipment”*);
- negative foreign exchange effects of €286 million, mainly resulting from the depreciation of the US dollar (negative €445 million), partially offset by the appreciation the Brazilian real (positive €88 million), the Mexican peso (positive €47 million) and the pound sterling (positive €33 million) against euro.

13.3.2 Pledged and mortgaged assets

Items of property, plant and equipment pledged by the Group to guarantee borrowings and debt amounted to €1,625 million at December 31, 2023 compared to €1,120 million at December 31, 2022.

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The net increase primarily relates to the renewable assets pledged in Brazil for €392 million.

13.3.3 Contractual commitments to purchase property, plant and equipment

In the ordinary course of their operations, some Group companies have entered into commitments to purchase, and the related third parties to deliver plant and equipment. These commitments relate mainly to orders for equipment and material related to the construction of energy production units and to service agreements.

Contractual investment commitments made by the Group to purchase property, plant and equipment totaled €2,859 million at December 31, 2023 compared to €3,548 million at December 31, 2022.

The net reduction in contractual commitments relates mainly to renewable assets in the United States for €585 million.

13.3.4 Other information

Borrowing costs included in the cost of property, plant and equipment amounted to €268 million at December 31, 2023 compared to €109 million at December 31, 2022.

13.4 Impairment testing of goodwill, intangible assets and property, plant and equipment

Accounting standards

Risk of impairment

Goodwill

Goodwill is not amortized but is tested for impairment each year in accordance with IAS 36, or more frequently where an indication of impairment is identified. All goodwill is tested for impairment based on data at the end of June, supplemented by a review of events in the second half.

Impairment tests are carried out at the level of cash-generating units (CGUs) or groups of CGUs, which constitute groups of assets which generate cash flows that are largely independent from cash flows generated by other CGUs.

Goodwill is impaired if the net carrying amount of the CGU (or group of CGUs) to which the goodwill is allocated is greater than the recoverable amount of that CGU.

Impairment losses in relation to goodwill cannot be reversed and are shown as “Impairment losses” in the income statement.

Intangible assets and property, plant and equipment

In accordance with IAS 36, impairment tests are carried out on items of property, plant and equipment and intangible assets where there is an indication that the assets may be impaired. Such indications may be based on events or changes in the market environment, or on internal sources of information. Intangible assets that are not amortized are tested for impairment annually.

Property, plant and equipment and intangible assets with finite useful lives are only tested for impairment when there is an indication that they may be impaired. This is generally the result of significant changes in the environment in which the assets are operated or when economic performance is lower than expected.

Items of property, plant and equipment and intangible assets are tested for impairment at the level of the cash-generating unit (CGU), as appropriate and determined in accordance with IAS 36. If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is written down to the recoverable amount by recording an impairment

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loss. Upon recognition of an impairment loss, the depreciable amount and possibly the useful life of the asset concerned is revised.

Impairment losses recorded in relation to property, plant and equipment or intangible assets may be subsequently reversed if the recoverable amount of the asset increases to exceed the carrying amount. The increased carrying amount of an item of property, plant or equipment following the reversal of an impairment loss may not exceed the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized in prior periods.

Indicators of impairment

The main indicators of impairment used by the Group are:

- using external sources of information
  - a decline in an asset's value over the period that is significantly more than would be expected from the passage of time or normal use;
  - significant adverse changes that have taken place over the period, or will take place in the near future, in the technological market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated;
  - an increase over the period in market interest rates or other market rates of return on investments if such increase is likely to affect the discount rate used in calculating an asset's value in use and decrease its recoverable amount materially;
  - the carrying amount of the net assets of the entity exceeds its market capitalization;
- using internal sources of information
  - evidence of obsolescence or physical damage to an asset;
  - significant changes in the extent to which, or manner in which, an asset is used or is expected to be used, that have taken place in the period or soon thereafter and that will adversely affect it. These changes include the asset becoming idle, plans to dispose of an asset sooner than expected, reassessing its useful life as finite rather than indefinite or plans to restructure the operations to which the asset belongs;
  - internal reports that indicate that the economic performance of an asset is, or will be, worse than expected.

Measurement of recoverable amount

For operating entities which the Group intends to hold on a long-term and going concern basis, the recoverable amount of a CGU corresponds to the higher of its fair value less costs to sell and its value in use. Value in use is primarily determined based on the present value of future operating cash flows including a terminal value. Standard valuation techniques are used based on the following main economic assumptions:

- market perspectives and developments in the regulatory framework;
- discount rates based on the specific characteristics of the operating entities concerned;
- terminal values in line with available market data specific to the operating segments concerned and growth rates associated with these terminal values, not exceeding the inflation rate.

Discount rates are determined on a post-tax basis and applied to post-tax cash flows. The recoverable amounts calculated on the basis of these discount rates are the same as the amounts obtained by applying the pre-tax discount rates to cash flows estimated on a pre-tax basis, as required by IAS 36.

For operating entities which the Group has decided to sell, the related recoverable amount of the assets concerned is based on market value less disposal costs. Where negotiations are ongoing, this value is determined based on the best estimate of their outcome as of the reporting date.

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13.4.1 General assumptions

The impairment tests were performed in the context of a highly volatile economic environment, as described in Note 1.3 “Use of estimates and judgments”.

In most cases, the recoverable amounts are determined by reference to a value in use that is calculated using cash flow projections drawn up on the basis of the 2024 budget and the 2025-2026 medium-term business plan, as approved by the Executive Committee and the Board of Directors, and on the basis of extrapolated cash flows beyond that time frame.

Cash flow projections are determined on the basis of macroeconomic assumptions (inflation, exchange rates and growth rates), and price forecasts resulting from the Group's reference scenario for 2027-2050 as revised and validated by the Executive Committee in July 2023. The forecasts and projections included in the reference scenario were determined on the basis of the following inputs:

- forward market prices over the liquidity period for fuel (coal, oil and gas), CO_2 and electricity on each in a context of highly volatile energy prices;
- beyond this period, medium- and long-term energy prices were determined by the Group based on macroeconomic assumptions and fundamental supply and demand equilibrium models, the results of which are regularly compared against forecasts prepared by external energy sector specialists. Long-term projections for CO_2 prices are in line with the 2030 emissions reduction target of 55% and the 2050 climate neutrality objectives set by the European Commission as part of the "European Green Deal" presented in December 2019 and July 2021. Among the external scenarios, the Group's scenario is similar to that of the International Energy Agency, with its APS (Announced Pledges Scenario) model, and that of ADEME (“green technology”);
- more specifically, medium- and long-term electricity prices were determined by the Group using electricity demand forecasting models, medium- and long-term forecasts of fuel and CO_2 prices, and expected trends in installed capacity and in the technology mix of the production assets within each power generation system. ENGIE has opted for a balanced mix, integrating renewable gas and carbon dioxide capture and storage in order to guarantee an energy system with the best levels of efficiency and resilience. This trajectory has been included in the Group's report as part of the “Task Force on Climate Related Financial Disclosures” (TCFD) initiative. The risk factors arising from climate and environmental issues are also detailed in the Group's Universal Registration Document.

Finally, as part of the Group's efforts to take climate issues into account (*see Note 1.3.3 “Consideration of climate issues in the preparation of the Group's financial statements”*), the Group has taken into account, in the valuation of non-financial assets, its commitment to completely withdraw from coal activities by 2027 (*see Note 13.4.5*).

13.4.2 Renewables

At December 31, 2023, goodwill amounted to €2,185 million, intangible assets to €1,756 million and property, plant and equipment to €17,124 million. Renewables comprises all centralized renewable energy generation activities, including financing, construction, operation and maintenance of renewable energy facilities, using various energy sources such as hydropower, onshore wind, photovoltaic solar, biomass, offshore wind, and battery storage linked to a renewable asset. The energy produced is fed into the grid and sold either on the open or regulated market or to third parties through electricity sale agreements.

The main assumptions and key estimates relate primarily to discount rates, assumptions as to the renewal of the hydropower concession agreements and changes in electricity prices beyond the liquidity period.

The value in use of the Compagnie Nationale du Rhône and SHEM was calculated based on assumptions including the extension or renewal through a tender process for the concession agreements.

The cash flows for the periods covered by the renewal of the concession agreements are based on a number of assumptions relating to the economic and regulatory conditions for operating these assets (royalty rates, required level of investment, etc.) during this period.

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In 2023, the discount rates applied to these activities ranged between 5.3% and 10.3%. In 2022, they ranged between 4.5% and 10.2%.

Results of the impairment tests

At December 31, 2023, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

However, impairment losses on property, plant and equipment totaling €784 million were nevertheless recognized over the year, notably on renewable energy production assets in North America (€714 million), due to very specific operational difficulties linked to turbine performance on a wind power asset, and the fall in long-term market prices affecting certain projects exposed to the SPP market in particular. It should be noted that for these projects, the fall in market prices had a positive impact on the fair value of VPPA (Virtual Power Purchase Agreement) contracts of around €+0.3 billion, with these mark-to-market changes, on the period covered by these contacts, recognized in operating expenses (*see Note 8.1 "Operating expenses"*).

Sensitivity analyses

The sensitivity of the hydropower generation business in France and the renewable power generation business in North America to changes in electricity prices and changes in discount rates (impact on the recoverable amount) is shown in the table below:

	31 déc. 2023			
	Electricity prices		Discount rates	
In billion of euros	+10€/MWh	-10€/MWh	+50 bp	-50bp
Hydropower generation in France	0.2	(0.4)	(0.2)	0.2
Renewables assets in North America	0.4	(0.4)	(0.1)	0.1

Non-linear increase or decrease due to the method of calculation of the hydro tax.

An increase of 50 basis points in the discount rates and a decrease of €10/MWh in the electricity price have a negative impact on the recoverable amount. However, the recoverable amount of goodwill would remain above the carrying amount.

13.4.3 Networks

Networks comprises the Group's electricity and gas infrastructure activities and projects. These activities include the management and development of (i) gas and electricity transportation networks and natural gas distribution networks in and outside of Europe, (ii) underground natural gas storage in Europe, and (iii) regasification infrastructure in France and Chile.

Apart from the historical infrastructure management activities, its asset portfolio also contributes to the challenges of the energy transition and network greening (biomethane, hydrogen, etc.).

At December 31, 2023, goodwill amounted to €5,366 million, intangible assets to €1,090 million and property, plant and equipment to €29,975 million. Regulated infrastructure assets in France amounted to €928 million for intangible assets and €27,220 million for property, plant and equipment.

The valuation of activities in France is mainly based on cash flow projections determined on the basis of tariffs negotiated with the French energy regulator (CRE) and terminal values corresponding to the expected value of the Regulated Asset Base (RAB). The RAB is the value assigned by the CRE to the assets operated by distributors. It is the sum of the future pre-tax cash flows, discounted at the pre-tax rate of return guaranteed by the regulator.

In respect of the valuation of activities in France, the energy mix scenario for 2050, adopted by the Group and detailed in Note 17.3.1 "Dismantling obligations arising on non-nuclear plant and equipment", will not lead to any significant change in the RAB. Given the vital role of gas, a reliable energy source able to supplement renewable energy sources that are intermittent by nature, non-controllable and difficult to store, the Group is planning to maintain or convert its gas network infrastructures to allow for the transportation of green gases (biomethane, hydrogen, etc.), which will progressively replace

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natural gas. This strategic role will be further strengthened by the new opportunities offered in terms of CO_2 storage and transportation.

To achieve this, the Group plans to maintain its current level of investment. This approach is largely supported by a rapidly developing regulatory framework supporting the rise in the use of hydrogen and biomethane in the European Union, which will result in concrete European targets. This legal framework should be in place within the next two years.

France's political and social strategy concerning the energy transition aims to achieve carbon neutrality by 2050. The priorities of the French climate and energy policy are being updated with France's future roadmap *Stratégie Française sur l'Énergie et le Climat* (SFEC), in particular with the document published on November 22, 2023 by the Ministry of Ecological Transition ahead of the consultation that was launched in December 2023. In addition, the scenario adopted by the Group is largely supported by the main conclusions of the CRE report of April 2023 on the future of gas infrastructures, as well as those of the public consultation on "decarbonizing the building industry" held during the 2023 summer, which highlighted the difficulties associated with a potential ban on the installation of new gas boilers in existing homes.

In 2023, the discount rates applied to all these activities ranged between 4.9% and 9.4%. In 2022, they ranged between 4.7% and 8.5%.

Results of the impairment tests

At December 31, 2023, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

However, impairment losses totaling €82 million were recognized during the year on certain biomethane production assets.

Sensitivity analysis

Given the regulated nature of the Networks business in France, as well as the progressive transition from natural gas to green gas, a reasonable change in any of the valuation inputs (discount rate, inflation rate and rate of return on assets) would not result in any impairment losses. A very substantial change in the regulatory framework and political orientations could have a significant impact on the valuation of gas infrastructure assets in France. In this respect, the 2023 RAB of Networks assets in France, as well as the related depreciation and amortization expenses, are as follows:

In millions of euros	2023 RAB	Depreciation and amortization
GRDF	16,941	(1,083)
GRTgaz	9,362	(546)
Storengy	4,120	(153)
Elengy	930	(61)

13.4.4 Energy Solutions

At December 31, 2023, goodwill amounted to €1,209 million, intangible assets to €2,351 million and property, plant and equipment to €2,646 million.

Energy Solutions encompasses the construction and management of decentralized energy networks to produce energy (heating and cooling networks, distributed power generation plants, distributed solar power parks, low carbon mobility, low-carbon cities and public lighting, etc.) and related services (energy efficiency, technical maintenance, sustainable development consulting).

The terminal value used to calculate the value in use of the services and energy sales businesses in France was determined by extrapolating the cash flows beyond the medium-term business plan period using a long-term growth rate of 2% per year.

The main assumptions and key estimates relate primarily to discount rates and changes in price beyond the liquidity period.

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In 2023, the discount rates applied to these activities ranged between 5.3% and 9%. In 2022, they ranged between 4.9% and 8.9%.

Results of the impairment tests

At December 31, 2023, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

However, impairment losses totaling €137 million were recognized during the year on property, plant and equipment, mainly in connection with renegotiations of contracts due to expire shortly in France, as well as assets that were subject to revisions to their medium- and long-term forecasts or that encountered operational difficulties in Germany and North America.

Sensitivity analyses

Given the essentially contractual nature of Energy Solutions activities, a reasonable change in any of the valuation inputs would not result in impairment losses on goodwill.

13.4.5 FlexGen

At December 31, 2023, goodwill amounted to €1,123 million, intangible assets to €894 million and property, plant and equipment to €5,883 million.

FlexGen encompasses all the Group's the activities involved in compensating the intermittent nature of renewable energies by providing upstream flexibility (flexible generation as well as pump- or battery- operated storage plants) and downstream flexibility (shaving or shifting the consumption of BtoC customers). They also provide solutions to decarbonize the industry with low-carbon hydrogen. The GBU plays a key role in the energy transition. It also includes the financing, construction, and operation of desalination plants, whether or not connected to power plants.

The main assumptions and key estimates relate primarily to discount rates, estimated demand for electricity and changes in the price of CO_2, fuel and electricity beyond the liquidity period. These assumptions also concern the duration of tax measures involving inframarginal rent caps in France and Italy.

In 2023, the discount rates applied to these activities ranged between 6.4% and 10.4%. In 2022, they ranged between 6% and 10.3%.

Results of the impairment tests

At December 31, 2023, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

However, impairment losses totaling €624 million were recognized during the year on property, plant and equipment, notably on coal-fired power generation assets in South America for which the Group has decided to accelerate the end of operations by the end of 2025, in line with the Group's decarbonization plan.

Sensitivity analyses

An increase of 50 basis points in the discount rates used would have a negative 1% impact on the recoverable amount of thermal power plants in France, Belgium, the Netherlands and Spain. However, the recoverable amount of goodwill would remain above the carrying amount. A reduction of 50 basis points in the discount rates used would have a positive 1% impact on the calculation.

A 10% decrease in the margin captured by thermal power plants in France, Belgium, the Netherlands and Spain would have a negative impact of 6% on the recoverable amount of goodwill over the carrying amount. An increase of 10% in the margin captured would have a positive 6% impact on this calculation.

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13.4.6 Retail

At December 31, 2023, goodwill amounted to €1,838 million, intangible assets to €610 million and property, plant and equipment to €136 million.

Retail encompasses all the Group's activities relating to the sale of gas and electricity to end customers. It also includes all the Group's activities in services for residential clients.

The terminal value used to calculate the value in use of the main services and energy sales businesses in Europe was determined by extrapolating cash flows beyond the medium-term business plan period using a long-term growth rate of approximately 2% per year.

In 2023, the discount rates applied to these activities ranged between 8% and 10.6%. In 2022, these rates ranged between 7.8% and 10%.

Results of the impairment tests

At December 31, 2023, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

Sensitivity analyses

Given the capital-light nature of Retail activities, a reasonable change in any of the valuation inputs would not result in any impairment losses on goodwill.

13.4.7 Nuclear

At December 31, 2023, goodwill amounted to €797 million, intangible assets to €979 million and property, plant and equipment to €1,045 million.

Nuclear encompasses the power generation activities from the Group's nuclear power plants in Belgium and drawing rights on the Chooz B and Tricastin power plants in France.

Key assumptions used for the impairment test

On June 29, 2023, ENGIE and the Belgian government signed an intermediate agreement defining the terms of the extension of the Doel 4 and Tihange 3 nuclear units only. This agreement became binding on July 21, 2023, following the signature of the supplements to the initial agreements. Transaction documents signed on December 13, 2023 have clarified the implementation of the first agreements of June and July (*see Note 17.2 "Obligations relating to nuclear power generation activities*"). This agreement also provides for the establishment of a legal structure dedicated to the two extended nuclear units, equally owned by the Belgian State and ENGIE, aligning the interests of the two parties and ensuring the sustainability of their commitments. The business model of the extension is based on a balanced allocation of risks, notably through a Contract for Difference mechanism guaranteeing the value of extension investments, with a limited incentive for the industrial operator to achieve a favorable technical and economic performance at the plants.

In addition, for the period up to the extension of the two Belgian nuclear units, and for the period covering drawing rights on nuclear power plants in France, the cash flow projections are based on a large number of key assumptions, such as prices of fuel and CO_2, expected trends in electricity prices, availability of power plants, market outlook, and changes in the regulatory environment (especially concerning the extension of drawing rights agreements for French nuclear plants and the tax measures involving inframarginal rent caps). Lastly, the key assumptions also include the discount rate used to calculate the value in use of these activities, which amounted to 7% for 2023, unchanged from 2022.

Cash flow projections beyond the medium-term business plan for drawing rights on the Chooz B and Tricastin power plants have been determined on the basis of the residual term of the contracts and the assumption of a 10-year extension.

In France, the Nuclear Safety Authority authorized the start-up of Tricastin 1 on December 20, 2019 after its shutdown for its fourth 10-yearly inspection and, on December 3, 2020, published a draft decision setting out the conditions for the 900 MW reactors to continue operating beyond 40 years. Confirmation of a 10-year extension of the operating life of the 900 MW series reactors is therefore expected to be formalized in the next few years, once the conditions for continued operation have been determined by the Nuclear Safety Authority and a public inquiry has been held. The Group has therefore considered the 10-year extension of the nuclear units, and the corresponding drawing rights, beyond their fourth 10-yearly outage. The last 10-yearly inspection took place in 2021 for Tricastin (VD4) and in 2019 for Chooz B (VD3). The assumption of an extension was already considered in the impairment tests of previous years.

Results of the impairment test

The recoverable amount of the Nuclear assets remains above the value of goodwill, particularly due to the excess value attached to the plants in France.

Following the review procedure initiated by the Commission for Nuclear Provisions (CNP) in September 2022, the industrial scenario and all the technical and financial assumptions were approved on July 7, 2023. This resulted in a €646 million decrease in the plant dismantling provision (*see Note 17.2 "Obligations relating to nuclear power generation activities*"), against a reduction in the dismantling assets. Given the impairment losses recognized on some of these assets at the end of the previous year, an impairment reversal of €400 million was recorded.

Sensitivity analyses

A decrease of €10/MWh in electricity prices for nuclear power generation in France beyond the liquidity period would lead to a decrease of €0.5 billion in the recoverable amount, but without any impairment of goodwill.

Given the hedging of energy prices for electricity generated by Belgian power plants, and the implementation of the Contract for Difference mechanism as part of the extension of the Doel 4 and Tihange 3 nuclear units, the recoverable amount is not very sensitive to changes in electricity prices for nuclear-generated electricity in Belgium.

An increase of 50 basis points in the discount rates would lead to a non-material decrease in the recoverable amount on the Belgian plants.

A 5% decrease in availability of all Belgian nuclear power plants would lead to a decrease in value of around €0.3 billion on the Belgian plants. A similar decrease for the French plants would lead to a decrease of €0.2 billion in the recoverable amount, but without any impairment.

13.4.8 Other

Goodwill amounted to €346 million at December 31, 2023. The Other segment encompasses energy management and optimization activities, the BtoB supply activities in France of *Entreprises & Collectivités* (E&C), and the Corporate and holding activities. These entities present a significant difference between recoverable amount and the carrying amount of the segment's operating activities carrying goodwill at December 31, 2023.

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NOTE 14 FINANCIAL INSTRUMENTS

14.1 Financial assets

Accounting standards

In accordance with the principles of IFRS 9 – *Financial Instruments*, financial assets are recognized and measured either at amortized cost, at fair value through equity or at fair value through profit or loss based on the following two criteria:

- a first criterion relating to the contractual cash flow characteristics of the financial asset. The analysis of contractual cash flow characteristics makes it possible to determine whether these cash flows are “only payments of principal and interest on the outstanding amounts” (known as the “SPPI” test or Solely Payments of Principal and Interest);
- a second criterion relating to the business model used by the Group to manage its financial assets. IFRS 9 defines three different business models: a first business model whose objective is to hold assets in order to collect contractual cash flows (hold to collect), a second model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold to collect and sell), and other business models.

The identification of the business model and the analysis of the contractual cash flow characteristics require judgment to ensure that the financial assets are classified in the appropriate category.

Where the financial asset is an investment in an equity instrument and is not held for trading, the Group may irrevocably elect to present the gains and losses on that investment in other comprehensive income.

Except for trade receivables, which are measured at their transaction price in accordance with IFRS 15, financial assets are measured, on initial recognition, at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to their acquisition.

At the end of each reporting period, financial assets measured using the amortized cost method or at fair value through other comprehensive income (with a recycling mechanism) are subject to an impairment test based on the expected credit losses method.

Financial assets also include derivatives that are measured at fair value in accordance with IFRS 9.

In accordance with IAS 1, the Group presents current and non-current assets and current and non-current liabilities separately in the statement of financial position. In view of the majority of the Group's activities, it was considered that the criterion to be used to classify assets is the expected time to realize the asset or settle the liability: the asset is classified as current if this period is less than 12 months and as non-current if it is more than 12 months after the reporting period.

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The following table presents the Group's different categories of financial assets, broken down into current and non-current items:

		Dec. 31, 2023			Dec. 31, 2022		
In millions of euros	Notes	Non-current	Current	Total	Non-current	Current	Total
Other financial assets	14.1	14,817	2,170	16,987	10,599	2,394	12,992
Equity instruments at fair value through other comprehensive income		*1,902*	*-*	*1,902*	*1,217*	*-*	*1,217*
Equity instruments at fair value through income		*222*	*-*	*222*	*278*	*-*	*278*
Debt instruments at fair value through other comprehensive income		*1,753*	*119*	*1,873*	*2,128*	*290*	*2,418*
Debt instruments at fair value through income		*2,915*	*654*	*3,569*	*1,178*	*568*	*1,745*
Loans and receivables at amortized cost		*8,024*	*1,397*	*9,421*	*5,798*	*1,537*	*7,334*
Trade and other receivables	7.2	-	20,092	20,092	-	31,310	31,310
Assets from contracts with customers	7.2	1	9,530	9,531	9	12,575	12,584
Cash and cash equivalents		-	16,578	16,578	-	15,570	15,570
Derivative instruments	14.4	12,764	8,481	21,245	33,134	15,252	48,386
TOTAL		**27,582**	**56,850**	**84,433**	**43,741**	**77,101**	**120,843**

14.1.1 Other financial assets

14.1.1.1 Equity instruments at fair value

Accounting standards

Equity instruments at fair value through other comprehensive income (OCI)

Under IFRS 9 an irrevocable election can be made to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income. This choice is made on an instrument by instrument basis. Amounts presented in other comprehensive income should not be transferred to profit or loss including proceeds of disposals. However, IFRS 9 authorizes the transfer of the accumulated profits and losses to another component of equity. Dividends from such investments are recognized in profit or loss unless the dividend clearly represents the recovery of a portion of the cost of the investment.

The equity instruments recognized under this line item mainly concern investments in companies that are not controlled by the Group and for which OCI measurement has been selected given their strategic and long-term nature.

Upon initial recognition, these equity instruments are recognized at fair value, which is generally their acquisition cost, plus transaction costs.

At each reporting date, for listed securities, fair value is determined based on the quoted market price at the reporting date. For unlisted securities, fair value is measured using valuation models based primarily on the latest market transactions, the discounting of dividends or cash flows and the net asset value.

Equity instruments at fair value through profit or loss

Equity instruments that are held for trading or for which the Group has not elected for measurement at fair value through other comprehensive income are measured at fair value through profit or loss.

This category mainly includes investments in companies not controlled by the Group.

Upon initial recognition, these equity instruments are recognized at fair value, which is generally their acquisition cost.

At each reporting date, for listed and unlisted securities, the same measurement method as described above should be applied.

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In millions of euros	Equity instruments at fair value through other comprehensive income	Equity instruments at fair value through income	Total
AT DECEMBER 31, 2022	**1,217**	**278**	**1,495**
Increase	666	84	749
Decrease	(105)	(4)	(109)
Changes in fair value	136	(49)	87
Changes in scope of consolidation, translation adjustments and other	(11)	(87)	(98)
AT DECEMBER 31, 2023	**1,902**	**222**	**2,124**
Dividends	2	7	**8**

Equity instruments break down as €1,653 million of listed equity instruments (€875 million at December 31, 2022) and €473 million of unlisted equity instruments (€620 million at December 31, 2022). Changes in fair value include in particular the impairment of the minority interest held by the Group in Nord Stream AG, now valued at zero (€90 million at December 31, 2022). This change in fair value does not affect the income statement, as it is recorded as a reduction in other items of comprehensive income.

14.1.1.2 Debt instruments at fair value

Accounting standards

Debt instruments at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and for which the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding amount (SPPI), are measured at fair value through OCI (with a recycling mechanism). This involves a measurement through profit or loss for interest (at amortized cost using the effective interest method), impairment and foreign exchange gains and losses, and through OCI (with a recycling mechanism) for other gains or losses.

This category mainly includes bonds.

Fair value gains and losses on these instruments are recognized in other comprehensive income, except for the following items which are recognized in profit or loss:

- expected credit losses and reversals;
- foreign exchange gains and losses.

When the financial asset is derecognized, the cumulative gain or loss that was previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Debt instruments at fair value through profit or loss

Financial assets whose contractual cash flows do not consist solely of payments of principal and interest on the amount outstanding (SPPI) or that are held in view of an “other” business model are measured at fair value through profit or loss.

The Group's investments in UCITS are accounted for in this caption. They are considered as debt instruments, according to IAS 32 – *Financial Instruments*: *Presentation*, given the existence of an obligation for the issuer to redeem units, at the request of the holder. They are measured at fair value through profit or loss because the contractual cash flow characteristics do not meet the SPPI test.

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In millions of euros	Debt instruments at fair value through other comprehensive income	Liquid debt instruments held for cash investment purposes at fair value through other comprehensive income	Debt instruments at fair value through income	Liquid debt instruments held for cash investment purposes at fair value through income	Total
AT DECEMBER 31, 2022	**2,418**	**-**	**977**	**769**	**4,163**
Increase	2,147	-	2,942	228	5,317
Decrease	(2,717)	(24)	(1,375)	(139)	(4,255)
Changes in fair value	25	-	141	26	192
Changes in scope of consolidation, translation adjustments and other	-	24	-	-	24
AT DECEMBER 31, 2023	**1,873**	**-**	**2,685**	**884**	**5,441**

Debt instruments at fair value at December 31, 2023 primarily included bonds and money market funds held by Synatom for €4,536 million (*see Note 17.2.4 "Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material"*) and liquid instruments deducted from net financial debt for €884 million (respectively €3,350 million and €769 million at December 31, 2022).

14.1.1.3 Loans and receivables at amortized cost

Accounting standards

Loans and receivables held by the Group under a business model consisting in holding the instrument in order to collect the contractual cash flows, and whose contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding (SPPI test) are measured at amortized cost. Interest is calculated using the effective interest method.

The following items are recognized in profit or loss:

- interest income using the effective interest method;
- expected credit losses and reversals;
- foreign exchange gains and losses.

The Group has entered into concession agreements with certain public authorities under which the construction, extension or improvement of infrastructure is carried out in return for an unconditional right to receive payment from the concession holder in cash or other financial assets. In this case, the Group recognizes a financial receivable from the concession holders.

The Group has entered into services or take-or-pay contracts that are, or contain, a lease and under which the Group acts as lessor and its customers as lessees. Leases are analyzed in accordance with IFRS 16 in order to determine whether they constitute an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership of the related asset, the contract is classified as a finance lease and a finance receivable is recognized to reflect the financing deemed to be granted by the Group to the customer.

Leasing security deposits are presented in this caption and recognized at their nominal value.

Please refer to Note 15 "Risks arising from financial instruments" regarding the assessment of counterparty risk.

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	Dec. 31, 2023			Dec. 31, 2022		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Loans granted to affiliated companies and other debt instruments at amortized cost	5,021	350	5,371	3,583	427	4,010
Other receivables at amortized cost	219	648	867	261	734	995
Amounts receivable under concession contracts	2,349	211	2,559	1,564	187	1,751
Amounts receivable under finance leases	435	188	624	390	189	579
TOTAL	**8,024**	**1,397**	**9,421**	**5,798**	**1,537**	**7,334**

Loans granted to affiliated companies and other debt instruments at amortized cost include the cash of the debt instruments held by Synatom, awaiting investment for €3,777 million (€2,270 million at December 31, 2022) (*see Note 17.2.4. "Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material"*).

Amounts receivable under concession contracts amounted to €2,559 million at December 31, 2023 (€1,751 million at December 31, 2022). They are mainly related to the Novo Estado and Gralha Azul electric power transmission networks in Brazil, as well as Kathu's Solar Park (RF) Proprietary Trading concession in South-Africa.

Other net gains and losses recognized in the income statement relating to loans and receivables at amortized cost break down as follows:

		Post-acquisition measurement	
In millions of euros	Interest income	Foreign currency translation	Expected credit loss
AT DECEMBER 31, 2023	**280**	**(35)**	**(6)**
AT DECEMBER 31, 2022	211	(64)	(6)

Amounts receivable under finance leases

These contracts refer to lease contracts in which ENGIE acts as lessor, classified as finance leases in accordance with IFRS 16. They relate to energy purchase and sale contracts where the contract conveys an exclusive right to use a production asset, and certain contracts with industrial customers relating to assets held by the Group.

The Group has recognized finance lease receivables, notably for cogeneration plants for Wapda and NTDC (Uch - Pakistan) one of whose contracts has been extended into 2023.

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Undiscounted future minimum lease payments	1,006	758
Unguaranteed residual value accruing to the lessor	46	12
TOTAL GROSS INVESTMENT IN THE LEASE	**1,052**	**770**
Unearned financial income	**276**	**47**
NET INVESTMENT IN THE LEASE (STATEMENT OF FINANCIAL POSITION)	**776**	**723**
Of which present value of future minimum lease payments	*733*	*718*
Of which present value of unguaranteed residual value	*43*	*5*

Undiscounted minimum lease payments receivable under finance leases can be analyzed as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Year 1	222	137
Years 2 to 5 inclusive	360	376
Beyond year 5	423	245
TOTAL	**1,006**	**758**

14.1.2 Trade and other receivables, assets from contracts with customers

Information on trade and other receivables and assets from contracts with customers are provided in Note 7.2."Trade and other receivables, assets and liabilities from contracts with customers".

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14.1.3 Cash and cash equivalents

Accounting standards

This item includes cash equivalents as well as short-term investments that are considered to be readily convertible into a known amount of cash and where the risk of a change in their value is deemed to be negligible based on the criteria set out in IAS 7.

Bank overdrafts are not included in the calculation of cash and cash equivalents and are recorded under “Short-term borrowings”.

Cash and cash equivalent items are subject to impairment tests in accordance with the expected credit losses model of IFRS 9.

“Cash and cash equivalents” totaled €16,578 million at December 31, 2023 (€15,570 million at December 31, 2022). This item comprises standard money market funds with daily liquidity (49%), term deposits with a maturity of less than one month (40%), and deposits with a maturity of less than three months and other products (11%).

This amount included funds related to the green bond issues, which remain unallocated to the funding of eligible projects (*see section 5 of the Universal Registration Document*).

Gains recognized in respect of “Cash and cash equivalents” amounted to €596 million in 2022 compared to €196 million in 2022.

14.1.4 Transfer of financial assets

At December 31, 2023, the outstanding amount of disposals without recourse of financial assets as part of transactions leading to full derecognition, amounted to approximately €1,3 billion at December 31, 2023 (compared with €3.7 billion at December 31, 2022).

14.1.5 Financial assets and equity instruments pledged as collateral for borrowings and debt

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Financial assets and equity instruments pledged as collateral	**3,685**	3,532

This item mainly includes the carrying amount of equity instruments pledged as collateral for borrowings and debt.

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14.2 Financial liabilities

Accounting standards

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate method.

On initial recognition, any issue or redemption premiums and discounts and issuing costs are added to/deducted from the nominal value of the borrowings concerned. These items are taken into account when calculating the effective interest rate and are therefore recorded in the consolidated income statement over the life of the borrowings using the amortized cost method.

As regards structured debt instruments that do not have an equity component, the Group may be required to separate an "embedded" derivative instrument from its host contract. When an embedded derivative is separated from its host contract, the initial carrying amount of the structured instrument is broken down into an embedded derivative component, corresponding to the fair value of the embedded derivative, and a financial liability component, corresponding to the difference between the amount of the issue and the fair value of the embedded derivative. The separation of components upon initial recognition does not give rise to any gains or losses.

The debt is subsequently recorded at amortized cost using the effective interest method while the derivative is measured at fair value, with changes in fair value recognized in profit or loss.

Financial liabilities are recognized either:

- as "Amortized cost liabilities" for borrowings, trade payables and other creditors, and other financial liabilities;
- as "Liabilities measured at fair value through profit or loss" for derivative financial instruments and for financial liabilities designated as such.

The following table presents the Group's different financial liabilities at December 31, 2023, broken down into current and non-current items:

		Dec. 31, 2023			Dec. 31, 2022		
In millions of euros	**Notes**	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Borrowings and debt	14.3	37,920	9,367	47,287	28,083	12,508	40,591
Trade and other payables	14.2	-	22,955	22,955	-	39,801	39,801
Liabilities from contracts with	7.2	93	3,960	4,053	121	3,292	3,412
Derivative instruments	14.4	16,755	7,806	24,561	39,417	11,859	51,276
Other financial liabilities		82	-	82	90	-	90
TOTAL		**54,851**	**44,087**	**98,938**	**67,711**	**67,460**	**135,171**

14.2.1 Trade and other payables

In millions of euros	**Dec. 31, 2023**	**Dec. 31, 2022**
Trade payables	22,188	39,165
Payable on fixed assets	787	636
TOTAL	**22,976**	**39,801**

The carrying amount of these financial liabilities represents a reasonable estimate of their fair value.

The decrease in trade payables is mainly due to a decrease in commodity prices over the period.

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14.2.2 Liabilities from contracts with customers

Information on liabilities from contracts with customers are provided in Note 7.2. “Trade and other receivables, assets and liabilities from contracts with customers”.

14.3 Net financial debt

14.3.1 Net financial debt by type

		Dec. 31, 2023			Dec. 31, 2022		
In millions of euros		Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	Bond issues	29,217	1,039	30,256	21,007	2,550	23,557
	Bank borrowings	5,985	763	6,748	4,679	797	5,476
	Negotiable commercial paper	-	5,606	5,606	-	7,386	7,386
	Lease liabilities	2,677	470	3,147	2,482	393	2,875
	Other borrowings [1]	41	1,034	1,074	(85)	768	682
	Bank overdrafts and current account	-	455	455	-	615	615
	BORROWINGS AND DEBT	**37,920**	**9,367**	**47,287**	**28,083**	**12,508**	**40,591**
Other financial assets	Other financial assets deducted from net financial debt [2]	**(303)**	**(1,111)**	**(1,414)**	**(249)**	**(1,133)**	**(1,383)**
Cash and cash equivalents	Cash and cash equivalents	**-**	**(16,578)**	**(16,578)**	**-**	**(15,570)**	**(15,570)**
Derivative instruments	Derivatives hedging borrowings [3]	**177**	**20**	**198**	**394**	**22**	**416**
NET FINANCIAL DEBT		**37,795**	**(8,302)**	**29,493**	**28,228**	**(4,174)**	**24,054**

(1) This item corresponds to the revaluation of the interest rate component of debt in a qualified fair value hedging relationship for a negative €-41 million, margin calls on debt hedging derivatives carried in liabilities for €481 million and the impact of amortized cost for €268 million (compared to, respectively, a negative €200 million, a positive €364 million and a positive €144 million at December 31, 2022).

(2) This item notably corresponds to assets related to financing for €105 million, liquid debt instruments held for cash investment purposes for €884 million and margin calls (assets) on derivatives hedging borrowings for €425 million (compared to, respectively, €67 million, €769 million and €547 million at December 31, 2022).

(3) This item represents the interest rate component of the fair value of derivatives hedging borrowings in a designated fair value hedging relationship. It also represents the exchange rate and outstanding accrued interest rate components of the fair value of all debt-related derivatives irrespective of whether or not they qualify as hedges.

The fair value of gross borrowings and debt (excluding lease liabilities) amounted to €42,994 million at December 31, 2023, compared with a carrying amount of €44,111 million.

Financial income and expenses related to borrowings and debt are presented in Note 10 “Net financial income/(loss)”.

14.3.2 Reconciliation between net financial debt and cash flow from (used in) financing activities

In millions of euros		Dec. 31, 2022	Cash flow from financing activities	Cash flow from operating and investing activities and change in cash and cash equivalents	Change in fair value	Translation adjustments	Change in scope of consolidation and others	Dec. 31, 2023
Borrowings and	Bond issues	23,557	6,628	-	-	24	48	30,256
	Bank borrowings [1]	5,476	(216)	-	-	5	1,483	6,748
	Negotiable commercial paper	7,386	(1,761)	-	-	(18)	-	5,606
	Lease liabilities [2] [3]	2,875	(418)	-	-	(31)	721	3,147
	Other borrowings	682	(129)	-	570	16	(65)	1,074
	Bank overdrafts and current account	615	(173)	-	-	(14)	27	455
	BORROWINGS AND DEBT	**40,591**	**3,930**	**-**	**570**	**(18)**	**2,214**	**47,287**
Other financial assets	Other financial assets deducted from net financial debt	**(1,383)**	**15**	**-**	**(50)**	**5**	**(1)**	**(1,414)**
Cash and cash equivalents	Cash and cash equivalents	**(15,570)**	**-**	**(887)**	**-**	**188**	**(309)**	**(16,578)**
Derivative instruments	Derivatives hedging borrowings	**416**	**118**	**-**	**(104)**	**(232)**	**-**	**198**
NET FINANCIAL DEBT		**24,054**	**4,063**	**(887)**	**417**	**(57)**	**1,904**	**29,493**

(1) Bank borrowings: the amount of €1,483 million in the "Change in scope of consolidation and others" column corresponds mainly to the full consolidation of Kathu Solar Park for €475 million, as well as the effect of recognizing Broad Reach Power (€436 million) and BTE Renewables (€301 million) bank borrowings following their acquisition.

(2) Lease liabilities: the negative amount of €418 million included in the "Cash flow from financing activities" column corresponds to lease payments, excluding interest (total cash outflow for leases amounted to a negative €480 million, of which €62 million relating to interest).

(3) Lease liabilities: the amount of €721 million in the "Change in scope of consolidation and others" column corresponds mainly to the recognition of right-of-use assets for €324 million relating to new LNG vessels leasing contract.

14.3.3 Main events of the period

14.3.3.1 Impact of changes in the scope of consolidation and in exchange rates on net financial debt

In 2023, changes in exchange rates resulted in a €-57 million decrease in net financial debt, including a €-179 million decrease in relation to the US dollar and a +€94 million increase in relation to the Brazilian real.

Disposals and acquisitions during 2023 (including the effects of changes in the scope of consolidation) impacted net debt by €3,102 million. This change mainly reflects:

- asset disposals during the period, resulting in a €-246 million decrease in net financial debt (*see Note 4.1 "Disposals carried out in 2023"*), none of which was individually significant.
- acquisitions carried out in 2023 which increased net financial debt by €3,348 million (*see Note 4.2 "Acquisitions carried out in 2023"*). They include:
  - the acquisition of Broad Reach Power in the USA, specialized in battery storage;
  - the full consolidation of Kathu Solar Park (RF) Proprietary Trading in South-Africa following the purchase of an additional stake;
  - the acquisition of the activities of BTE Renewables, operating in South Africa;
  - the acquisition of the biomethane producer Ixora Energy ltd in the United Kingdom.

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14.3.3.2 Financing and refinancing transactions

The Group carried out the following main transactions in 2023:

ENGIE SA

- on January 11, 2023 ENGIE SA issued a green bond for a total amount of €3,025 million, as follows:
  - a €1,000 million tranche, with a 3.625% coupon, maturing on January 11, 2030, plus an additional €100 million on August 14, 2023,
  - a €1,000 million tranche, with a 4% coupon, maturing on January 11, 2035, plus an additional €75 million on June 2, 2023, and €100 million on June 6, 2023,
  - a €750 million tranche, with a 4.25% coupon, maturing on January 11, 2043;
- on February 1, 2023 ENGIE SA redeemed at maturity €742 million worth of bonds, with a 3% coupon;
- on February 28, 2023 ENGIE SA redeemed at maturity €500 million worth of green bonds, with a 0.375% coupon;
- on April 3, 2023 ENGIE SA issued GBP650 million worth of green bonds (€752 million), maturing on April 3, 2053, with a 5.625% coupon;
- on July 3, 2023, ENGIE SA issued CHF190 million worth of green bonds (€197 million), maturing on January 4, 2027, with a 2.34% coupon, as well as a CHF225 million green bond (€233 million), maturing on July 4, 2031, with a 2.49% coupon;
- on September 6, 2023, ENGIE SA issued €3,000 million worth of bonds, as follows:
  - a €500 million tranche, with a 3.75% coupon, maturing on September 6, 2027,
  - a €800 million tranche, with a 3.875% coupon, maturing on January 6, 2031,
  - a €800 million tranche, with a 4.25% coupon, maturing on September 6, 2034,
  - a €900 million tranche green bond, with a 4.5% coupon, maturing on September 6, 2042;
- on December 6, 2023, ENGIE SA issued €1,500 million worth of bonds, as follows:
  - a €600 million tranche, with a 3.625% coupon, maturing on December 6, 2026,
  - a €900 million tranche green bond, with a 3.875% coupon, maturing on December 6, 2033.

Other Group entities

- on June 24, 2023 ENGIE Alliance redeemed at maturity €1,000 million worth of bonds, with a 5.75% coupon.
- in December 2023, EBE issued a BRL 2.5 bn worth of bonds (€464 million), with a floating coupon.

14.4 Derivative instruments

Accounting standards

Derivative financial instruments are measured at fair value. This fair value is determined on the basis of market data, available from external contributors. In the absence of an external benchmark, a valuation based on internal models recognized by market participants and favoring data directly derived from observable data such as OTC quotations is used.

The change in fair value of derivative financial instruments is recorded in the income statement except when they are designated as hedging instruments in a cash flow hedge or net investment hedge. In this case, changes in the value of the hedging instruments are recognized directly in equity, excluding the ineffective portion of the hedges.

The Group uses derivative financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates and commodity prices, mainly for gas and electricity. The use of derivative instruments is governed by a Group policy for managing interest rate, currency and commodity risks (*see Note 15 – Risks arising from financial instruments*).

Derivative financial instruments are contracts (i) whose value changes in response to the change in one or more observable variables, (ii) that do not require any material initial net investment, and (iii) that are settled at a future date.

Derivative instruments include swaps, options, futures and swaptions, as well as forward commitments to purchase or sell listed and unlisted securities, and firm commitments or options to purchase or sell non-financial assets that involve physical delivery of the underlying.

For purchases and sales of electricity and natural gas, the Group systematically analyzes whether the contract was entered into in the “normal” course of operations and therefore falls outside the scope of IFRS 9. This analysis consists firstly in demonstrating that the contract is entered into and continues to be held for the purpose of physical delivery or receipt of the commodity in accordance with the Group’s expected purchase, sale or usage requirements for volumes intended to be used or sold by the Group within a reasonable time frame, as part of its operations.

The second step is to demonstrate that the Group has no practice of settling similar contracts on a net basis and that these contracts are not equivalent to written options. In particular, in the case of electricity and gas sales allowing the buyer a certain degree of flexibility concerning the volumes delivered, the Group distinguishes between contracts that are equivalent to capacity sales considered as transactions falling within the scope of ordinary operations and those that are equivalent to written financial options, which are accounted for as derivative financial instruments.

Only contracts that meet all of the above conditions are considered as falling outside the scope of IFRS 9. Adequate specific documentation is compiled to support this analysis.

Embedded derivatives

The main Group contracts that may contain embedded derivatives are contracts with clauses or options potentially affecting the contract price, volume or maturity. This is the case primarily with contracts for the purchase or sale of non-financial assets, whose price is revised based on an index, the exchange rate of a foreign currency or the price of an asset other than the contract’s underlying.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If a hybrid contract contains a host that is an asset within the scope of IFRS 9, the Group applies the presentation and measurement requirements described in Note 18.1 to the entire hybrid contract.

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Conversely, when a hybrid contract contains a host that is not an asset within the scope of IFRS 9, an embedded derivative shall be separated from the host and accounted for as a derivative if, and only if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss (i.e., a derivative that is embedded in a financial liability at fair value through profit or loss is not separated).

Where an embedded derivative is separate from the host contract, it is measured at fair value and fair value changes are recognized in profit or loss (except if the embedded derivative is documented in a hedge relationship).

Hedging instruments: recognition and presentation

Derivative instruments qualifying as hedging instruments are recognized in the consolidated statement of financial position and measured at fair value. However, their accounting treatment varies according to whether they are classified as (i) a fair value hedge of an asset or liability; (ii) a cash flow hedge, or (iii) a hedge of a net investment in a foreign operation.

Fair value hedges

A fair value hedge is defined as a hedge of the exposure to changes in fair value of a recognized asset or liability such as a fixed-rate loan or borrowing, or of assets, liabilities or an unrecognized firm commitment denominated in a foreign currency.

The gain or loss from remeasuring the hedging instrument at fair value is recognized in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss even if the hedged item is in a category in respect of which changes in fair value are recognized through other comprehensive income. These two adjustments are presented net in the consolidated income statement, with the net effect corresponding to the ineffective portion of the hedge.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that could affect the Group's income. The hedged cash flows may be attributable to a particular risk associated with a recognized financial or non-financial asset or a highly probable forecast transaction.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in profit or loss. The gains or losses accumulated in equity are reclassified to the consolidated income statement under the same caption as the loss or gain on the hedged item – i.e., current operating income for operating cash flows and financial income or expenses for other cash flows – in the same periods in which the hedged cash flows affect income.

If the hedging relationship is discontinued, in particular because the hedge is no longer considered effective, the cumulative gain or loss on the hedging instrument remains recognized in equity until the forecast transaction occurs. However, if a forecast transaction is no longer expected to occur, the cumulative gain or loss on the hedging instrument is immediately recognized in profit or loss.

Hedge of a net investment in a foreign operation

In the same way as for a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge of the currency risk is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in profit or loss. The gains or losses accumulated in other comprehensive income are transferred to the consolidated income statement when the investment is liquidated or sold.

Hedging instruments: identification and documentation of hedging relationships

The hedging instruments and hedged items are designated at the inception of the hedging relationship. The hedging relationship is formally documented in each case, specifying the hedging strategy, the hedged risk and the method used to assess hedge effectiveness. Only derivative contracts entered into with external counterparties are considered as being eligible for hedge accounting.

Hedge effectiveness is assessed and documented at the inception of the hedging relationship and on an ongoing basis throughout the periods for which the hedge was designated.

Hedge effectiveness is demonstrated both prospectively and retrospectively using various methods, based mainly on a comparison between changes in fair value or cash flows between the hedging instrument and the hedged item. Methods based on an analysis of statistical correlations between historical price data are also used.

Derivative instruments not qualifying for hedge accounting: recognition and presentation

These items mainly concern derivative financial instruments used in economic hedges that have not been – or are no longer – documented as hedging relationships for accounting purposes.

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, changes in fair value are recognized directly in profit or loss under (i) current operating income for derivative instruments with non-financial assets as the underlying, and (ii) financial income or expenses for currency, interest rate and equity derivatives.

Derivative instruments not qualifying for hedge accounting used by the Group in connection with proprietary commodity trading activities and other derivatives expiring in less than 12 months are recognized in the consolidated statement of financial position in current assets and liabilities, while derivatives expiring after this period are classified as non-current items.

Fair value measurement

The fair value of instruments listed on an active market is determined by reference to the market price. In this case, these instruments are presented in level 1 of the fair value hierarchy.

The fair value of unlisted financial instruments for which there is no active market and for which observable market data exist is determined based on valuation techniques such as option pricing models or the discounted cash flow method.

The models used to evaluate these instruments take into account assumptions based on market inputs:

- the fair value of interest rate swaps is calculated based on the present value of future cash flows;
- the fair value of forward foreign exchange contracts and currency swaps is calculated by reference to current prices for contracts with similar maturities by discounting the future cash flow spread (difference between the forward exchange rate under the contract and the forward exchange rate recalculated in line with the new market conditions applicable to the nominal amount);
- the fair value of currency and interest rate options is calculated using option pricing models;
- commodity derivatives are valued by reference to listed market prices based on the present value of future cash flows (commodity swaps or commodity forwards) and option pricing models (options), for which market price volatility may be a factor. Contracts with maturities exceeding the depth of transactions for which prices are observable, or which are particularly complex, may be valued based on internal assumptions;
- exceptionally, for complex contracts negotiated with independent financial institutions, the Group uses the values established by its counterparties.

These instruments are presented in level 2 of the fair value hierarchy except when the evaluation is based mainly on data that are not observable, in which case they are presented in level 3 of the fair value hierarchy. Most often, this is the case for derivatives with a maturity that falls outside the observability period for market data relating to the underlying or when certain inputs such as the volatility of the underlying are not observable.

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Except in case of enforceable master netting arrangements or similar agreements, counterparty risk is included in the fair value of financial derivative instrument assets and liabilities. It is calculated according to the "expected loss" method and takes into account the exposure at default, the probability of default and the loss given default. The probability of default is determined on the basis of credit ratings assigned to each counterparty ("historical probability of default" approach).

Offsetting of financial assets and liabilities in the statement of financial position

Financial assets and liabilities are presented net in the statement of financial position when the offsetting criteria of IAS 32 are met. Offsetting relates to instruments entered into with counterparties for which the contractual terms provide for a net settlement of transactions and a collateralization agreement (margin calls). In particular, commodity derivative assets and liabilities are offset for transactions with the same counterparty, in the same currency, by type of commodity and delivery point and with identical maturities.

Derivative instruments recognized in assets and liabilities are measured at fair value and broken down as follows:

	Dec. 31, 2023						Dec. 31, 2022					
	Assets			Liabilities			Assets			Liabilities		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	279	111	390	457	131	588	226	92	319	620	114	735
Derivatives hedging commodities	10,984	8,344	19,328	15,132	7,516	22,648	30,932	15,076	46,008	37,210	11,698	48,907
Derivatives hedging other items [(1)]	1,501	26	1,526	1,167	159	1,325	1,975	84	2,059	1,587	47	1,634
TOTAL	**12,764**	**8,481**	**21,245**	**16,755**	**7,806**	**24,561**	**33,134**	**15,252**	**48,386**	**39,417**	**11,859**	**51,276**

(1) Derivatives hedging other items mainly include the interest rate component of interest rate derivatives (not qualifying as hedges or qualifying as cash flow hedges) that are excluded from net financial debt, as well as net investment hedge derivatives.

The net amount of derivatives hedging commodities recognized in the statement of financial position is measured after taking into account offsetting agreements that meet the criteria set out in paragraph 42 of IAS 32. This offsetting generated balance sheet effects of around €9.2 billion in 2023 and mainly concerned OTC derivatives concluded with counterparties for which the contractual terms provide for a net settlement of the transactions as well as a collateralization agreement (margin calls).

The balance of derivative hedging commodities is lower than at December 31, 2022 due to the decrease in commodity prices in 2023. Most of these derivatives mature in 2024 and 2025. This fair value incorporates market parameters at December 31, 2023, in particular the "bid ask" reserve, which has been updated to reflect the volatility of commodity prices observed on the markets. In the main markets where the Group operates (Europe, United States, Singapore) a 10% increase or decrease in these market parameters (including the "bid ask" spread) would impact the fair value of the derivates concerned by a negative €85 million (increase) and a positive €85 million (decrease).

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14.4.1 Offsetting of derivative instrument assets and liabilities

The net amount of derivative instruments after taking into account enforceable master netting arrangements or similar agreements, whether or not they are offset in accordance with paragraph 42 of IAS 32, are presented in the table below:

		Dec. 31, 2023				Dec. 31, 2022			
In millions of euros		Gross amount	**Net amount recognized in the statement of financial position [1]**	Other offsetting agreements [2]	**Total net amount**	Gross amount	**Net amount recognized in the statement of financial position [1]**	Other offsetting agreements [2]	**Total net amount**
Assets	Derivatives hedging commodities	28,522	**19,328**	(4,927)	**14,401**	72,322	**46,008**	(8,866)	**37,142**
	Derivatives hedging borrowings and other items	1,917	**1,917**	(469)	**1,448**	2,378	**2,378**	(364)	**2,014**
Liabilities	Derivatives hedging commodities	(31,843)	**(22,648)**	3,898	**(18,750)**	(75,221)	**(48,907)**	5,094	**(43,813)**
	Derivatives hedging borrowings and other items	(1,913)	**(1,913)**	415	**(1,498)**	(2,369)	**(2,369)**	547	**(1,822)**

(1) Net amount recognized in the statement of financial position after taking into account offsetting agreements that meet the criteria set out in paragraph 42 of IAS 32. Due to the volatility of commodity prices, this offsetting had a significant impact on the statement of financial position at December 31, 2023 and mainly concerns OTC derivatives concluded with counterparties for which the contractual terms provide for a net settlement of the transactions as well as a collateralization agreement (margin calls).

(2) Other offsetting agreements include collateral and other guarantee instruments, as well as offsetting agreements that do not meet the criteria set out in paragraph 42 of IAS 32.

14.5 Fair value of financial instruments by level in the fair value hierarchy

14.5.1 Financial assets

The table below shows the allocation of financial instruments carried in assets to the different levels in the fair value hierarchy:

	Dec. 31, 2023				Dec. 31, 2022			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Other financial assets (excluding loans and receivables at amortized cost)	7,552	6,189	-	1,363	5,658	4,225	-	1,433
Equity instruments at fair value through other comprehensive income	*1,902*	*1,653*	*-*	*249*	*1,217*	*875*	*-*	*342*
Equity instruments at fair value through income	*222*	*-*	*-*	*222*	*278*	*-*	*-*	*278*
Debt instruments at fair value through other comprehensive income	*1,873*	*1,873*	*-*	*-*	*2,418*	*2,418*	*-*	*-*
Debt instruments at fair value through income	*3,555*	*2,663*	*-*	*891*	*1,745*	*933*	*-*	*813*
Derivative instruments	21,245	43	20,087	1,114	48,386	138	44,730	3,518
Derivatives hedging borrowings	*390*	*-*	*390*	*-*	*319*	*-*	*319*	*-*
Derivatives hedging commodities - relating to portfolio management activities (1)	*16,614*	*-*	*16,263*	*351*	*40,992*	*-*	*40,825*	*168*
Derivatives hedging commodities - relating to trading	*2,714*	*43*	*1,907*	*764*	*5,016*	*138*	*1,528*	*3,350*
Derivatives hedging other items	*1,526*	*-*	*1,526*	*-*	*2,059*	*-*	*2,059*	*-*
TOTAL	**28,796**	**6,232**	**20,087**	**2,477**	**54,044**	**4,363**	**44,730**	**4,951**

(1) Derivative financial instruments relating to commodities classified in level 3 mainly include long-term gas supply contracts and electricity contracts measured at fair value through profit or loss. Due to geopolitical uncertainties, the fair value of contracts with Russian suppliers takes into account contingencies related to natural gas supply cuts since 2022.

A definition of these three levels is presented in Note 14.4 “Derivative instruments”.

Other financial assets (excluding loans and receivables at amortized cost)

Changes in level 3 equity and debt instruments at fair value can be analyzed as follows:

In millions of euros	Equity instruments at fair value through other comprehensive income	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through income	Debt instruments at fair value through income	Other financial assets (excluding loans and receivables
AT DECEMBER 31, 2022	**342**	**-**	**278**	**813**	**1,433**
Acquisitions	14	-	84	228	326
Disposals	-	(24)	(4)	(139)	(167)
Changes in fair value (1)	(95)	-	(49)	(11)	(156)
Changes in scope of consolidation, foreign currency translation and other changes	(13)	24	(87)	1	(75)
AT DECEMBER 31, 2023	**249**	**-**	**222**	**891**	**1,363**
Gains/(losses) recorded in income relating to instruments held at the end of the period					(50)

(1) Changes in fair value notably comprise the decrease in value of the Group's minority interest in Nord Stream AG for €-90 million (see Note 14.1.1.1 "Equity instruments at fair value").

Derivative instruments

Changes in level 3 commodity derivatives can be analyzed as follows:

In millions of euros	Net Asset/(Liability)
AT DECEMBER 31, 2022	**1,837**
Changes in fair value recorded in income	(3,697)
Settlements	644
Transfer from level 3 to levels 1 and 2	(40)
Net fair value recorded in income	**(1,256)**
Deferred Day-One gains/(losses)	(16)
AT DECEMBER 31, 2023	**(1,271)**

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14.5.2 Financial liabilities

The table below shows the allocation of financial instruments carried in liabilities to the different levels in the fair value hierarchy:

	Dec. 31, 2023				Dec. 31, 2022			
In millions of euros	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Borrowings used in designated fair value hedges	5,755	-	5,755	-	3,679	-	3,679	-
Borrowings not used in designated fair value hedges	37,239	23,251	13,988	-	31,500	17,093	14,407	-
Derivative instruments	24,561	112	22,063	2,385	51,276	-	49,595	1,681
Derivatives hedging borrowings	*588*	*-*	*588*	*-*	*735*	*-*	*735*	*-*
Derivatives hedging commodities - relating to portfolio management activities[(1)]	*20,933*	*-*	*20,081*	*852*	*48,907*	*-*	*47,227*	*1,681*
Derivatives hedging commodities - relating to trading activities[(1)]	*1,715*	*112*	*70*	*1,533*	*-*	*-*	*-*	*-*
Derivatives hedging other items	*1,325*	*-*	*1,325*	*-*	*1,634*	*-*	*1,634*	*-*
TOTAL	**67,555**	**23,363**	**41,806**	**2,385**	**86,455**	**17,093**	**67,682**	**1,681**

(1) Derivative financial instruments relating to commodities classified in level 3 mainly include long-term gas supply contracts and electricity contracts measured at fair value through profit and loss. Due to geopolitical uncertainties, the fair value of contracts with Russian suppliers takes into account contingencies related to natural gas supply cuts since 2022.

A definition of these three levels is presented in Note 14.4 “Derivative instruments”.

Borrowings used in designated fair value hedges

This caption includes bonds in a designated fair value hedging relationship, which are presented in level 2 in the above table. Only the interest rate component of the bonds is remeasured, with fair value determined by reference to observable inputs.

Borrowings not used in designated fair value hedges

Listed bond issues are included in level 1.

Other borrowings not used in a designated hedging relationship, are presented in level 2 in the above table. The fair value of these borrowings is determined on the basis of future discounted cash flows and relies on directly or indirectly observable data.

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NOTE 15 RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group mainly uses derivative instruments to manage its exposure to market risks. Financial risk management procedures are set out in Chapter 2 “Risk factors” of the Universal Registration Document.

15.1 Market risks

15.1.1 Commodity risk

Commodity risk arises primarily from the following activities:

- portfolio management; and
- trading.

The Group has primarily identified two types of commodity risks: price risk resulting from fluctuations in market prices, and volume risk inherent to the business.

In the ordinary course of its operations, the Group is exposed to commodity risks on natural gas, electricity, coal, oil and oil products, other fuels, CO_2 and other “green” products. The Group is active on these energy markets either for supply purposes, or to optimize and secure its energy production chain and its energy sales. The Group also uses derivatives to offer hedging instruments to its clients and to hedge its own positions.

15.1.1.1 Portfolio management activities

Portfolio management seeks to optimize the market value of assets (power plants, gas and coal supply contracts, energy sales and gas storage by pump and battery and transportation) over various timeframes (short-, medium- and long-term). Market value is optimized by:

- guaranteeing supply and ensuring the balance between physical needs and resources;
- managing market risks (price, volume) to unlock optimum value from portfolios within a specific risk framework.

The risk framework aims to safeguard the Group’s financial resources over the budget period and smooth out medium-term earnings (over three or five years, depending on the maturity of each market). It encourages portfolio managers to take out economic hedges on their portfolio.

Sensitivities of the commodity-related derivatives portfolio used as part of the portfolio management activities at December 31, 2023 are detailed in the table below. Due to the volatility in commodity prices on the markets since 2022, particularly impacting the European zone, the price assumptions for natural gas and electricity in Europe were revised upwards last year. These sensitivities have been established in the current uncertain context.

These new assumptions do not constitute an estimate of future market prices and are not representative of future changes in consolidated earnings and equity, insofar as they do not include the sensitivities relating to the purchase and sale contracts for the underlying commodities, which are not recognized at fair value.

Sensitivity analysis [1]

		Dec. 31, 2023		Dec. 31, 2022	
In millions of euros	**Changes in price**	**Pre-tax impact on income**	**Pre-tax impact on equity**	**Pre-tax impact on income**	**Pre-tax impact on equity**
Oil-based products	+USD 10/bbl	-	64	-	81
Natural gas - Europe [2]	-€10/MWh	(411)	(1,288)	(700)	(1,237)
Natural gas - Europe [2]	+€10/MWh	398	1,288	700	1,237
Natural gas - Rest of the world [2]	+€3/MWh	37	138	29	206
Electricity - Europe [2]	-€20/MWh	(353)	338	(51)	245
Electricity - Europe [2]	+€20/MWh	353	(338)	51	(245)
Electricity - Rest of the world [2]	+€5/MWh	(166)	-	(122)	-
Greenhouse gas emission rights	+€2/ton	12	9	24	1
EUR/USD	+10%	(40)	(111)	36	(186)
EUR/GBP	+10%	66	-	(17)	(34)

(1) The sensitivities shown above apply solely to financial commodity derivatives used for hedging purposes as part of the portfolio management activities.

(2) For December 2023 and in relation to the sensitivities shown, more drastic upward price changes, although difficult to quantify, could occur depending how the economic or political situation evolves. For example, an increase of 50€/MWh for natural gas and 100€/MWh for electricity would impact sensitivities by a positive €8.4 billion and a positive €0.1 billion, respectively for natural gas and electricity.

The decrease in commodity prices in 2023 contributed to substantial changes in the fair value of financial instruments, impacting the income statement (*see Note 8 "Operating expenses"*) as well as the other comprehensive income of the Group (*see "Statement of comprehensive income"*).

The sensitivity of equity to European electricity price changes is due to the application, since 2023, of cash flow hedge accounting to certain supply activities in France, Belgium and the Netherlands, as well as the sales resulting from the production of some of our assets in the same areas. The expected extension of this practice to other hedging strategies should contribute to reducing the sensitivity in the future of the pre-tax profit.

15.1.1.2 Trading activities

Revenues from trading activities totaled €3,441 million in 2023 (€4,499 million in 2022).

The Group's trading activities are primarily conducted within:

- ENGIE Global Markets. Its role is to manage the risks of the physical and financial energy portfolio for the Group or external customers, providing them with access to the market and implementing customized hedging strategies;
- ENGIE SA for the optimization of part of its long-term gas supply contracts, of a power swap contract, of part of its gas sales contracts with retail entities in France and Benelux and of power generation facilities in France and Belgium.

These entities operate on organized or OTC markets in derivative instruments such as futures, forwards, swaps, or options. Exposure to trading activities is strictly controlled by daily monitoring of compliance with Value at Risk (VaR) limits.

The use of VaR to quantify market risk arising from trading activities provides a transversal measure of risk, taking all markets and products into account. VaR represents the maximum potential loss on a portfolio over a specified holding period based on a given confidence interval. It is not an indication of expected results but is back-tested on a regular basis.

The Group uses a one-day holding period and a 99% confidence interval to calculate VaR, as well as stress tests, in accordance with banking regulatory requirements.

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The VaR shown below corresponds to the global VaR of the Group's entities with trading activities.

Value at Risk

In millions of euros	Dec. 31, 2023	2023 average[1]	2023 maximum[2]	2023 minimum[2]	2022 average[1]
Trading activities	14	15	39	4	33

(1) Average daily VaR.
(2) Maximum and minimum daily VaR observed in 2023.

VaR limits are set within the framework of Group governance, which was strengthened since the beginning of the crisis to take into account the more volatile market environment. The minimum and the maximum, in 2023, are to be compared respectively with €6 million and with €143 million in 2022.

The continuous monitoring of market risks and the strict application of these measures have enabled the Group to perform its trading activities in a supervised environment during the year.

15.1.2 Hedges of commodity risks

Hedging instruments and sources of hedge ineffectiveness

The Group enters into cash flow hedges, using derivative instruments (firm or option contracts) contracted over the counter or on organized markets, to reduce its commodity risks, which relate mainly to future cash flows from contracted or expected sales and purchases of commodities. These instruments may be settled net or involve physical delivery of the underlying.

Sources of hedge ineffectiveness are mainly related to uncertainty regarding the timing and potential mismatches in settlement dates, and, in a context of volatile commodity market prices, indices between the derivative instruments and the associated underlying exposures.

The fair values of commodity derivatives are indicated in the table below:

	Dec. 31, 2023				Dec. 31, 2022			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Derivative instruments relating to portfolio management activities	10,984	5,630	(15,132)	(5,801)	30,932	10,060	(37,210)	(11,698)
Cash flow hedges	*1,648*	*4,268*	*(2,321)*	*(5,782)*	*3,538*	*4,400*	*(2,483)*	*(4,140)*
Other derivative instruments	*9,336*	*1,362*	*(12,811)*	*(19)*	*27,394*	*5,660*	*(34,726)*	*(7,558)*
Derivative instruments relating to trading activities	-	2,714	-	(1,715)	-	5,016	-	-
TOTAL	**10,984**	**8,344**	**(15,132)**	**(7,516)**	**30,932**	**15,076**	**(37,210)**	**(11,698)**

The fair values shown in the table above reflect the amounts for which assets could be exchanged, or liabilities settled, at the end of the reporting period. They are not representative of expected future cash flows insofar as positions (i) are sensitive to changes in prices, (ii) can be modified by subsequent transactions, and (iii) can be offset by future cash flows arising on the underlying transactions.

15.1.2.1 Cash flow hedges

The fair values of cash flow hedges by type of commodity are as follows:

	Dec. 31, 2023				Dec. 31, 2022			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Natural gas	760	1,848	(1,052)	(2,733)	3,204	3,825	(1,825)	(3,149)
Electricity	660	2,081	(1,057)	(2,664)	114	324	(208)	(521)
Oil	227	338	(211)	(384)	219	248	(449)	(470)
Other (1)	1	1	(1)	(1)	1	3	(1)	1
TOTAL	**1,648**	**4,268**	**(2,321)**	**(5,782)**	**3,538**	**4,400**	**(2,483)**	**(4,140)**

(1) Mainly includes foreign currency hedges on commodities.

Notional amounts (net) (1)

Notional amounts and maturities of cash flow hedges are as follows:

	Unit	2024	2025	2026	2027	2028	Beyond 5 years	Total at Dec. 31, 2023
Natural gas	*GWh*	138,694	21,168	(8,934)	(1,392)	422	-	**149,958**
Electricity	*GWh*	88,624	50,082	16,065	8,515	871	(648)	**163,509**
Oil-based products	*Thousands of barrels*	(11,916)	(5,240)	-	-	-	-	**(17,156)**
Forex	*Millions of euros*	2	-	-	-	-	-	**2**
Greenhouse gas emission rights	*Thousands of tons*	(228)	(64)	(187)	20	20	-	**(439)**

(1) Long/(short) position.

Effects of hedge accounting on the Group's financial position and performance

	Dec. 31, 2023				Dec. 31, 2022	
	Fair Value			Nominal	Fair value	Nominal
In millions of euros	Assets	Liabilities	Total	Total	Total	Total
Cash flow hedges	5,916	(8,103)	(2,187)	10,553	1,315	39,983
TOTAL	**5,916**	**(8,103)**	**(2,187)**	**10,553**	**1,315**	**39,983**

The fair values represented above are positive for assets and negative for liabilities.

In millions of euros		Nominal amount	Fair Value	Change in fair value used for calculating hedge ineffectiveness	Change in the value of the hedging instrument recognized in equity (1)	Ineffective portion recognized in profit or loss (1)	Amount reclassified from the hedge reserve to profit or loss (1)	Line item of profit or loss
Cash flow hedges	Hedging instruments	10,553	(2,187)		(3,873)	120	711	Current operating income
	Hedged items			(4,944)				

(1) Gains/(losses).

The amount of hedge inefficiency is affected in 2023 by the volatility of commodity prices during the year and the partial decorrelation of the various markets particularly in Europe. It is calculated based on the change in fair value of the hedging instrument compared to the change in fair value of the hedged items since inception of the hedging relationship. The fair value of the hedging instruments at December 31, 2023 reflects the cumulative change in fair value of the hedging instruments since inception of the hedges.

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Maturity of commodity derivatives designated as cash flow hedges

In millions of euros	2024	2025	2026	2027	2028	Beyond 5 years	Dec. 31, 2023	Dec. 31, 2022
Fair Value of derivatives by maturity	(1,459)	(692)	(7)	(14)	(5)	(10)	**(2,187)**	**1,315**

Amounts presented in the statement of changes in equity and the statement of comprehensive income

The following table provides a reconciliation of each component of equity and an analysis of other comprehensive income:

	Cash flow hedge
In millions of euros	**Derivatives hedging commodities**
At DECEMBER 31, 2022	**(699)**
Effective portion recognized in equity	(3,873)
Amount reclassified from hedge reserve to profit or loss	711
Translation differences	-
Changes in scope of consolidation and other	9
At DECEMBER 31, 2023	**(3,852)**

15.1.2.2 Other commodity derivatives

Other commodity derivatives include:

- commodity purchase and sale contracts that were not entered into or are no longer held for the purpose of the receipt or delivery of commodities in accordance with the Group's expected purchase, sale or usage requirements;
- embedded derivatives; and
- derivative financial instruments that are not eligible for hedge accounting in accordance with IFRS 9 or for which the Group has elected not to apply hedge accounting.

15.1.3 Currency risk

The Group is exposed to currency risk, defined as the impact on its statement of financial position and income statement of fluctuations in exchange rates affecting its operating and financing activities. Currency risk comprises (i) transaction risk arising in the ordinary course of business, (ii) specific transaction risk related to investments, mergers and acquisitions or disposal projects, and (iii) translation risk arising from the conversion into euros of income statement and statement of financial position items from subsidiaries with a functional currency other than the euro. The main translation risk exposures correspond to assets in US dollars, Brazilian real and pounds sterling.

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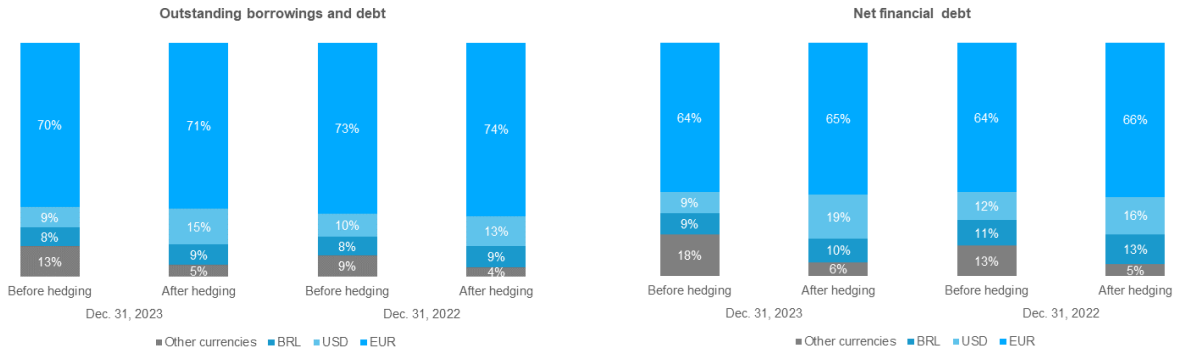
15.1.3.1 Financial instruments by currency

The following tables present a breakdown by currency of outstanding borrowings and debt and net financial debt, before and after hedging:



15.1.3.2 Currency risk sensitivity analysis

A sensitivity analysis to currency risk on financial income/(loss) – excluding the income statement translation impact of foreign subsidiaries – was performed based on all financial instruments managed by the treasury department and representing a currency risk (including derivative financial instruments).

A sensitivity analysis to currency risk on equity was performed based on all financial instruments qualified as net investment hedges at the reporting date.

For currency risk, sensitivity corresponds to a 10% rise or fall in exchange rates of foreign currencies against the euro compared to closing rates.

	Dec. 31, 2023			
	Impact on income		Impact on equity	
In millions of euros	+10%[1]	-10%[1]	+10%[1]	-10%[1]
Exposures denominated in a currency other than the functional currency of companies carrying the liabilities on their statements of financial position[2]	(32)	32	NA	NA
Financial instruments (debt and derivatives) qualified as net investment hedges[3]	NA	NA	410	(410)

(1) +(-)10%: depreciation (appreciation) of 10% of all foreign currencies against the euro.
(2) Excluding derivatives qualified as net investment hedges.
(3) This impact is offset by the change in the net investment hedged.

15.1.4 Interest rate risk

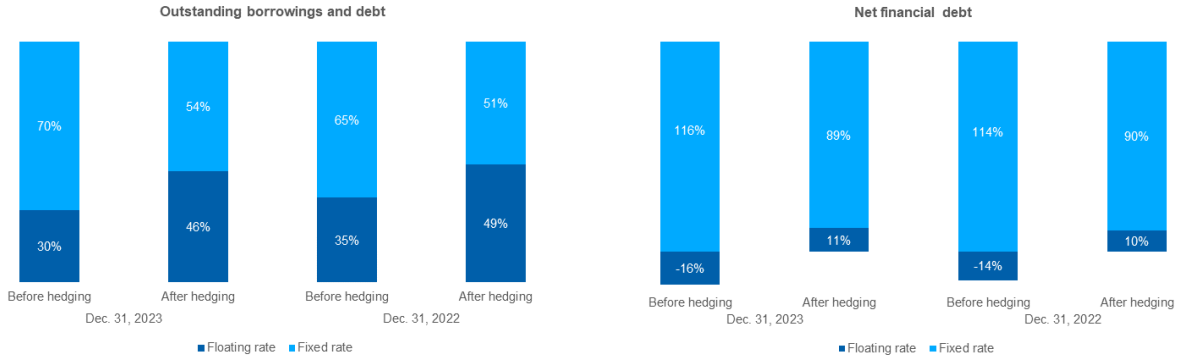
The Group seeks to manage its borrowing costs by limiting the impact of interest rate fluctuations on its income statement. The Group's policy is therefore to arbitrate between fixed rates, floating rates and capped floating rates for its net debt. The interest rate mix may shift within a range defined by Group Management in line with market trends.

In order to manage the interest rate structure for its net debt, the Group uses hedging instruments, particularly interest rate swaps and options.

The Group also uses forward interest rate pre-hedges to protect the refinancing rate of part of its debt.

15.1.4.1 Analysis of financial instruments by type of interest rate

The following tables present a breakdown by type of interest rate of outstanding borrowings and debt and net financial debt before and after hedging:



15.1.4.2 Interest rate risk sensitivity analysis

Sensitivity was analyzed based on the Group's net debt position (including the impact of interest rate and foreign currency derivatives relating to net debt) at the reporting date.

For interest rate risk, sensitivity corresponds to a 100-basis-point rise or fall in the yield curve compared to year-end interest rates.

	Dec. 31, 2023			
	Impact on income		Impact on equity	
In millions of euros	+100 basis points	-100 basis points	+100 basis points	-100 basis points
Net interest expense on floating-rate net debt (nominal amount) and on floating-rate leg of derivatives	(29)	29	NA	NA
Change in fair value of derivatives not qualifying as	(39)	43	NA	NA
Change in fair value of derivatives qualifying as cash flow hedges	NA	NA	280	(343)

15.1.5 Currency and interest rate hedges

15.1.5.1 Currency risk management

Foreign currency exchange risk (or "FX" risk) is reported and managed based on a Group-wide approach, reflected in a policy approved by Group Management. The policy distinguishes between the three following main sources of currency risk:

- **Regular transaction risk**

  Regular transaction risk corresponds to the potential negative financial impact of currency fluctuations on business and financial operations denominated in a currency other than the functional currency.

  The management of regular transaction risk is fully delegated to the subsidiaries for their scope of activities, while the risks related to central activities are managed at corporate level.

  FX risks related to operational activities are systematically hedged when the related cash flows are certain, with a hedging horizon that corresponds at least to the medium-term plan horizon. For cash flows that are not certain, in their entirety, the hedge is initially based on a "no regret" volume. Exposures are monitored and managed based on the sum of nominal cash flows in FX, including highly probable amounts and related hedges.

For FX risks related to financial activities, all significant exposures related to cash, financial debt, etc. are systematically hedged. Exposures are monitored based on the net sum of balance sheet items in FX.

- **Project transaction risk**

  Specific project transaction risk corresponds to the potential negative financial impact of FX fluctuations on specific major operations such as investment projects, acquisitions, disposals and restructuring projects, involving multiple currencies.

  The management of these FX risks includes the definition and implementation of hedging transactions, taking into account the likelihood of the risk (including probability of project completion) and its evolution, the availability of hedging instruments and their associated cost. Management's aim is to ensure the viability and the profitability of the transactions.

- **Translation risk**

  Translation risk corresponds to the potential negative financial impact of FX fluctuations concerning consolidated entities with a functional currency other than the euro. It relates to the translation of their income and expenses and their net assets.

  Translation risk is managed centrally, with a focus on securing the net asset value.

  The relevance of hedging this translation risk is assessed regularly for each currency (as a minimum) or set of assets in the same currency, taking into account notably the value of the assets and the hedging costs.

Hedging instruments and sources of hedge ineffectiveness

The Group principally uses the following risk management levers for mitigating currency risk:

- derivative instruments: these mostly correspond to over-the-counter contracts and include FX forward transactions, FX swaps, currency swaps, cross currency swaps, plain vanilla FX options or combinations (calls, puts or collars);
- monetary items such as debt, cash and loans.

Sources of hedge ineffectiveness are mainly related to uncertainty regarding the timing and in some cases the amount of the future cash flows in foreign currency that are being hedged.

15.1.5.2 Interest rate risk management

The Group is exposed to interest rate risk through its financing and investing activities. Interest rate risk is defined as a financial risk resulting from fluctuations in base interest rates that may increase the cost of debt and affect the viability of investments. Base interest rates are market interest rates, such as EURIBOR, SOFR, etc., that do not include the borrower's credit spread.

Reform of interbank benchmark rates

As part of the interest rate benchmark reform in 2022, the Group benchmarked all new USD denominated financing contracts to the SOFR index. It also aligned its existing financing and derivative contracts with the same index in first-half 2023, following the end of the publication of the US Libor at June 30, 2023.

No impact has been recognized by the Group as a result of this transition.

The two main sources of interest rate risk are as follows:

- **Interest rate risk relating to Group net debt**

  Interest rate risk relating to Group net debt designates the financial impact of base rate movements on the debt and cash portfolio from recurring financing activities. This risk is mainly managed centrally.

Risk management objectives are, by order of importance:

- to protect the long-term viability of assets;
- to optimize financing costs and ensure competitiveness; and
- to minimize uncertainty on the cost of debt.

Interest rate risk is actively managed by monitoring changes in market rates and their impact on the Group's gross and net debt.

- **Project interest rate risk**

  Specific project interest rate risk corresponds to the potential negative financial impact of base rate movements on specific major operations such as investment projects, acquisitions, disposals and restructuring projects. Interest rate risk after the closing of an operation is considered as regular (see "Interest rate risk").

  Interest rate risk is managed for specific project transactions in order to protect the economic viability of projects, acquisitions, disposals and restructuring initiatives against adverse changes in interest rates. It may include the implementation of hedging transactions, depending on a number of factors including the likelihood of completion, the availability of hedging instruments and their associated cost.

Hedging instruments and sources of hedge ineffectiveness

The Group principally uses the following risk management levers for mitigating interest rate risk:

- derivative instruments: these mostly correspond to over-the-counter contracts that are used to manage base interest rates. Such instruments include:
  - swaps, to change the nature of interest payments on debts, typically from fixed to floating rates or vice versa,
  - plain vanilla interest rate options;
- caps, floors and collars that allow the impact of interest rate fluctuations to be limited by setting minimum and/or maximum limits on floating interest rates.

Sources of hedge ineffectiveness are mainly related to changes in the credit quality of the counterparties and related charges, as well as potential gaps in settlement dates and in indices between the derivative instruments and the related underlying exposures.

15.1.5.3 Currency and interest rate hedges

The Group has elected to apply hedge accounting whenever possible and suitable for currency risk and interest rate risk management purposes and also manages a portfolio of undesignated derivative instruments, corresponding to economic hedges relating to net debt and foreign currency exposures.

The Group uses the three hedge accounting methods: cash flow hedging, fair value hedging and net investment hedging.

In general, the Group does not frequently reset hedging relationships, designate specific risk components as a hedged item or designate credit exposures as measured at fair value through income.

The Group qualifies interest rate or cross currency swaps transforming fixed-rate debt into floating-rate debt as fair value hedges.

Cash flow hedges are mainly used to hedge future cash flows in foreign currency, floating-rate debt as well as future refinancing requirements.

Net investment hedging instruments are mainly FX swaps, forwards and cross-currency swaps.

The fair values of derivatives (excluding commodity instruments) are indicated in the table below:

	Dec. 31, 2023				Dec. 31, 2022			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Derivatives hedging borrowings	279	111	(457)	(131)	226	92	(620)	(114)
Fair value hedges	*190*	*43*	*(289)*	*(21)*	*167*	*4*	*(394)*	*(38)*
Cash flow hedges	*43*	*-*	*(120)*	*(45)*	*30*	*5*	*(195)*	*(11)*
Derivative instruments not qualifying for hedge accounting	*47*	*68*	*(48)*	*(66)*	*30*	*84*	*(32)*	*(65)*
Derivatives hedging other items	1,501	26	(1,167)	(159)	1,975	84	(1,587)	(47)
Cash flow hedges	*189*	*2*	*(351)*	*(91)*	*509*	*41*	*(222)*	*(7)*
Net investment hedges	*180*	*-*	*(1)*	*-*	*156*	*-*	*(1)*	*-*
Derivative instruments not qualifying for hedge accounting	*1,131*	*23*	*(815)*	*(67)*	*1,310*	*43*	*(1,364)*	*(40)*
TOTAL	**1,780**	**137**	**(1,623)**	**(290)**	**2,201**	**176**	**(2,208)**	**(161)**

The fair values shown in the table above reflect the amounts relating to the price that would be received for the sale of an asset or paid for the transfer of a liability between market participants in the normal course of business. They are not representative of expected future cash flows insofar as the positions (i) are sensitive to changes in prices or to changes in credit ratings, (ii) can be modified by subsequent transactions, and (iii) can be offset by future cash flows arising on the underlying transactions.

Amount, timing and uncertainty of future cash flows

The following tables provide a profile of the timing at December 31, 2023 of the nominal amount of hedging instruments:

In millions of euros

Buy/Sell	Interest rate type	Derivative instrument type	Currency	Total	2024	2025	2026	2027	2028	Beyond 5 years
Buy	Fixed	CCS	USD	(337)	(113)	(86)	(93)	-	-	(45)
			GBP	(2,589)	-	-	-	-	(575)	(2,014)
			EUR	(1,230)	-	-	-	-	(569)	(661)
			CHF	(637)	(189)	-	-	(205)	-	(243)
			HKD	(266)	-	-	-	(104)	-	(162)
			PEN	(198)	(19)	-	(61)	(61)	(56)	-
			Other	(295)	(172)	(71)	-	-	-	(52)
	Floating	CCS	CLP	(46)	-	-	(46)	-	-	-
Sell	Fixed	CCS	EUR	3,539	216	75	-	98	638	2,512
			USD	1,446	22	-	114	70	607	633
	Floating	CCS	EUR	339	144	-	-	195	-	-
			BRL	309	118	93	99	-	-	-

In millions of euros

Buy/Sell	Interest rate type	Derivative instrument type	Currency	Total	2024	2025	2026	2027	2028	Beyond 5 years
Sell	Fixed	CAP	EUR	5	5	-	-	-	-	-
		IRS	EUR	9,524	(663)	97	1,216	376	(99)	8,596
			USD	1,322	(67)	35	723	296	30	305
			ZAR	140	(87)	(50)	64	(48)	12	249
			Other	63	3	3	3	3	3	47
	Floating	IRS	EUR	17,643	1,690	2,415	1,950	800	138	10,650
			ZAR	-	(89)	(55)	58	(57)	1	142
			BRL	59	-	-	-	-	59	-

The tables presented above exclude currency derivatives (except for cross currency swaps - CCS). Their maturity dates are aligned with those of the hedged items.

Pursuant to the FX and interest rate risk management policy, FX sensitivity is presented in Note 15.1.3.2 “Currency risk sensitivity analysis” and the average cost of gross debt is 4.31% as presented in Note 10 “Net financial income/(loss)”.

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Effects of hedge accounting on the Group's financial position and performance

Currency derivatives

	Dec. 31, 2023				Dec. 31, 2022	
	Fair value			Nominal amount	Fair value	Nominal amount
In millions of euros	Assets	Liabilities	Total	Total	Total	Total
Cash flow hedges	51	(581)	(530)	4,708	(338)	3,139
Net investment hedges	180	(1)	179	5,596	155	5,939
Derivative instruments not qualifying for hedge accounting	55	(39)	16	12,086	123	12,007
TOTAL	**286**	**(621)**	**(335)**	**22,391**	**(60)**	**21,085**

Interest rate derivatives

	Dec. 31, 2023				Dec. 31, 2022	
	Fair value			Nominal amount	Fair value	Nominal amount
In millions of euros	Assets	Liabilities	Total	Total	Total	Total
Fair value hedges	232	(309)	(77)	7,975	(261)	5,148
Cash flow hedges	183	(25)	158	3,399	491	5,260
Derivative instruments not qualifying for hedge accounting	1,215	(957)	258	25,438	(186)	25,885
TOTAL	**1,631**	**(1,291)**	**339**	**36,812**	**44**	**36,293**

The fair values presented in the above table are positive for assets and negative for liabilities.

In millions of euros		Nominal and outstanding amount	Fair value [1]	Change in fair value used for calculating hedge ineffectiveness	Change in the value of the hedging instrument recognized in equity [2]	Ineffective portion recognized in profit or loss [2]	Amount reclassified from the hedge reserve to profit or loss [2]	Line item of the income statement
Fair value hedges	Hedging instruments	7,975	(77)	(77)	-	-	NA	Cost of net debt
	Hedged items [3] [4]	5,715	(41)	2,076	NA		NA	
Cash flow hedges	Hedging instruments	8,107	(371)	(188)	402	(4)	(321)	Other financial income and expenses / Current operating income including operating MtM
	Hedged items			186				
Net investment hedges	Hedging instruments	5,596	179	148	(149)	NA	1	Other financial income and expenses / Current operating income including operating MtM
	Hedged items			(148)				

(1) The adjustment of the fair value of hedged items is presented as long term and short-term borrowings and debt for a negative amount of €-41 million.

(2) Gains/(losses).

(3) The difference between the fair value used to determine the ineffective portion relating to hedging instruments and that relating to the hedged items corresponds to the amortized cost of borrowings and debt that are part of a fair value hedge relationship.

(4) Of which €40 million relating to hedging items that are no longer adjusted as a result of discontinuation of the fair value hedge relationship.

Hedge inefficiency is calculated based on the change in the fair value of the hedging instrument compared to the change in the fair value of the hedged items since inception of the hedging relationship. The fair value of the hedging instruments

at December 31, 2023 reflects the cumulative change in their fair value since inception of the hedges. The same principle applies to the hedged items.

No significant impact in terms of ineffectiveness or discontinuation of certain hedges was recognized at December 31,2023.

Foreign currency and interest rate derivatives designated as cash flow hedges can be analyzed as follows by maturity

In millions of euros	2024	2025	2026	2027	2028	Beyond 5 years	Total at Dec. 31, 2023	Total at Dec. 31, 2022
Fair value of derivatives by maturity	(64)	23	6	10	(85)	(262)	(371)	147

Amounts presented in the statement of changes in equity and the statement of comprehensive income

The following table provides a reconciliation of each component of equity and an analysis of other comprehensive income:

	Cash flow hedge			Net investment hedge
In millions of euros	Derivatives hedging borrowings - currency risk hedging (1)	Derivatives hedging other items - interest rate risk hedging (1) (3)	Derivatives hedging other items - currency risk hedging (2)	Derivatives hedging other items - currency risk hedging (2) (4)
AT DECEMBER 31, 2022	**46**	**179**	**35**	**(386)**
Effective portion recognized in equity		(381)	(21)	149
Amount reclassified from the hedge reserve to profit or loss		321	-	(1)
Translation differences	-	-	-	-
Changes in scope of consolidation and other	-	(24)	-	-
AT DECEMBER 31, 2023	**45**	**97**	**14**	**(238)**

(1) Cash flow hedges for given periods.
(2) Cash flow hedges for given transactions.
(3) Comprises a positive €275 million of cumulated reserves related to hedge transactions (a negative €86 million at December 31, 2022) for which hedge accounting has been discontinued (instruments cancelled prior to their maturity).
(4) All of the reserves relate to continuing hedging relationships.

15.2 Counterparty risk

Due to its financial and operational activities, the Group is exposed to the risk of default of its counterparties (customers, suppliers, EPC contractors, partners, intermediaries, and banks). Default could affect payments, delivery of goods and/or asset performance.

The principles of counterparty risk management are set out in the Group counterparty risk policy, which:

- assigns roles and responsibilities for managing and controlling counterparty risk at different levels (Corporate, BU or entity), and ensures operational procedures are in place and consistent across the Group;
- characterizes counterparty risk and the mechanisms by which it impacts the economic performance and financial statements of the Group;
- defines indicators, reporting and control mechanisms to ensure visibility and to provide tools for financial performance management; and
- provides guidelines on the use of mitigating mechanisms such as collateral and guarantees, which are widely used by some businesses.

Depending on the nature of the business, the Group is exposed to different types of counterparty risk. As a result some businesses use collateral instruments – particularly the Energy Management business, where the use of margin calls and other types of financial collateral (standardized legal framework) is a market standard. In addition, other businesses may request guarantees from their counterparties in certain cases (parent company guarantees, bank guarantees, etc.).

Under the new IFRS 9 standard, the Group has defined and applied a Group-wide methodology, which includes two different approaches:

- a portfolio approach, whereby the Group determines that:
  - coherent customer portfolios and sub-portfolios have to be considered (i.e., portfolios that have comparable credit risk and/or comparable payment behavior), taking into account the following aspects:
    - public or private counterparties,
    - residential or BtoB counterparties,
    - geography,
    - type of activity,
    - size of the counterparty, and
    - any other aspects the Group may consider relevant,
  - impairment rates must be determined based on historical aging balances and, when correlation is proven and documentation possible, historical data must be adjusted by forward-looking elements; and

- an individualized approach for significant counterparties, for which the Group has set rules for defining the stage of the concerned asset for Expected Credit Loss (ECL) calculations:

  - stage 1 covers financial assets that have not deteriorated significantly since initial recognition. The ECL for stage 1 is calculated on a 12-month basis,
  - stage 2 covers financial assets for which the credit risk has significantly increased. The ECL for stage 2 is calculated on a lifetime basis. The decision to move an asset from stage 1 to stage 2 is based on certain criteria such as:
    - a significant downgrade in the creditworthiness of a counterparty and/or its parent company and/or its guarantor (if any),
    - significant adverse change in the regulatory environment,
    - changes in political or country-related risk, and
    - any other aspect the Group may consider relevant.

    Regarding financial assets that are more than 30 days past due, the move to stage 2 is not systematically applied as long as the Group has reasonable and verifiable information that demonstrates that, even if payments become more than 30 days past due, this does not represent a significant increase in the credit risk since initial recognition.

  - stage 3 covers assets for which default has already been observed, such as:
    - when there is evidence of significant and ongoing financial difficulty of the counterparty,
    - when there is evidence of failure in credit support from a parent company to its subsidiary (in this case the subsidiary is the Group's at risk counterparty),
    - when a Group entity has initiated legal proceedings against the counterparty for non-payment.

    Regarding financial assets that are more than 90 days past due, the presumption can be rebutted if the Group has reasonable and supportable information that demonstrates that even if payments become more than 90 days past due, this does not indicate counterparty default.

The ECL formula applicable in stages 1 and 2 is ECL = EAD x PD x LGD, where:

- for 12-month ECL, Exposure At Default (EAD) equals the carrying amount of the financial asset, to which the relevant Probability of Default (PD) and the Loss Given Default (LGD) are applied;

- for lifetime ECL, the calculation method consists in identifying changes in exposure for each year, especially the expected timing and amount of the contractual repayments, then applying to each repayment the relevant PD and the LGD, and discounting the figures obtained. ECL is then the sum of the discounted figures; and

- probability of default is the likelihood of default over a particular time horizon (in stage 1, this time horizon is 12 months after the reporting period; in stage 2 this time horizon is the entire lifetime of the financial asset). This information is based on external data from a reputable rating agency. The PD depends on the time horizon and of

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the rating of the counterparty. The Group uses external ratings if they are available; ENGIE's credit risk experts determine an internal rating for major counterparties with no external rating.

LGD levels are notably based on Basel standards:

- 75% for subordinated assets; and
- 45% for standard assets.

For assets considered to be of strategic importance for the counterparty, such as essential public services or goods, LGD is set at 30%.

The Group has decided that write-offs apply in the following situations:

- assets for which a legal recovery procedure is pending: these should not be written off as long as the procedure is ongoing; and
- assets for which no legal recovery procedure is pending: these should be written off once the trade receivable is 3 years overdue (5 years overdue for public counterparties).

In the context of its market activities (mainly concerning BtoB customers), the Group takes into account forward-looking information when assessing its expected credit losses, in order to best reflect the situation in a series of economic sectors deemed to be the most critical. Accordingly, the specific adjustment to the provisioning rate for expected credit losses made at December 31, 2022 on certain business sectors particularly exposed to fluctuations in commodity prices was maintained during the year, in the absence of a significant and lasting improvement in the general economic context.

In addition, the risk of default on the Group's BtoC energy supply activities has evolved differently in each country, depending on the mechanisms put in place. In France, for example, the risk of default has risen due to the end of government measures (i.e. gas tariff shield, energy vouchers) aimed at limiting price increases. This is reflected in longer collection times and more frequent requests for payment instalment plans. Conversely, lower prices in Belgium and the protection mechanisms put in place by the Romanian government have reduced our exposure to credit risk.

15.2.1 Counterparty risk arising on operating activities

Counterparty risk arising on operating activities is managed via standard mechanisms such as third-party guarantees, netting agreements and margin calls, using dedicated hedging instruments or special prepayment and debt recovery procedures, particularly for retail customers.

Under the Group's policy, each global business unit is responsible for managing counterparty risk, although the Group continues to manage the biggest counterparty exposures centrally.

For large and medium-sized customers with which the Group's credit risk exposure exceeds a certain threshold, a specific, comprehensive rating determination model is used to assess the Group's credit risk exposure as accurately as possible. A simplified scoring model is used for customers for whom the Group's credit risk exposure is lower. These processes are based on formally documented, consistent methods across the Group. Consolidated exposures are monitored by counterparty and by segment (credit rating, sector, etc.) using standard indicators (payment risk, mark-to-market exposure).

GEMS' large exposures to trading counterparties and large commercial clients are regularly monitored by the Group's governance committees.

15.2.1.1 Trade and other receivables, assets from contracts with customers

Total outstanding exposures presented in the tables below do not include impacts relating to VAT or to any other item not subject to credit risk, which amounted to €4,579 million at December 31, 2023 (compared to €6,084 million at December 31, 2022).

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Individual approach

		Dec. 31, 2023							
In millions of euros		Individual approach	Level 1: low credit risk	Level 2: increased credit risk	Level 3: impaired assets	Total by risk level	Investment Grade [1]	Other	Total by counterparty type
Trade and other receivables, net	Gross	**13,653**	12,304	1,248	101	**13,653**	11,533	2,121	**13,653**
	Expected credit losses	**(909)**	(696)	(116)	(97)	**(909)**	(594)	(315)	**(909)**
TOTAL		**12,745**	**11,609**	**1,132**	**4**	**12,745**	**10,939**	**1,806**	**12,745**
Assets from contracts with customers	Gross	**4,377**	4,374	2	-	**4,377**	3,299	1,078	**4,377**
	Expected credit losses	**(22)**	(22)	-	-	**(22)**	(15)	(7)	**(22)**
TOTAL		**4,354**	**4,352**	**2**	**-**	**4,354**	**3,284**	**1,070**	**4,354**

		Dec. 31, 2022							
In millions of euros		Individual approach	Level 1: low credit risk	Level 2: increased credit risk	Level 3: impaired assets	Total by risk level	Investment Grade (1)	Other	Total by counterpart y type
Trade and other receivables, net	Gross	**22,754**	21,321	1,316	118	**22,754**	20,668	2,086	**22,754**
	Expected credit losses	**(737)**	(533)	(75)	(129)	**(737)**	(452)	(285)	**(737)**
TOTAL		**22,017**	**20,787**	**1,241**	**(11)**	**22,017**	**20,216**	**1,801**	**22,017**
Assets from contracts with customers	Gross	**5,277**	5,245	29	3	**5,277**	4,100	1,177	**5,277**
	Expected credit losses	**(20)**	(16)	-	(4)	**(20)**	(13)	(7)	**(20)**
TOTAL		**5,256**	**5,229**	**29**	**(1)**	**5,256**	**4,087**	**1,169**	**5,256**

(1) Investment Grade corresponds to counterparties that are rated at least BBB- by Standard & Poor's.

Collective approach

		Dec. 31, 2023				
In millions of euros		Collective approach	0 to 6 months	6 to 12 months	beyond	Total past due assets at Dec. 31, 2022
Trade and other receivables, net	Gross	3,953	420	212	199	831
	Expected credit losses	(1,153)	(20)	(40)	(216)	(275)
TOTAL		**2,800**	**400**	**173**	**(16)**	**557**
Assets from contracts with customers	Gross	5,194	31	85	3	119
	Expected credit losses	(5)	-	(2)	-	(2)
TOTAL		**5,189**	**31**	**83**	**3**	**117**

		Dec. 31, 2022				
In millions of euros		Collective approach	0 to 6 months	6 to 12 months	beyond	Total past due assets at Dec. 31, 2021
Trade and other receivables, net	Gross	4,459	300	101	272	673
	Expected credit losses	(1,151)	(19)	(47)	(172)	(238)
TOTAL		**3,308**	**281**	**54**	**100**	**435**
Assets from contracts with customers	Gross	7,370	8	-	1	10
	Expected credit losses	(27)	-	(8)	-	(8)
TOTAL		**7,343**	**8**	**(8)**	**1**	**2**

15.2.1.2 Commodity derivatives

In the case of commodity derivatives, counterparty risk arises from positive fair value. When calculating the fair value of these derivative instruments, counterparty risk (CVA) is based on default probabilities whose parameters have been updated, in a context of uncertainty, to take account of an increased risk of default.

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The volatility of commodity prices and the impact on the valuation of derivatives on the assets side of the balance sheet have not significantly altered the Group's exposure due to the credit quality of its counterparties.

	Dec. 31, 2023		Dec. 31, 2022	
In millions of euros	Investment Grade[1]	Total	Investment Grade[1]	Total
Gross exposure [2]	15,954	19,324	36,371	46,012
Net exposure [3]	6,385	8,050	12,434	16,124
% of credit exposure to "Investment Grade" counterparties	79.3%		77.1%	

(1) Investment Grade corresponds to transactions with counterparties that are rated at least BBB- by Standard & Poor's, Baa3 by Moody's, or equivalent by Dun & Bradstreet. "Investment Grade" is also determined based on an internal rating tool that has been rolled out within the Group, and covers its main counterparties.

(2) Corresponds to the maximum exposure, i.e. the value of the derivatives shown under assets (positive fair value).

(3) After taking into account the liability positions with the same counterparties (negative fair value), collateral, netting agreements and other credit enhancement techniques.

15.2.2 Counterparty risk arising on financing activities

For its financing activities, the Group has put in place procedures for managing and monitoring risk based on (i) the accreditation of counterparties according to external credit ratings, objective market data (credit default swaps, market capitalization) and financial structure, and (ii) counterparty risk exposure limits.

To reduce its counterparty risk exposure, the Group has drawn increasingly on a structured legal framework based on master agreements (including netting clauses) and collateralization contracts (margin calls).

The oversight procedure for managing counterparty risk arising from financing activities is managed by a Middle Office that operates independently of the Group's Treasury department and reports to the Finance division.

15.2.2.1 Loans and receivables at amortized cost

The total outstanding exposures presented in the tables below do not include impacts relating to VAT or to any other item not subject to credit risk, which amounted to €425 million at December 31, 2023 (compared to €547 million at December 31, 2022).

	Dec. 31, 2023						
In millions of euros	Level 1: low credit risk	Level 2: increased credit risk	Level 3: impaired assets	Total by risk level	Investment Grade [1]	Other	Total by counterparty type
Gross	8,879	285	700	**9,865**	5,754	4,111	**9,865**
Expected credit losses	(78)	(45)	(1,180)	**(1,302)**	(174)	(1,128)	**(1,302)**
TOTAL	**8,802**	**240**	**(479)**	**8,563**	**5,580**	**2,983**	**8,563**

	Dec. 31, 2022						
In millions of euros	Level 1: low credit risk	Level 2: increased credit risk	Level 3: impaired assets	Total by risk level	Investment Grade [1]	Other	Total by counterparty type
Gross	6,596	274	720	**7,591**	3,490	4,101	**7,591**
Expected credit losses	(99)	(38)	(1,154)	**(1,291)**	(158)	(1,133)	**(1,291)**
TOTAL	**6,497**	**236**	**(434)**	**6,300**	**3,332**	**2,967**	**6,300**

(1) Investment Grade corresponds to counterparties that are rated at least BBB- by Standard & Poor's.

In 2022, the Group had impaired the loan related to the financing of the Nord Stream 2 pipeline project for a total amount of €987 million (including capitalized interest).

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15.2.2.2 Counterparty risk arising on investing activities and the use of derivative financial instruments

The Group is exposed to counterparty risk arising on investments of surplus cash and from the use of derivative financial instruments. In the case of financial instruments at fair value through income, counterparty risk arises on instruments with a positive fair value. Counterparty risk is taken into account when calculating the fair value of these derivative instruments.

	Dec. 31, 2023				Dec. 31, 2022			
In millions of euros	Total	Investment Grade (1)	Unrated (2)	Non Investment-Grade (2)	Total	Investment Grade (1)	Unrated (2)	Non-Investment Grade (2)
Exposure	17,577	89.6%	3.3%	7.1%	15,738	92.3%	4.5%	3.2%

(1) Investment Grade corresponds to counterparties that are rated at least BBB- by Standard & Poor's or Baa3 by Moody's.

(2) The bulk of these two exposures is carried by consolidated companies that include non-controlling interests, or by Group companies that operate in emerging countries, where cash cannot be pooled and is therefore invested locally.

Furthermore, at December 31, 2023, Crédit Agricole SA is the main Group counterparty and represents 31% of cash surpluses. This relates mainly to a depositary risk.

15.3 Liquidity risk

In the context of its operating activities, the Group is exposed to a risk of having insufficient liquidity to meet its contractual obligations. As well as the risks inherent in managing working capital requirements (WCR), margin calls are required in certain market activities, which are a way of mitigating counterparty risk on hedging instruments through the use of collateral.

The Group has set up a committee that meets weekly and is tasked with managing and monitoring liquidity risk throughout the Group, by maintaining a broad range of investments and sources of financing, and preparing forecasts of cash investments and divestments. ENGIE has set up a comprehensive framework to monitor and streamline cash movements related to OTC margin calls and margin calls via clearing houses, based on the use of liquidity swaps with its key counterparties, as well as the issuing of letters of credit. Given the current volatility of the markets, these margin calls may have a significant timing impact on the Group's cash position, and the use of the two above-mentioned levers has therefore been reinforced in order to monitor the impact on its cash position. Quarterly stress-tests are also performed on the margin calls put in place when commodity, interest rate and currency derivatives are negotiated to assess the Group's resilience in terms of liquidity.

The Group centralizes virtually all the financing needs and cash flow surpluses of the companies it controls, as well as most of their medium- and long-term external financing requirements. Centralization is provided by financing vehicles (long-term and short-term) and by dedicated Group cash pooling vehicles based in France, Belgium and Luxembourg.

Surpluses held by these structures are managed in accordance with a uniform policy. In accordance with this policy, unpooled cash surpluses are invested in instruments selected on a case-by-case basis in light of local financial market imperatives and the financial strength of the counterparties concerned.

The succession of financial crises since 2008 and the ensuing rise in counterparty risk prompted the Group to tighten its investment policy with the aim of keeping an extremely high level of liquidity and protecting invested capital, with a daily monitoring of performance and counterparty risk, allowing the Group to take immediate action where required in response to market developments. Consequently, 89% of the cash pooled at December 31, 2023 was invested in overnight bank deposits and standard money market funds with daily liquidity.

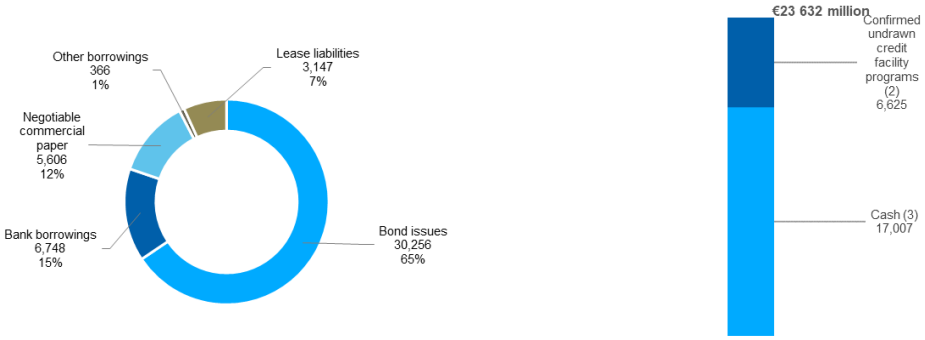
The Group's financing policy is based on:

- centralizing external financing;
- diversifying sources of financing between credit institutions and capital markets;
- achieving a balanced debt repayment profile.

The Group seeks to diversify its sources of financing by carrying out public or private bond issues within the scope of its Euro Medium Term Notes program. It also issues negotiable commercial paper in France (Negotiable European Commercial Paper) and in the United States (U.S. Commercial Paper) as well as deeply-subordinated perpetual notes. As negotiable commercial paper is relatively inexpensive and highly liquid, it is used by the Group in a cyclical or structural manner to finance its short-term cash requirements. However, the refinancing of all outstanding negotiable commercial paper remains secured by confirmed bank lines of credit – mainly centralized – allowing the Group to continue to finance its activities if access to this financing source were to dry up. These facilities are appropriate for the scale of its operations and for the timing of contractual debt repayments.

The various actions carried out by the Group ensure a high and reinforced level of liquidity.

Diversifying sources of financing and liquidity (1)
In millions of euros



(1) These sources of financing and liquidity do not include the deeply-subordinated perpetual notes recognized in equity (see Note 16.2.1 "Issuance of deeply-subordinated perpetual notes").
(2) Net amount of negotiable commercial paper.
(3) Cash corresponds to cash and cash equivalents for €16,578 million, other financial assets deducted from net financial debt for €884 million, net of bank overdrafts and current accounts for €455 million, of which 76% was invested in the Eurozone.

At December 31, 2023, all Group entities whose debt is consolidated complied with the covenants and declarations included in their financial documentation, except for some non-significant entities for which compliance actions are being implemented. There are no defaults linked to financial ratios or rating levels on available centralized credit lines.

15.3.1 Undiscounted contractual payments relating to financial activities

Undiscounted contractual payments on outstanding borrowings and debt by maturity

In millions of euros	2024	2025	2026	2027	2028	Beyond 5 years	Total at Dec. 31, 2023	Total at Dec. 31, 2022
Bond issues	1,039	1,463	2,922	3,130	3,230	18,472	30,256	23,557
Bank borrowings	763	485	387	637	245	4,231	6,748	5,476
Negotiable commercial paper	5,606	-	-	-	-	-	5,606	7,386
Lease liabilities	510	480	398	365	407	2,552	3,147	2,875
Other borrowings	92	22	3	3	2	244	366	374
Bank overdrafts and current accounts	455	-	-	-	-	-	455	615

Other financial assets and cash and cash equivalents deducted from net financial debt have a liquidity of less than one year.

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Undiscounted contractual interest payments on outstanding borrowings and debt by maturity

In millions of euros	2024	2025	2026	2027	2028	Beyond 5 years	Total at Dec. 31, 2023	Total at Dec. 31, 2022
Undiscounted contractual interest flows on outstanding borrowings and debt	1,319	1,267	1,230	1,116	1,053	10,915	16,900	11,131

Undiscounted contractual payments on outstanding derivatives (excluding commodity instruments) by maturity

In millions of euros	2024	2025	2026	2027	2028	Beyond 5 years	Total at Dec. 31, 2023	Total at Dec. 31, 2022
Derivatives (excluding commodity instruments)	(233)	1	18	17	(20)	743	527	239

To better reflect the economic substance of these transactions, the cash flows linked to the derivatives recognized in assets and liabilities shown in the table above relate to net positions.

Undiscounted contractual payments related to leases

At December 31, 2023, the Group, as lessee, was potentially exposed to future cash outflows not reflected in the measurement of lease liabilities for €1,045 million (of which approximately 75% relate to potential cash outflows beyond 2028). Those potential future cash outflows relate to leases not yet commenced to which the Group is committed (real estate and LNG vessels).

In addition, the Group is also exposed to future cash outflows in the form of variable lease payments in connection with the extension of the Rhone concession. These variable lease payments are dependent on revenue from electricity sales.

Undrawn credit facility programs

In millions of euros	2024	2025	2026	2027	2028	Beyond 5 years	Total at Dec. 31, 2023	Total at Dec. 31, 2022
Confirmed undrawn credit facility programs	1,619	738	552	-	8,500	822	12,231	12,511

Of these undrawn programs, an amount of €5,606 million is allocated to covering commercial paper.

At December 31, 2023, no single counterparty represented more than 10% of the Group's confirmed undrawn credit lines.

15.3.2 Undiscounted contractual payments relating to operating activities

The table below provides an analysis of undiscounted fair values due and receivable in respect of commodity derivatives recorded in assets and liabilities at the reporting date.

The Group provides an analysis of residual contractual maturities for commodity derivative instruments included in its portfolio management activities. Derivative instruments relating to trading activities are considered to be liquid in less than one year, and are presented under current items in the statement of financial position.

In millions of euros	2024	2025	2026	2027	2028	Beyond 5 years	Total at Dec. 31, 2023	Total at Dec. 31, 2022
Derivative instruments carried in								
relating to portfolio management	*(5,831)*	*(497)*	*(9,539)*	*(2,971)*	*(1,249)*	*(994)*	*(21,080)*	*(49,260)*
relating to trading activities	*(1,787)*	*-*	*-*	*-*	*-*	*-*	*(1,787)*	*-*
Derivative instruments carried in assets								
relating to portfolio management	*5,624*	*341*	*6,682*	*2,934*	*681*	*472*	*16,734*	*40,975*
relating to trading activities	*2,766*	*-*	*-*	*-*	*-*	*-*	*2,766*	*5,098*
TOTAL	**772**	**(155)**	**(2,857)**	**(37)**	**(568)**	**(522)**	**(3,366)**	**(3,187)**

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15.3.3 Commitments relating to commodity purchase and sale contracts entered into in the ordinary course of business

Some Group operating companies have entered into long-term contracts, some of which include “take-or-pay” clauses. These consist of firm commitments to purchase or sell specified quantities of gas, electricity or steam as well as related services, in exchange for a firm commitment from the other party to deliver or purchase said quantities and services. These contracts were documented as falling outside the scope of IFRS 9. The table below shows the main future commitments arising from contracts entered into by GBU Renewables and GEMS (expressed in TWh).

In TWh	2024	2025-2028	Beyond 5 years	Total at Dec. 31, 2023	Total at Dec. 31, 2022
Firm purchases	(450)	(566)	(1,134)	(2,150)	(1,884)
Firm sales	617	470	224	1,310	1,243

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NOTE 16 EQUITY

16.1 Share capital

	Number of shares			Value (in millions of euros)		
	Total	Treasury stock	Outstanding	Share capital	Additional paid-in capital	Treasury stock
AT DECEMBER 31, 2022	**2,435,285,011**	**(14,530,427)**	**2,420,754,584**	**2,435**	**25,667**	**(189)**
Dividend paid in cash	-	-	-	-	(1,752)	-
Purchase/disposal of treasury stock	-	(3,755,821)	(3,755,821)	-	-	(53)
Delivery of treasury stock (bonus)	-	4,450,881	4,450,881	-	-	65
AT DECEMBER 31, 2023	**2,435,285,011**	**(13,835,367)**	**2,421,449,644**	**2,435**	**23,916**	**(177)**

Changes in the number of outstanding shares in 2023 resulted exclusively from the disposal of 0.7 million treasury shares, as part of bonus share plans.

16.1.1 Potential share capital and instruments providing a right to subscribe for new ENGIE SA shares

Since 2017, the Group no longer has any stock purchase or subscription option plans.

Shares to be allocated under the performance share award plans described in Note 19 “Share-based payments” are covered by existing ENGIE SA shares.

16.1.2 Treasury stock

Accounting standards

Treasury shares are recognized at acquisition cost and deducted from equity. Gains and losses on disposals of treasury shares are recorded directly in equity and do not, therefore, impact income for the period.

The Group has a stock repurchase program as a result of the authorization granted to the Board of Directors by the Ordinary and Extraordinary Shareholders’ Meeting of April 26, 2023. This program provides for the repurchase of up to 10% of the shares comprising the share capital of ENGIE SA at the date of the said Shareholders’ Meeting. The aggregate amount of acquisitions net of expenses under the program may not exceed €7.3 billion, and the purchase price must be less than €30 per share excluding acquisition costs.

At December 31, 2023, the Group held 13.8 million treasury shares. To date, all the shares have been allocated to cover the Group's share commitments to employees and corporate officers.

The liquidity agreement signed with an investment service provider assigns to the latter the role of operating on the market on a daily basis, to buy or sell ENGIE SA shares, in order to ensure liquidity and an active market for the shares on the Paris and Brussels stock exchanges. To date, the resources allocated to the implementation of this agreement amount to €55 million.

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16.2 Other disclosures concerning additional paid-in capital, consolidated reserves and issuance of deeply-subordinated perpetual notes (Group share)

Total additional paid-in capital, consolidated reserves and issuance of deeply subordinated perpetual notes (including net income for the year), amounted to €32,507 million at December 31, 2023, including €23,916 million in additional paid-in capital. Additional paid-in capital includes a portion of the cash dividend payment for 2022 in an amount of €1,752 million.

Consolidated reserves include the cumulative income of the Group, the legal and statutory reserves of ENGIE SA, cumulative actuarial gains and losses, net of tax and the change in fair value of equity instruments at fair value through OCI.

Under French law, 5% of the net income of French companies must be allocated to the legal reserve until the latter reaches 10% of share capital. This reserve can only be distributed to shareholders in the event of liquidation. The ENGIE SA legal reserve amounts to €244 million.

16.2.1 Issuance of deeply subordinated perpetual notes

In accordance with IAS 32 *(Financial Instruments: Presentation)*, and given their characteristics, these instruments are recognized in equity in the Group's consolidated financial statements.

At December 31, 2023, the outstanding nominal value of deeply subordinated perpetual notes amounted to €3,393 million. No movements have been recorded since December 31, 2022.

In 2023, the Group paid €80 million to the holders of these notes. This amount is accounted for as a deduction from equity in the Group's consolidated financial statements; the related tax saving is accounted for in the income statement.

16.2.2 Distributable capacity of ENGIE SA

ENGIE SA's distributable capacity totaled €24,537 million at December 31, 2023 (compared with €27,365 million at December 31, 2022), including €23,916 million of additional paid-in capital.

16.2.3 Dividends

The Shareholders' Meeting of 26 April 2023 approved the payment of a unit dividend of €1.40 per share in respect of the 2022 financial year. In accordance with Article 26.2 of the Articles of Association, a bonus dividend of 10%, i.e. €0.14 per share, has been allocated to shares which have been held from for at least two years at December 31, 2022, and which have remained continuously registered in this form in the name of the same shareholder until the dividend payment date. This bonus dividend may not apply to a number of shares representing more than 0.5% of the share capital for any one shareholder. On May 3, 2023, the Group paid a cash dividend of €3,391 million, including the dividend of €1.40 per share for shares eligible for the ordinary dividend, and a loyalty bonus of €36 million.

Proposed dividend in respect of 2023

At the Shareholders' Meeting convened to approve the ENGIE Group financial statements for the year ended December 31, 2023, the shareholders will be asked to approve a dividend of €1.43 per share, representing a total payout of €3,482 million based on the number of shares outstanding at December 31, 2023. It will be increased by 10% for all shares held for at least two years at December 31, 2023 and up to the 2023 dividend payment date. Based on the number of outstanding shares at December 31, 2023, this increase is valued at €38 million.

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Subject to approval by the Shareholders' Meeting of Tuesday April 30, 2024, this dividend will be detached on Thursday May 2, 2024 and paid on Monday May 6, 2024. It is not recognized as a liability in the financial statements at December 31, 2023, since the financial statements at the end of 2023 were presented before the appropriation of earnings.

16.3 Recyclable gains and losses recognized in equity (Group share)

All items shown in the table below correspond to cumulative gains and losses (Group share) at December 31, 2023 and December 31, 2022, which are recyclable to income in subsequent periods.

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Debt instruments	(44)	(369)
Net investment hedges [1]	(238)	(386)
Cash flow hedges (excl. commodity instruments) [1]	145	218
Commodity cash flow hedges [1]	(3,998)	(318)
Deferred taxes on the items above	786	(112)
Share of equity method entities accounted in recyclable items, net of tax [2]	334	300
Recyclable items relating to discontinued operations, net of tax	-	-
TOTAL RECYCLABLE ITEMS BEFORE TRANSLATION ADJUSTMENTS	**(3,015)**	**(668)**
Translation adjustments	(1,693)	(1,422)
TOTAL RECYCLABLE ITEMS	**(4,708)**	**(2,090)**

(1) See Note 15 "Risks arising from financial instruments".
(2) See Note 3 "Investments in equity method entities".

16.4 Capital management

ENGIE SA seeks to optimize its financial structure at all times by pursuing an optimal balance between its economic net debt and its EBITDA. The Group's key objective in managing its financial structure is to maximize value for shareholders and reduce the cost of capital, while ensuring that the Group has the financial flexibility required to continue its expansion. The Group manages its financial structure and makes any necessary adjustments in light of prevailing economic conditions. In this context, it may choose to adjust the amount of dividends paid to shareholders, reimburse a portion of capital, carry out share buybacks *(see Note 16.1.2 "Treasury stock")*, issue new shares, launch share-based payment plans, recalibrate its investment budget, or sell assets in order to scale back its net debt.

The Group's policy is to maintain an "strong investment grade" rating from the rating agencies. To achieve this, it manages its financial structure in line with the indicators usually monitored by these agencies, namely the Group's operating profile, financial policy and a series of financial ratios. One of the most commonly used ratios is the ratio where the numerator includes operating cash flows less cost of debt and taxes paid, and the denominator includes adjusted net financial debt. Net financial debt is mainly adjusted for nuclear provisions and provisions for pensions, as well as for 50% of hybrid debt (deeply-subordinated notes). In addition, the Group has issued a guidance targeting an "economic net debt to EBITDA" ratio less than or equal 4x.

The Group's objectives and processes for managing capital have remained unchanged over the past few years.

ENGIE SA is not obliged to comply with any external minimum capital requirements except those provided for by law.

PUBLIC

NOTE 17 PROVISIONS

Accounting standards

General principles related to the recognition of a provision

The Group recognizes a provision where it has a present obligation (legal or constructive) towards a third party arising from past events and where it is probable that an outflow of resources will be necessary to settle the obligation with no expected consideration in return.

A provision for restructuring costs is recognized when the general criteria for setting up a provision are met, i.e., when the Group has a detailed formal plan relating to the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Provisions with a maturity of over 12 months are discounted when the effect of discounting is material. The Group's main long-term provisions are provisions for the back-end of the nuclear fuel cycle, provisions for dismantling facilities, provisions for site restoration costs, and provisions for post-employment and other long-term benefits. The discount rates used reflects current market assessments of the time value of money and the risks specific to the liability concerned. Expenses with respect to unwinding the discount on the provision are recognized as other financial income and expenses.

Estimates of provisions

Factors having a significant influence on the amount of provisions, and particularly, but not solely, those relating to the back-end of the nuclear fuel cycle, to the dismantling of nuclear facilities and of gas infrastructures in France, include:

- cost estimates (*see Note 17.2*);
- the timing of expenditure (notably the timetable for the end of gas operations regarding the main gas infrastructure businesses in France) (*see Notes 17.2 and 17.3*); and
- the discount rate applied to cash flows.

These factors are based on information and estimates deemed by the Group to be the most appropriate as of today.

Modifications to certain factors could lead to a significant adjustment in these provisions.

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In millions of euros	Post-employment and other long-term benefits	Back-end of the nuclear fuel cycle and dismantling of nuclear facilities	Dismantling of non-nuclear facilities	Other contingencies	Total
AT DECEMBER 31, 2022	**4,471**	**19,017**	**1,330**	**2,209**	**27,027**
Additions	264	5,271	107	557	6,198
Utilizations	(315)	(327)	(75)	(671)	(1,388)
Reversals	-	-	-	(36)	(35)
Changes in scope of consolidation	(6)	-	15	-	8
Impact of unwinding discount adjustments	161	581	47	14	803
Translation adjustments	1	-	(21)	(3)	(22)
Other	631	(655)	(18)	44	2
AT DECEMBER 31, 2023	**5,208**	**23,887**	**1,384**	**2,114**	**32,593**
Non-current	5,126	11,948	1,384	334	**18,792**
Current [(1)]	82	11,939	-	1,780	**13,801**

(1) The classification of liabilities as current or non-current reflects the effects of the agreement signed with the Belgian State on June 29, 2023 (which became binding on July 21, 2023), the implementation of which was specified in the transaction documents of December 13, 2023 (see Note 17.2). The Group will settle a large portion of this liability (€11.5 billion$_{2022}$) when the laws transposing this agreement come into force, and will settle the remaining balance (€3.5 billion$_{2022}$) when the extended units are restarted at the end of 2025.

The impact of unwinding discount adjustments in respect of post-employment and other long-term benefits relates to the interest expense on the benefit obligation, net of interest income on plan assets.

The "Other" line mainly comprises actuarial gains and losses arising on post-employment benefit obligations in 2023, which are recorded in "Other comprehensive income" as well as reversals of provisions recorded against a dismantling or site rehabilitation asset, notably due to the effect induced by the CNP's final opinion of July 7, 2023 (*see Note 17.2*).

Additions, utilizations, reversals and the impact of unwinding discount adjustments are presented as follows in the consolidated income statement:

In millions of euros	Dec. 31, 2023
Income/(loss) from operating activities	(4,774)
Other financial income and expenses	(824)
TOTAL	**(5,598)**

The different types of provisions and the calculation principles applied are described below.

17.1 Post-employment benefits and other long-term benefits

See Note 18 "Post-employment benefits and other long-term benefits".

17.2 Obligations relating to nuclear power generation activities

17.2.1 Current legal context and expected developments following the agreement signed with the Belgian State on June 29, 2023 which became binding on July 21, 2023, the implementation of which was specified in the transaction documents of December 13, 2023

The Belgian law of April 11, 2003, partially repealed and amended by the law of July 12, 2022, granted Group subsidiary Synatom responsibility for managing provisions set aside to cover the costs of dismantling nuclear power plants and managing spent fuel.

The tasks of the Commission for Nuclear Provisions (CNP), set up pursuant to the above-mentioned law, are to oversee the process of computing and managing these provisions. In accordance with the law, every three years the CNP conducts an audit of the application and adequacy of the calculation methods used to compute nuclear provisions.

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In this context, the CNP issued a final opinion on July 7, 2023 on the proposals submitted by Synatom in September 2022. The provisions recorded by Synatom as of December 31, 2023 take full account of the comments and assumptions made by the CNP. In 2023, this opinion mainly resulted in a €0.6 billion reduction in the provision for dismantling, offset by an adjustment in the book value of dismantling assets, part of which was the subject of an impairment loss reversal (€0.4 billion). The provisions therefore include, in their assumptions, all existing or planned environmental regulatory requirements on a European, national and regional level.

On June 29, 2023, the Group signed an agreement with the Belgian government which became binding on July 21, 2023, the implementation of which was specified in the transaction documents of December 13, 2023. This agreement provides for:

- the 10-year extension of the Doel 4 and Tihange 3 nuclear reactors as part of a 50/50 partnership between the Belgian State and the Group, contingent upon the implementation of a contract for difference protecting ENGIE against market risks; and
- the transfer of financial responsibility to the Belgian State for managing nuclear waste and spent fuel in return for the payment of a lump sum discharge amount of €15 billion$_{2022}$**,** within the limit of a volumetric credit covering all nuclear waste produced by the Belgian power plants during their legal operating life, from commissioning to dismantling.

This agreement is binding on both parties. Although it assumes the enactment and entry into force of draft laws included in the agreement, and the European Commission's assent to state aid, its closing (following the release from or fulfillment of conditions precedent) is considered highly probable. The transfer of financial responsibility for the management of nuclear waste and spent fuel meeting the transfer criteria will be concluded at closing, unless the units are not restarted before November 1, 2027 due to serious negligence on the part of ENGIE. In this highly unlikely event, the Belgian State may cancel the agreement on the lump sum discharge and revert to the current system in which the nuclear operator bears the financial responsibility. The amounts already paid by the Group would accordingly be held in escrow for the benefit of the transferred nuclear provisions until the end of the dismantling program, including nuclear waste and back-end nuclear fuel cycle management.

The Group will settle its liability of €15 billion$_{2022}$ by means of a payment of €11.5 billion$_{2022}$ for category B and C waste (highly radioactive wastes, that are intended for geological storage) at the time of closing, after which it will settle the balance for category A waste (low-level radioactive wastes, that are intended for surface storage), i.e., €3.5 billion$_{2022}$, when the extended units are restarted at the end of 2025. These amounts at December 31, 2022 are subject to a 3% indexation effective from January 1, 2023 until the date of payment.

As a result, the Group has increased its provisions by an amount corresponding to the balance between the liabilities already set aside for future nuclear waste treatment costs and the lump sum amount of €15 billion$_{2022}$, i.e., an amount of €5.1 billion$_{2022}$ (including Electrabel's partners' share in certain power plants for €0.4 billion). As a result, the Group recognized a net expense of €4.8 billion in "Other items of income/(loss) from operating activities" (*see Note 9*).

At the end of this agreement, the Group will essentially retain responsibility for the on-site storage of spent fuel waste until the end of the dismantling operations and until 2050 at the latest, as well as for the conditioning of all waste in accordance with the contractual agreement (*see Note 17.2*). The Group will also remain responsible for the final shutdown of the reactors, their dismantling and the clean-up of the site at the end of their operating life. The process of setting up and managing all these provisions, for which the Group is responsible, will continue to be reviewed by the CNP every 3 years.

17.2.2 Provisions for the back-end of the nuclear fuel cycle

When spent nuclear fuel is removed from a reactor and temporarily stored on-site, it requires conditioning, before being consigned to long-term storage.

As part of the implementation of a final payment for the transfer of financial responsibility for managing the storage and disposal of nuclear waste and spent fuel, as provided for in the agreement, the risks associated with this liability, as described in the consolidated financial statements at December 31, 2022 (*see Note 17.2 "Obligations relating to nuclear power generation activities"*), have been considerably reduced. The agreement stipulates that the State will bear financial responsibility for managing all spent fuel after its transfer to ONDRAF (National agency for radioactive waste and enriched

fissile materials). The Group will settle a large portion of this liability (classified as current in the accounts) plus a risk premium for a total of €10.5 billion$_{2022}$.

With regard to waste management, the Group's responsibility will be essentially limited to on-site storage of fuel elements until the end of dismantling operations, and until 2050 at the latest, as well as compliance with the contractual criteria for transferring waste to ONDRAF, whose liability is estimated at €1.7 billion$_{2022}$ in the draft law implementing the agreement.

Provisions not covered in the agreement are calculated based on the following principles and inputs:

- storage costs primarily comprise the costs of building and operating additional dry storage facilities and operating existing facilities, along with the costs of purchasing containers;
- radioactive spent fuel that has not been reprocessed is to be conditioned, which requires conditioning facilities to be built according to ONDRAF's approved criteria. ONDRAF's recommendations as regards the cost of these facilities have been fully taken into account;
- the discount rate used by the CNP (for the part not covered by the agreement with the Belgian government) is 3.0% (including inflation of 2.0%).

The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment. Certain ONDRAF recommendations from the 2022 triennial revision of nuclear provisions that could not yet be quantified will be specifically examined under the oversight of the CNP within the context of the next triennial review.

Sensitivity

Following the assumption by the Belgian State of all obligations relating to nuclear waste after its transfer to ONDRAF, the Group will only remain exposed to changes in future storage and conditioning costs and the corresponding discounting inputs prior to the transfer.

- The costs of building dry storage facilities and purchasing fuel element containers at the Group's sites could differ from those covered by the provisions. A 10% change in these costs, still to incur would represent a €60 million change in provisions.
- A 10% change in the annual operating costs of the storage facilities would result in a €30 million change in the provision.
- A 25 basis point change in the discount rate would result in a €40 million adjustment to non-transferred provisions. A fall in the discount rate would lead to an increase in outstanding provisions, while a rise in the discount rate would reduce the provisions' amount.

It should be noted that the risk of exceeding volumetric credits is considered, at this stage, to be highly unlikely, as the volumetric credits established in the agreement have incorporated the volumetric contingencies estimated as part of the provision review in 2022.

17.2.3 Provisions for dismantling nuclear facilities

Accounting standards

A provision is recognized when the Group has a present legal or constructive obligation to dismantle facilities or to restore a site. The present value of the obligation at the time of commissioning represents the initial amount of the provision for dismantling with, as the counterpart, an asset for the same amount, which is included in the carrying amount of the facilities concerned. This asset is depreciated over the operating life of the facilities and is included in the scope of assets subject to impairment tests. Adjustments to the provision due to subsequent changes in (i) the expected outflow of resources, (ii) the timing of dismantling expenses or (iii) the discount rate, are deducted from or subject to specific conditions, added to the cost of the corresponding asset. The impacts of unwinding the discount each year are recognized in expenses for the period.

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A provision is also recorded for nuclear units for which the Group holds a capacity right up to its share of the expected dismantling costs to be borne by the Group.

At the end of their operating life, the nuclear power plants must be shut down for the period during which spent fuel is unloaded from the plant, and until the site is decommissioned and cleaned up.

The dismantling strategy is based on the facilities being dismantled (i) immediately after the reactor is shut down, (ii) on a mass basis rather than on a unit-by-unit basis, and (iii) completely, the land being subsequently returned to greenfield status.

Until December 31, 2022, the amount of these dismantling provisions included costs related to handling Class A – low or medium activity and short-lived – and B – low or medium activity and long-lived – dismantling waste, that were determined using the fee rate set by ONDRAF and approved by its Board of Directors in May 2022. As a result of the agreement, financial responsibility for all Category A and B waste management operations conditioned in accordance with the contractual transfer criteria will henceforth lie with the State, in return for payment of the lump sum discharge amount described in section 17.2.2 above. The Group will transfer this liability when the laws transposing this agreement come into force, for a total of €1 billion$_{2022}$ for category B waste, and when the extended units are restarted at the end of 2025, for a total of €3.5 billion$_{2022}$ for category A waste.

The Group only remains responsible for the final shutdown and dismantling, including the conditioning of Category A and B waste from these operations in accordance with the contractual transfer criteria. At December 31, 2023, provisions for dismantling nuclear facilities are calculated based on the following inputs:

- the start of the technical shutdown procedures depends on the unit concerned and on the timing of operations for the whole nuclear reactor. The shutdown procedures are immediately followed by dismantling operations;
- the scenario adopted is based on a dismantling program and on timetables that must be approved by the nuclear safety authorities. The safety conditions for the shutdown phases have been defined with the Belgian Federal Agency for Nuclear Control (AFCN) for the Doel 3 and Tihange 2 units that have already been shut down. The safety conditions for the dismantling phase have not yet been determined. The costs may change depending on the outcome of these discussions and the detailed schedule for the implementation of these phases which is currently being defined;
- costs payable over the long term are calculated by reference to the estimated costs for each nuclear facility, based on a study conducted by independent experts under the assumption that the facilities will be dismantled on a mass basis. The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment;
- fees for handling category A – low or medium activity and short-lived – and B – low or medium activity and long-lived – dismantling waste are determined using the fee rate set by ONDRAF and approved by its Board of Directors in May 2022;
- for the various phases, margins for contingencies, reviewed by ONDRAF and the Commission for Nuclear Provisions, are included;
- an inflation rate of 2.0% is applied until the dismantling obligations expire in order to determine the value of the future obligation;
- the discount rate used by the CNP is 2.5% (including inflation of 2.0%)

The 10-year extension of the Doel 4 and Tihange 3 units provided for in the agreement "deoptimizes" the systematic dismantling of the various units. The State is expected to cover the related additional provisions that are currently estimated at between €500 and €600 million. Pending an agreement on the exact amount under the oversight of the CNP, this additional liability paid in the form of a lump sum by the Belgian State at the time of closing has not been included in the financial statements. If the additional costs are not fully covered by the State, the Group may have to bear a portion of this additional liability.

Lastly, the Group sets aside provisions to cover the costs relating to the final shutdown phase of its drawing rights in Tricastin and Chooz B, as well as for the dismantling period leading to the decommissioning and clean-up of the Chooz B site, in accordance with the respective agreements with EDF. These are based on provisions for Belgian assets that most closely resemble these power plants, and are updated in line with revisions by the CNP.

Sensitivity

In light of the agreement, the Group will only be responsible for shutdown and dismantling, including conditioning of the nuclear waste arising from these operations, in accordance with the contractual transfer criteria. The Group's remaining liability is estimated at €6.7 billion$_{2022}$ in the draft law implementing the agreement.

- a 10% change in shutdown costs of the units would lead to a change in the provisions of around €200 million;
- a 10% change in unit dismantling costs would lead to a change of around €400 million in nuclear provisions;
- a 25 basis point change in the discount rate would lead to an adjustment of approximately €170 million in the provisions. A fall in the discount rate would lead to an increase in outstanding provisions, while a rise in the discount rate would reduce the provisions' amount.

17.2.4 Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material

As indicated above, the Belgian law of July 12, 2022, partially repealing and amending the law of April 11, 2003, granted the Group's wholly-owned subsidiary Synatom responsibility for managing and investing funds received from operators of nuclear power plants in Belgium and intended to cover the costs of dismantling nuclear power plants and managing spent fuel. Pursuant to the law of April 11, 2003, Synatom could lend up to 75% of these funds to nuclear power plant operators provided that certain credit quality criteria are met.

The amount of outstanding loans between Synatom and nuclear operators, representing the countervalue of provisions for spent fuel management, will be repaid to Synatom by December 31, 2025, and the amount of outstanding loans between Synatom and Electrabel, representing the countervalue of provisions for dismantling, will be repaid by September 30, 2031.

The percentage of the provisions not subject to loans to nuclear operators is invested by Synatom either in external financial assets or in loans to legal entities meeting the “credit quality” criteria imposed by law.

Synatom invested just over €3 billion in such assets in 2023.

Synatom's objective for its investment in these assets has been adapted in light of the agreement. The objective is:

- for the portion to be liquidated at closing, to maintain the value of the underlying assets by investing in predominantly money-market instruments providing a return at least equivalent to the indexation of the fee amounts fixed at 3%;
- for the investments aimed at covering the Group’s remaining liabilities, to ensure a sufficient return with an acceptable level of risk in order to cover dismantling costs and the costs of storing radioactive fissile material, under the constraints of diversification, risk minimization and availability as defined by the law of July 12, 2022.

The Synatom Board of Directors and its Investment Committee are responsible for defining Synatom's investment policy after consultation with the CNP, in accordance with the law of July 12, 2022. Based on a rigorous risk control policy, the Investment Committee oversees investment decisions, which are managed by a team headed by an investment director.

The value of financial assets dedicated to covering nuclear provisions amounted to €9,984 million at December 31, 2023, and their return was 5.01% for the year. The year 2023 was marked by the gradual re-exposure of the portfolio to recovering markets, following a year marked by the downward volatility of global equity and bond markets. However, this re-exposure had to be put on hold following the government's request, as part of the agreement, to be paid the fixed fees linked to the cost of nuclear waste treatment in cash rather than in dedicated assets.

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17.2.4.1 Valuation of financial assets in 2023

Loans to entities outside the Group and other cash investments are shown in the table below:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Loans to third parties	**3**	**5**
Loan to Sibelga	3	5
Other loans and receivables at amortized cost	**3 777**	**2 270**
Debt instruments - restricted cash UCITS	3 777	2 270
Total loans and receivables at amortized cost	**3 780**	**2 276**
Equity and debt instruments at fair value	1,640	863
Equity instruments at fair value through other comprehensive income	25	24
Equity instruments at fair value through income	**1,665**	**887**
Debt instruments at fair value through other comprehensive income	1,873	2,418
Debt instruments at fair value through income	2,663	933
Debt instruments at fair value	**4,536**	**3,350**
Total equity and debt instruments at fair value	**6,201**	**4,237**
Derivative instruments	**3**	**113**
TOTAL (1)	**9,984**	**6,626**

(1) Not including €307 million in uranium inventories at December 31,2023 (€308 million at December 31, 2022).

Loans to legal entities outside the Group and the cash held by the Undertaking for Collective Investment in Transferable Securities (UCITS) are presented in the statement of financial position under "Loans and receivables at amortized cost". Bonds and associated hedging instruments held by Synatom through the UCITS are presented under equity or debt instruments (*see Note 14.1 "Financial assets"*).

The breakdown in the change in the cumulative fair value of Synatom's assets is presented as follows:

	Cumulative change in the fair value of dedicated financial assets	
In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Equity instruments at fair value through other comprehensive income	88	(157)
Debt instruments at fair value through other comprehensive income	(101)	(282)
Debt instruments at fair value through income	122	(52)
TOTAL	**108**	**(491)**

The net loss for the period generated by these assets amounted to €184 million in 2023 (loss of €217 million in 2022).

	Effects on the result of the return on dedicated financial assets	
In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Disposal proceeds	(312)	14
Return on assets	71	66
Change in fair value of derivatives not designated as hedges	(108)	(15)
Change in fair value of dedicated assets through income	167	(282)
TOTAL	**(184)**	**(217)**

17.3 Dismantling of non-nuclear plant and equipment and site rehabilitation

17.3.1 Dismantling obligations arising on non-nuclear plant and equipment

Certain items of plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities and LNG terminals, have to be dismantled at the end of their operational lives or at least safely shut down. These obligations are the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit Group commitment. The most important issue for the Group concerns gas infrastructures in France.

France's political and societal guidelines for the energy transition aim to achieve carbon neutrality by 2050, by reducing greenhouse gas emissions and promoting renewable or so-called “green” energies, particularly biomethane and hydrogen. The various scenarios that make it possible to achieve carbon neutrality, in particular the National Low Carbon Strategy in France, the French Environment and Energy Management Agency (ADEME) scenarios, and the "Energy Futures" prospective study by the electricity transmission system operator, RTE, all lead to a significant decrease in the quantities of gas consumed, while maintaining a high number of gas connection points to manage peak electricity demand. The Group is closely analyzing this prospect, particularly for the purpose of defining its strategy and assessing the useful life of assets and evaluating provisions for their possible dismantling.

The future French Strategy for Energy and Climate (SFEC) will set out France's updated roadmap to achieve carbon neutrality by 2050 and ensure that France can adapt to the impacts of climate change. It will encompass the first five-year programming law on energy and the climate (LPEC), which must be adopted in 2024 and set out in the National Low-Carbon Strategy (SNBC, 3rd issue), the National Climate Change and Adaptation Plan (PNACC, 3rd issue) and the Long Term Energy Schedule (PPE 2024-2033), which are all to be adopted in the first half of 2024. Consequently, the next five-year review of the PPE and the SNBC will be preceded for the first time by the adoption of a programming law on energy and the climate, which will set the French policy for energy and climate’s priorities for action.

In line with the objective of carbon neutrality by 2050, the long-term scenario adopted by the Group, which governs the implementation of its strategy, is one that combines reasonable electrification, i.e. just under 50% of final demand in 2050, with the development of a diversified range of green gases (biomethane, synthesized e-CH4, natural gas with the Carbon-Capture and Storage process, pure hydrogen). The scenario used by the Group is close to the ADEME's S3 scenario.

Due to the importance of green gases in the French energy mix scheduled for 2050 and beyond, gas infrastructures will remain largely necessary and will be essential to provide flexibility to the energy system. The adaptation and conversion of these infrastructures to green gas mean that they can be used in the very distant future, which means that the present value of dismantling provisions is almost zero, except in the specific cases of LNG terminals and reduced operation and non-regulated storage sites mainly in France and Germany, for which provisions for dismantling amounted to €326 million at December 31, 2023 and €359 million at December 31, 2022.

Given its time horizon and developments in French and European public policies, the Group will continue to assess the long-term scenario that will enable it to achieve carbon neutrality by 2050 on a regular basis. These assessments will be accompanied by a review of the valuation of dismantling provisions.

17.3.2 Hazelwood Power Station & Mine (Australia)

The Group and its partner Mitsui announced in November 2016 their decision to close the coal-fired Hazelwood Power Station, and cease coal extraction operations from the adjoining mine from late March 2017. The Group holds a 72% interest in the former 1,600 MW power station and adjoining coal mine, which has been consolidated as a joint operation.

At December 31, 2023, the Group's share (72%) of the provision covering the obligation to dismantle and rehabilitate the mine amounted to €280 million, versus €220 million at December 31, 2022. The updating of certain provision inputs has resulted in an increase of around €90 million.

Dismantling and site rehabilitation work commenced in 2017 and focused on: managing site contamination; planning site wide environmental clean-up; the demolition and dismantling of all of the site's industrial facilities, including the former power station; and ongoing aquifer pumping and designated earthworks within the mine to ensure mine floor and batter stability with a view to long-term rehabilitation into a pit lake.

The ultimate regulatory obligations are likely to be revised during the life of the project and could therefore have an impact on provisions.

The amount of the provision recognized is based on the Group's best current estimate of the demolition and rehabilitation costs that Hazelwood is expected to incur. However, the amount of this provision may be adjusted in the future to take into account any changes in the key inputs.

17.4 Other contingencies

This caption essentially includes provisions for commercial litigation, tax claims and disputes (except income tax, pursuant to IFRIC 23) as well as provisions for onerous contracts relating to storage and transport capacity reservation contracts

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NOTE 18 POST-EMPLOYMENT BENEFITS AND OTHER LONG-TERM BENEFITS

Accounting standards

Depending on the laws and practices in force in the countries where the Group operates, Group companies have obligations in terms of pensions, early retirement payments, retirement bonuses and other benefit plans. Such obligations generally apply to all employees within the companies concerned.

The Group's obligations in relation to pensions and other employee benefits are recognized and measured in compliance with IAS 19. Accordingly:

- the cost of defined contribution plans is expensed based on the amount of contributions payable in the period;
- the Group's obligations concerning pensions and other employee benefits payable under defined benefit plans are assessed on an actuarial basis using the projected unit credit method. These calculations are based on assumptions relating to mortality, staff turnover and estimated future salary increases, as well as the economic conditions specific to each country or entity of the Group. Discount rates are determined by reference to the yield, at the measurement date, on investment grade corporate bonds in the related geographical area (or on government bonds in countries where no representative market for such corporate bonds exists).

Pension commitments are measured on the basis of actuarial assumptions. The Group considers that the assumptions used to measure its obligations are relevant and documented. However, any change in these assumptions could have a significant impact on the resulting calculations.

Provisions are recorded when commitments under these plans exceed the fair value of plan assets. Where the value of plan assets (capped where appropriate) is greater than the related commitments, the surplus is recorded as an asset under "Other assets" (current or non-current).

As regards post-employment benefit obligations, actuarial gains and losses are recognized in other comprehensive income. Where appropriate, adjustments resulting from applying the asset ceiling to net assets relating to overfunded plans are treated in a similar way. However, actuarial gains and losses on other long-term benefits such as long-service awards, are recognized immediately in profit or loss.

Net interest on the net defined benefit liability (asset) is presented in net financial income/(loss).

18.1 Description of the main pension plans

18.1.1 Companies belonging to the Electricity and Gas Industries sector in France

Since January 1, 2005, the CNIEG (*Caisse Nationale des Industries Électriques et Gazières*) has operated the pension, disability, death, occupational accident and occupational illness benefit plans for electricity and gas industry (hereinafter "EGI") companies in France. The CNIEG is a social security legal entity under private law placed under the joint responsibility of the ministries in charge of social security and the budget.

Employees and retirees of EGI sector companies have been fully affiliated to the CNIEG since January 1, 2005. The main affiliated Group entities are ENGIE SA, GRDF, GRTgaz, Elengy, Storengy, ENGIE Thermique France, CPCU, CNR and SHEM.

Following the funding reform of the special EGI pension plan introduced by Law No. 2004-803 of August 9, 2004 and its implementing decrees, specific benefits (pension benefits on top of the standard benefits payable under ordinary law) already vested at December 31, 2004 ("past specific benefits") were allocated between the various EGI entities. Past

specific benefits (benefits vested at December 31, 2004) relating to regulated transmission and distribution businesses ("regulated past specific benefits") are funded by the levy on gas and electricity transmission and distribution services (*Contribution Tarifaire d'Acheminement*) and therefore no longer represent an obligation for the ENGIE Group. Unregulated past specific benefits (benefits vested at December 31, 2004) are funded by EGI sector companies to the extent defined by Decree No. 2005-322 of April 5, 2005.

The specific benefits vested under the plan since January 1, 2005 are wholly financed by EGI sector companies in proportion to their respective weight in terms of payroll costs within the EGI sector.

As this plan is a defined benefit plan, the Group has set aside a pension provision in respect of specific benefits payable to employees of unregulated businesses and specific benefits vested by employees of regulated businesses since January 1, 2005. This provision also covers the Group's early retirement obligations. The provision amount may be subject to fluctuations based on the weight of the Group's companies within the EGI sector.

The special EGI pension plan has been closed to new entrants since September 1st, 2023.

Pension benefit obligations and other "mutualized" obligations are assessed by the CNIEG.

At December 31, 2023, the projected benefit obligation in respect of the special pension plan for EGI sector companies amounted to €2.73 billion.

The duration of the pension benefit obligation of the EGI pension plan is 19 years.

18.1.2 Companies belonging to the electricity and gas sector in Belgium

In Belgium, the rights of employees in electricity and gas sector companies, principally Electrabel, Laborelec and some ENGIE Energy Management Trading and ENGIE CC employee categories, are governed by collective bargaining agreements.

These agreements, applicable to "wage-rated" employees recruited prior to June 1, 2002 and managerial staff recruited prior to May 1, 1999, specify the benefits entitling employees to a supplementary pension equivalent to 75% of their most recent annual income, for a full career and in addition to the statutory pension. These top-up pension payments provided under defined benefit plans are partly reversionary. In practice, the benefits are paid in the form of a lump sum for the majority of plan participants. Most of the obligations resulting from these pension plans are financed through pension funds set up for the electricity and gas sector and by certain insurance companies. Pre-funded pension plans are financed by employer and employee contributions. Employer contributions are calculated annually based on actuarial assessments.

The actuarial "pension" liability relating to these plans amounted to €1.22 billion at December 31, 2023. The average duration of these plans is 9 years.

"Wage-rated" employees recruited after June 1, 2002 and managerial staff (i) recruited after May 1, 1999 or (ii) having opted for the transfer through defined contribution plans, are covered under defined contribution plans. Prior to January 1, 2017, the law specified a minimum average annual return (3.75% on wage contributions and 3.25% on employer contributions) when savings are liquidated.

The law on supplementary pensions, approved on December 18, 2016 and enforced on January 1, 2017 henceforth specifies a minimum rate of return, depending on the actual rate of return of Belgian government bonds, within a range of 1.75%-3.25% (the rates are now identical for employee and employer contributions). In 2023, the minimum rate of return stood at 1.75%.

An expense of €42 million was recognized in 2023, and €38 million in 2022 in respect of these defined contribution plans.

18.1.3 Other pension plans

Most other Group companies also grant their employees retirement benefits. In terms of financing, pension plans within the Group are almost equally split between defined benefit and defined contribution plans.

The Group's main pension plans outside France and Belgium concern:

- the United Kingdom: the large majority of defined benefit pension plans are now closed to new entrants and future benefits no longer vest under these plans. All entities run a defined contribution scheme. The pension obligations of International Power's subsidiaries in the United Kingdom are covered by the special Electricity Supply Pension Scheme (ESPS). The assets of this defined benefit scheme are invested in separate funds. Since June 1, 2008, the scheme has been closed and a defined contribution plan has been set up for new entrants;
- Germany: the Group's German subsidiaries have closed their defined benefit plans to new entrants and now offer defined contribution plans;
- Brazil: ENGIE Brasil Energia operates its own pension scheme. This scheme has been split into two parts, one for the (closed) defined benefit plan, and the other for the defined contribution plan that has been available to new entrants since the beginning of 2005.

18.2 Description of other post-employment benefit obligations and other long-term benefits

18.2.1 Other benefits granted to current and former EGI sector employees

Other benefits granted to EGI sector employees are:

- Post-employment benefits:
  - reduced energy prices;
  - end-of-career indemnities;
  - bonus leave;
  - death capital benefits.
- Long-term benefits:
  - allowances for occupational accidents and illnesses;
  - temporary and permanent disability allowances;
  - length-of-service awards.

The Group's main obligations are described below.

18.2.1.1 Reduced energy prices

Under Article 28 of the national statute for electricity and gas industry personnel, all employees (current and former employees, provided they meet certain length-of-service conditions) are entitled to benefits in kind, which take the form of reduced energy prices known as "employee rates".

This benefit entitles employees to electricity and gas supplies at a reduced price. For retired employees, this provision represents a post-employment defined benefit. Retired employees are only entitled to the reduced rate if they have completed at least 15 years' service within EGI sector companies.

In accordance with the agreements signed with EDF in 1951, ENGIE provides gas to all current and former employees of ENGIE and EDF, while EDF supplies electricity to these same beneficiaries. ENGIE pays (or benefits from) the balancing contribution payable in respect of its employees as a result of energy exchanges between the two utilities.

The obligation to provide energy at a reduced price to current and former employees during their retirement is measured as the difference between the energy sale price and the preferential rate granted to employees.

The provision set aside in respect of reduced energy prices stood at €2.97 billion at December 31, 2023. The duration of the obligation is 19 years.

18.2.1.2 End-of-career indemnities

Retiring employees (or their dependents in the event of death during active service) are entitled to end-of-career indemnities, which increase in line with the length of service within the EGI sector.

18.2.1.3 Compensation for occupational accidents and illnesses

EGI sector employees are entitled to compensation for accidents at work and occupational illnesses. These benefits cover all employees or the dependents of employees who die as a result of occupational accidents or illnesses, or injuries undergone on the way to work.

The amount of the obligation corresponds to the likely present value of the benefits to be paid to current beneficiaries, taking into account any reversionary annuities.

18.2.2 Other benefits granted to employees of the gas and electricity sector in Belgium

Electricity and gas sector companies also grant other post-employee benefits such as the reimbursement of medical expenses, electricity and gas price reductions, as well as length-of-service awards and early retirement schemes. These benefits are not prefunded, with the exception of the special "*allocation transitoire*" termination indemnity, considered as an end-of-career indemnity.

18.2.3 Other collective agreements

Most other Group companies also grant their staff post-employment benefits (early retirement plans, medical coverage, benefits in kind, etc.) and other long-term benefits such as jubilee and length-of-service awards.

18.3 Defined benefit plans

18.3.1 Amounts presented in the statement of financial position and statement of comprehensive income

In accordance with IAS 19, the information presented in the statement of financial position relating to post-employment benefit obligations and other long-term benefits results from the difference between the gross projected benefit obligation and the fair value of plan assets. A provision is recognized if this difference is positive (net obligation), while a prepaid benefit cost is recorded in the statement of financial position when the difference is negative, provided that the conditions for recognizing the prepaid benefit cost are met.

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Changes in provisions for pension plans, post-employment benefits and other long-term benefits, plan assets and reimbursement rights recognized in the statement of financial position are as follows:

In millions of euros	**Provisions**	**Plan assets**	**Reimbursement rights**
AT DECEMBER 31, 2022	**(4,471)**	**316**	**208**
Exchange rate differences	6	1	-
Changes in scope of consolidation and other	(3)	3	25
Actuarial gains and losses	(645)	44	-
Periodic pension cost	(403)	(89)	9
Contributions/benefits paid	308	14	1
AT DECEMBER 31, 2023	**(5,208)**	**289**	**244**

Plan assets and reimbursement rights are presented in the statement of financial position under “Other non-current assets” or “Other current assets”.

The cost recognized for the period amounted to €492 million in 2023 (€354 million in 2022). The components of this defined benefit cost in the period are set out in Note 18.3.3 “Components of the net periodic pension cost”.

The Eurozone represented 97% of the Group’s net obligation at December 31, 2023, (98% at December 31, 2022).

Cumulative actuarial gains and losses recognized in equity amounted to €1 979 million at December 31, 2023, compared to €1,400 million at December 31, 2022.

Net actuarial differences arising in the period and presented on a separate line in the statement of comprehensive income represented a net actuarial loss of €601 million in 2023 and a gain of €2,774 million in 2022.

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18.3.2 Change in benefit obligations and plan assets

The table below shows the amount of the Group's projected benefit obligations and plan assets, changes in these items during the periods presented, and their reconciliation with the amounts reported in the statement of financial position:

		Dec. 31, 2023				Dec. 31, 2022			
In millions of euros		Pension benefit obligations (1)	Other post-employment benefit obligations (2)	Long-term benefit obligations (3)	Total	Pension benefit obligations (1)	Other post-employment benefit obligations (2)	Long-term benefit obligations (3)	Total
A - CHANGE IN PROJECTED BENEFIT OBLIGATION									
Projected benefit obligation at January 1		**(5,565)**	**(3,308)**	**(395)**	**(9,268)**	**(7,566)**	**(4,649)**	**(499)**	**(12,715)**
Service cost		(168)	(48)	(33)	(248)	(229)	(97)	(45)	(372)
Interest expense		(245)	(123)	(16)	(384)	(124)	(60)	(6)	(190)
Contributions paid		(9)	-	-	(9)	(8)	-	-	(8)
Amendments		(82)	27	(1)	(56)	-	-	-	-
Changes in scope of consolidation		-	-	-	-	10	2	-	12
Curtailments/settlements		8	5	1	14	(87)	-	-	(87)
Financial actuarial gains and losses		(163)	(233)	(33)	(430)	2,118	1,390	81	3,590
Demographic actuarial gains and losses		(110)	25	-	(85)	8	(4)	34	39
Benefits paid		378	127	43	549	346	110	39	495
Other (of which translation adjustments)		(11)	-	(1)	(11)	(33)	-	(1)	(34)
Projected benefit obligation at December 31	**A**	**(5,966)**	**(3,529)**	**(433)**	**(9,928)**	**(5,565)**	**(3,308)**	**(395)**	**(9,268)**
B - CHANGE IN FAIR VALUE OF PLAN ASSETS									
Fair value of plan assets at January 1		**5,181**	**-**	**-**	**5,181**	**5,843**	**-**	**-**	**5,843**
Interest income on plan assets		214	-	-	214	97	-	-	97
Financial actuarial gains and losses		(119)	-	-	(119)	(739)	-	-	(739)
Contributions received		91	-	-	91	133	-	-	133
Changes in scope of consolidation		-	-	-	-	3	-	-	3
Settlements		-	-	-	-	81	-	-	81
Benefits paid		(308)	-	-	(308)	(260)	-	-	(260)
Other (of which translation adjustments)		9	-	-	9	22	-	-	22
Fair value of plan assets at December 31	**B**	**5,067**	**-**	**-**	**5,067**	**5,181**	**-**	**-**	**5,181**
C - FUNDED STATUS	**A+B**	**(899)**	**(3,529)**	**(433)**	**(4,861)**	**(384)**	**(3,308)**	**(395)**	**(4,087)**
Asset ceiling		(58)	-	-	(58)	(68)	-	-	(68)
NET BENEFIT OBLIGATION		**(957)**	**(3,529)**	**(433)**	**(4,919)**	**(452)**	**(3,308)**	**(395)**	**(4,155)**
ACCRUED BENEFIT LIABILITY		**(1,246)**	**(3,529)**	**(433)**	**(5,208)**	**(768)**	**(3,308)**	**(395)**	**(4,471)**
PREPAID BENEFIT		**289**	**-**	**-**	**289**	**316**	**-**	**-**	**316**

(1) Pensions and retirement bonuses.
(2) Reduced energy prices, healthcare, gratuities and other post-employment benefits.
(3) Length-of-service awards and other long-term benefits.

18.3.3 Components of the net periodic pension cost

The net periodic cost recognized in respect of defined benefit obligations for the years ended December 31, 2023 and 2022 breaks down as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Current service cost	248	372
Actuarial gains and losses (1)	32	(116)
Gains or losses on pension plan curtailments, terminations and settlements (2)	42	6
Total accounted for under current operating income including operating MtM and share in net income of equity method entities	**322**	**261**
Net interest expense	170	93
Total accounted for under net financial income/(loss)	**170**	**93**
TOTAL	**492**	**354**

(1) On the long-term benefit obligation.
(2) Including the €56 million impact of the pension reform in 2023 on the IEG plan.

18.3.4 Funding policy and strategy

When defined benefit plans are funded, the related plan assets are invested in pension funds and/or with insurance companies, depending on the investment practices specific to the country concerned. The investment strategies underlying these defined benefit plans are aimed at striking the right balance between return on investment and acceptable levels of risk.

The objectives of these strategies can be summarized as follows: to maintain sufficient liquidity to cover pension and other benefit payments; and as part of risk management, to achieve a long-term rate of return higher than the discount rate or, where appropriate, at least equal to future required returns.

When plan assets are invested in pension funds, investment decisions are the responsibility of the fund management concerned. For French companies, where plan assets are invested with an insurance company, the latter manages the investment portfolio for unit-linked policies or euro-denominated policies, in a manner adapted to the risk and long-term profile of the liabilities.

The funding of these obligations for each of the periods presented can be analyzed as follows:

In millions of euros	Projected benefit obligation	Fair value of plan assets	Asset ceiling	Total net obligation
Underfunded plans	(4,063)	3,382	(56)	(737)
Overfunded plans	(1,365)	1,686	(2)	319
Unfunded plans	(4,501)	-	-	(4,501)
AT DECEMBER 31, 2023	**(9,929)**	**5,068**	**(58)**	**(4,919)**
Underfunded plans	(3,886)	3,391	(63)	(558)
Overfunded plans	(1,360)	1,788	(4)	424
Unfunded plans	(4,021)	-	-	(4,021)
AT DECEMBER 31, 2022	**(9,267)**	**5,180**	**(68)**	**(4,156)**

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The allocation of plan assets by principal asset category can be analyzed as follows:

In %	Dec. 31, 2023	Dec. 31, 2022
Equity investments	26	27
Sovereign bond investments	26	25
Corporate bond investments	33	35
Money market securities	4	4
Real estate	3	2
Other assets	8	8
TOTAL	**100**	**100**

All plan assets were quoted on an active market at December 31, 2023.

The actual return on assets of EGI sector companies stood at a positive 7.7% in 2023.

In 2023, the actual return on plan assets of Belgian entities amounted to approximately a positive 6.9% in Group insurance and a positive 9.3% in pension funds.

The allocation of plan asset categories by geographic area of investment can be analyzed as follows:

In %	Europe	North America	Latin America	Asia - Oceania	Rest of the World	Total
Equity investments	45	34	7	12	2	100
Sovereign bond investments	74	3	19	1	3	100
Corporate bond investments	64	27	1	5	4	100
Money market securities	29	-	3	-	68	100
Real estate	68	3	5	-	24	100
Other assets	10	-	-	-	89	100

18.3.5 Actuarial assumptions

Actuarial assumptions are determined individually by country and company in conjunction with independent actuaries. Weighted discount rates for the main actuarial assumptions are presented below:

		Pension benefit obligations		Other post-employment benefit obligations		Long-term benefit obligations		Total benefit obligations	
		2023	2022	2023	2022	2023	2022	2023	2022
Discount rate	Eurozone	3.5%	3.8%	3.5%	3.8%	3.5%	3.8%	3.5%	3.8%
	UK Zone	5.2%	4.1%	-	-	-	-	-	-
Inflation rate	Eurozone	2.0%	2.1%	2.0%	2.1%	2.0%	2.1%	2.0%	2.1%
	UK Zone	3.5%	3.9%	-	-	-	-	-	-

18.3.5.1 Discount and inflation rates

The discount rate applied is determined based on the yield, at the date of the calculation, of investment grade corporate bonds with maturities mirroring the term of the plan.

The rates were determined for each monetary area based on data for AA corporate bond yields. For the Eurozone, data (from Bloomberg) are extrapolated on the basis of government bond yields for long maturities.

According to the Group's estimates, a 100-basis-point increase (decrease) in the discount rate would result in a decrease (increase) of approximately 13% in the projected benefit obligation.

The inflation rates were determined for each monetary area. A 100-basis-point increase (decrease) in the inflation rate (with an unchanged discount rate) would result in an increase (decrease) of approximately 13% in the projected benefit obligation.

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18.3.6 Estimated employer contributions payable in 2024 under defined benefit plans

The Group expects to pay around €207 million in contributions into its defined benefit plans in 2024, including €103 million for EGI sector companies. Annual contributions in respect of EGI sector companies will be made by reference to rights vested during the year, taking into account the funding level for each entity in order to even out contributions over the medium term.

18.4 Defined contribution plans

In 2023, the Group recorded a €92 million expense in respect of amounts paid into Group defined contribution plans of which €8 million concerning multi-employer plans in Netherlands (compared with €91 million in 2022, of which €9 million concerned multi-employer plans in the Netherlands). These contributions are recorded under “Personnel costs” in the consolidated income statement.

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NOTE 19 SHARE-BASED PAYMENTS

Accounting standards

Under IFRS 2, share-based payments made in consideration for services provided are recognized as personnel costs. These services are measured at the fair value of the instruments awarded.

The fair value of bonus share plans is estimated by reference to the share price at the grant date, taking into account the fact that no dividend is payable over the vesting period, and based on the estimated turnover rate for the employees concerned and the probability that the Group will meet its performance targets. The fair value measurement also takes into account the non-transferability period associated with these instruments. The cost of shares granted to employees is expensed over the vesting period of the rights and offset against equity.

A Monte Carlo pricing model is used for performance shares granted on a discretionary basis and subject to external performance criteria.

Expenses recognized in respect of share-based payments break down as follows:

	Expense for the year	
In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Employee share issues [1]	1	(49)
Bonus/performance share plans [2] [3]	(46)	(40)
Other Group companies' plans	-	(3)
TOTAL	**(45)**	**(92)**

(1) Including Share Appreciation Rights set up within the scope of employee share issues in certain countries.

(2) Following the review of performance conditions, the expense has not been adjusted in 2023 (an additional expense of €4.2 million was recognized in 2022).

(3) Following the review of continuing employment, the expense was not adjusted in 2023 (a reversal of €9,8 million was recognized in 2022).

19.1 Performance shares

19.1.1 New awards in 2023

No award of performance shares to members of the Group's executive or senior management has been made in 2023.

19.1.2 Review of internal performance conditions applicable to the plans

In addition to the condition of continuing employment within the Group, eligibility for certain bonus share and performance share plans is subject to an internal performance condition. When this condition is not fully met, the number of bonus shares granted to employees is reduced in accordance with the plans' regulations, leading to a decrease in the total expense recognized in relation to the plans in accordance with IFRS 2. Performance conditions are reviewed at each reporting date.

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NOTE 20 RELATED PARTY TRANSACTIONS

This note describes material transactions between the Group and its related parties.

Compensation payable to key management personnel is disclosed in Note 21 “Executive compensation”.

Transactions with joint ventures and associates are described in Note 3 “Investments in equity method entities”.

Only material transactions are described below.

20.1 Relations with the French State and with entities owned or partly owned by the French State

20.1.1 Relations with the French State

The French State’s interest in the Group at December 31, 2023 remained unchanged at 23.64% compared with the previous year. This entitles it to three of the fourteen seats on the Board of Directors (one director representing the State appointed by decree, and two directors appointed by the Shareholders’ Meeting at the proposal of the State).

The French State holds 33.80% of the theoretical voting rights (33.95% of exercisable voting rights) compared with 33.56% at end-2022.

On May 22, 2019, the PACTE Law (“Action plan for business growth and transformation”) was enacted, enabling the French State to dispose of its ENGIE shares without restriction.

In addition, the French State holds a golden share aimed at protecting France’s critical interests and ensuring the continuity and safeguarding of supplies in the energy sector. The golden share is granted to the French State indefinitely and entitles it to veto decisions taken by ENGIE if it considers they could harm France’s interests.

Public service engagements in the energy sector are defined by the law of January 3, 2003.

Transmission rates on the GRTgaz transportation network and the gas distribution network in France, as well as rates for accessing the French LNG terminals and revenues from storage capacities, are all regulated.

The Law on Energy and Climate enacted on November 8, 2019 provided for the phase out of regulated gas tariffs and the restriction of regulated electricity tariffs to residential consumers and small businesses. Regulated gas tariffs were phased out on July 1, 2023.

20.1.2 Relations with EDF

Following the creation on July 1, 2004 of the French gas and electricity distribution network operator (EDF Gaz de France Distribution), Gaz de France SA and EDF entered into an agreement on April 18, 2005 setting out their relationship as regards the distribution business. The December 7, 2006 law on the energy sector reorganized the natural gas and electricity distribution networks. Enedis SA, a subsidiary of EDF SA, and GRDF SA, a subsidiary of ENGIE SA, were created on January 1, 2007 and December 31, 2007, respectively, and act in accordance with the agreement previously signed by the two incumbent operators. With the deployment of smart meters for both electricity and gas, the "common" activities operated by the two distributors evolved significantly. The remaining mixed activities are mainly in the areas of inventory management, human resources, the medical field, local IT and accountancy.

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20.2 Relations with the CNIEG (*Caisse Nationale des Industries Électriques et Gazières*)

The Group's relations with the CNIEG, which manages all old-age, death and disability benefits for active and retired employees of the Group who belong to the special EGI pension plan, employees of EDF and Non-Nationalized Companies (*Entreprises Non Nationalisées* – ENN), are described in Note 18 "Post-employment benefits and other long-term benefits".

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NOTE 21 EXECUTIVE COMPENSATION

The executive compensation presented below includes the compensation of the members of the Group's Executive Committee and Board of Directors.

The Executive Committee had 10 members at December 31, 2023 and at December 31, 2022.

Their compensation breaks down as follows:

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Short-term benefits	23	34
Post-employment benefits	-	-
Share-based payments	4	4
Termination benefits	-	-
TOTAL	**27**	**37**

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NOTE 22 WORKING CAPITAL REQUIREMENTS, INVENTORIES, OTHER ASSETS AND OTHER LIABILITIES

Accounting standards

In accordance with IAS 1, the Group's current and non-current assets and liabilities are shown separately in the consolidated statement of financial position. For most of the Group's activities, the breakdown into current and non current items is based on when assets are expected to be realized, or liabilities extinguished. Assets expected to be realized or liabilities extinguished within 12 months of the reporting date are classified as current, while all other items are classified as non-current.

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined based on the first-in, first-out method or the weighted average cost formula.

Nuclear fuel purchased is consumed in the process of producing electricity over a number of years. The consumption of this nuclear fuel inventory is recorded based on estimates of the quantity of electricity produced per unit of fuel.

Gas inventories

Gas injected into underground storage facilities includes working gas, which can be extracted without adversely affecting the subsequent operation of the reservoirs, and cushion gas, which is inseparable from the reservoirs and essential for their operation (*see Note 13.3 "Property, plant and equipment"*).

Working gas is classified in inventories and measured at weighted average purchase cost upon entering the transportation network regardless of its source, including any regasification costs.

Group inventory outflows are valued using the weighted average unit cost method.

Certain inventories are used for trading purposes and are recognized at fair value less selling costs, in accordance with IAS 2. Any changes in said fair value are recognized in the consolidated income statement for the year in which they occur.

Greenhouse gas emission rights, energy saving certificates and green certificates

In the absence of specific IFRS standards or IFRIC interpretations on accounting for greenhouse gas emission allowances, energy saving certificates and green certificates, the Group has decided to recognize certificates in inventories at their acquisition or production cost. At the reporting date, a liability is recognized if the certificates held by the Group are insufficient to meet the obligation to return certificates to the French government. When not covered by the certificates held in inventories, the liability is measured at the market value or based on the price of any future contracts that have been entered into, when applicable.

Tax equity

The ENGIE Group finances its renewables projects in the United States through tax equity structures, in which part of the necessary funds is provided by a tax partner. The tax partner obtains, up to a pre-determined level, a preferential right essentially to the project's tax credits, which it can deduct from its own tax base.

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The tax partner's investments meet the definition of a liability under IFRS. Since the tax equity liability corresponding to these tax benefits does not give rise to any cash outflow for the project entity, it does not represent a financial debt and is accounted for in "Other liabilities".

Besides the unwinding effect, the liability changes mainly in line with the tax credits allocated to the tax partner and recognized in profit or loss.

22.1 Composition of change in working capital requirements

In millions of euros	Change in working capital requirements at Dec. 31, 2023	Change in working capital requirements at Dec. 31, 2022
Inventories	3,003	(2,115)
Trade and other receivables, net	12,507	(11,614)
Trade and other payables, net	(13,554)	8,521
Tax and employee-related receivables/payables	(325)	1,545
Margin calls and derivative instruments hedging commodities relating to trading activities	(1,113)	199
Other	(120)	1,040
TOTAL	**397**	**(2,424)**

22.2 Inventories

In millions of euros	Dec. 31, 2023	Dec. 31, 2022
Inventories of natural gas, net	2,218	4,628
Inventories of uranium [(1)]	307	308
CO_2 emissions allowances, green certificates and energy saving certificates, net	1,535	1,788
Inventories of commodities other than gas and other inventories, net	1,283	1,420
TOTAL	**5,343**	**8,145**

(1) Financial hedging instruments are backed by these uranium inventories and represented a negative amount of €1 million at December 31, 2023.

22.3 Other assets and other liabilities

	Dec. 31, 2023				Dec. 31, 2022			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Other assets and liabilities	990	13,424	(3,614)	(18,118)	766	18,294	(3,646)	(23,583)
Tax receivables/payables	*-*	*9,420*	*-*	*(10,415)*	*-*	*14,647*	*-*	*(16,863)*
Employee receivables/payables	*531*	*16*	*(2)*	*(2,503)*	*523*	*22*	*(2)*	*(2,479)*
Dividend receivables/payables	*-*	*127*	*-*	*(20)*	*-*	*12*	*-*	*(23)*
Other	*459*	*3,845*	*(3,613)*	*(5,178)*	*243*	*3,614*	*(3,644)*	*(4,218)*

At December 31, 2023, other non-current assets included a receivable towards EDF in respect of nuclear provisions amounting to €654 million (€162 million at December 31, 2022).

Other liabilities include €2,140 million in investments made by tax partners as part of the financing of renewable projects in the United States by tax equity (€1,981 million at December 31, 2022).

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NOTE 23 LEGAL AND ANTI-TRUST PROCEEDINGS

The Group is party to a number of legal and anti-trust proceedings with third parties or with legal and/or administrative authorities (including tax authorities) in the normal course of its business.

The main disputes and investigations presented hereafter are recognized as liabilities or give rise to contingent assets or liabilities.

In the ordinary course of its business, the Group is involved in a number of disputes and investigations before state courts, arbitral tribunals or regulatory authorities. The disputes and investigations that could have a material impact on the Group are presented below.

23.1 Renewables

23.1.1 Mexico – Renewable energy

In 2021, the Mexican government and public authorities took positions and legislative and regulatory measures that directly affect private players in the energy sector (in particular renewable energy producers) and go against the letter and spirit of the latest energy sector reforms introduced in 2013 and 2014. The constitutionality and legality of some of these measures have been contested in legal proceedings launched by non-government bodies and private investors, in particular by ENGIE subsidiaries that develop or implement renewable energy projects in the country. These proceedings are currently ongoing. The Mexican President has also submitted a draft revision of the Constitution that would substantially change the regulatory framework applicable to the electricity sector. However, Congress rejected the constitutional amendments proposed by the government, so the current law remains in force.

23.2 Energy Solutions

23.2.1 Spain – Púnica

In the Púnica case (procedure concerning the awarding of contracts), 15 Cofely España employees, as well as the company itself, were placed under investigation by the examining judge in charge of the case. The criminal investigation was closed on July 19, 2021 with the referral of Cofely España and eight (former) employees before the criminal court. Cofely España lodged an appeal against this decision on September 30, 2021. On March 9, 2022, the appeal was dismissed and the referral decision upheld. The hearings are expected to begin in 2024.

23.2.2 Italy – Competition procedure

On May 9, 2019, a fine of €38 million was jointly and severally imposed on ENGIE Servizi SpA and ENGIE Energy Services International S.A. ("ENGIE ESI") by the Italian Competition Authority (the "Authority") for certain alleged anti-competitive practices relating to the award of the Consip FM4 2014 contract. An appeal was lodged with the Lazio Regional Administrative Court (Lazio RAC). On July 18, 2019, the Lazio RAC suspended the payment of the fine, and on July 27, 2020, it overturned the Authority's decision as regards both ENGIE Servizi SpA and ENGIE ESI. On November 17, 2020, the Authority appealed the Lazio RAC's decision before Italy's highest administrative court. On May 9, 2022, the Italian administrative court rejected the Authority's appeal and upheld the Lazio RAC's reversal of the Authority's decision. Two companies (including Consorzio Innova whose appeals concern ENGIE Servizi SpA and ENGIE ESI) filed a special appeal against the administrative court's decision before the administrative court itself on June 13, 2022. This appeal does not have suspensive effect. Another appeal challenging the administrative court's rejection was also filed by the same companies before the Supreme Court on July 11, 2022. Following Consorzio Innova's withdrawal of its appeal to the Supreme Court, it closed the proceedings on April 4, 2023. On July 21, 2023, the Italian administrative court rejected Consorzio Innova's appeal. The Italian administrative court thereby confirmed its previous decision and upheld the Lazio RAC's reversal of the Authority's decision concerning ENGIE Servizi SpA and ENGIE ESI.

23.2.3 Italy – Manitalidea

In 2012, ENGIE Servizi formed a temporary association ("associazione temporanea di imprese" or "ATI") with Manitalidea with the aim of submitting a bid for a public contract launched by CONSIP. ENGIE Servizi had an 85% stake in the ATI, with Manitalidea holding the remaining 15%. The purpose of the contract was to provide energy and maintenance services to hospitals.

In September 2012, three lots of the contract were awarded to the ATI.

On March 11, 2022, Manitalidea filed for damages against ENGIE Servizi in the Rome Civil Court, claiming that (i) ENGIE Servizi had not complied with the provisions of the temporary association agreement relating to the distribution of contracts between the partners, and (ii) as a result, Manitalidea had missed an opportunity to increase its revenue. After Manitalidea filed for bankruptcy, the claim was extended to include the alleged responsibility of ENGIE Servizi for Manitalidea's financial difficulties and bankruptcy.

The proceedings are still ongoing.

23.3 Retail

23.3.1 Peru – Antamina

In 2012, following a tender for the annual purchase of 170 MW until 2032, ENGIE Energía Perú S.A. entered into a long-term gas purchase agreement with the Peruvian mining company Antamina (the "Agreement").

In 2021, however, Antamina launched another tender for the same annual volume and entered into three purchase agreements with three new suppliers for a six-month period renewable twice. This called into question the exclusivity and "take or pay" clause that ENGIE Energía Perú S.A. believed it had been granted until 2032 under the Agreement. Following the signing of these new agreements, Antamina refused, as of January 2022, to accept delivery of the agreed upon quantity of gas under the Agreement and, consequently, to pay the corresponding penalty.

On April 26, 2022, ENGIE Energía Perú S.A. filed an arbitration procedure against Antamina, seeking recognition of the exclusive nature of the Agreement and Antamina's obligation to only procure gas supplies from ENGIE. The suit also seeks the payment of invoices that have been outstanding since January 2022. The arbitration procedure is governed by the rules of the Arbitration Center of the Lima Chamber of Commerce. On January 4, 2023, ENGIE Energía Perú S.A. filed its statement of claim. The procedure is underway, and the verdict is expected in early 2024.

23.3.2 GEMS

At the beginning of the fourth quarter of 2022, ENGIE initiated an arbitration procedure against Gazprom Export LLC seeking, in particular to obtain (i) recognition of Gazprom Export LLC's non-performance of its gas delivery obligations towards ENGIE under long-term gas delivery agreements and (ii) payment of contractual penalties as well as compensation for damage resulting from this non-performance from Gazprom Export LLC.

This arbitration procedure is due to the significant delivery shortages by Gazprom Export LLC to ENGIE as of mid-June 2022, followed by Gazprom Export LLC's unilateral decision at the end of summer 2022 to reduce its deliveries to ENGIE due to a disagreement between the parties on the application of the agreements.

23.3.3 Chile – TotalEnergies

On January 3, 2023, ENGIE Energía Chile S.A. initiated international arbitration proceedings against TotalEnergies Gas & Power Limited for breaching its contractual obligations under an LNG supply contract entered into in August 2011. The proceedings are currently ongoing.

23.4 FlexGen

23.4.1 Italy – Vado Ligure

On March 11, 2014, the Court of Savona seized and closed down the VL3 and VL4 coal-fired production units at the Vado Ligure thermal power plant belonging to Tirreno Power S.p.A. (TP), a company which is 50%-owned by the ENGIE Group. This decision was taken as part of a criminal investigation against the present and former executive managers of TP into environmental infringements and public health risks. The investigation was closed on July 20, 2016. The case was referred to the Court of Savona to be tried on the merits. The proceedings before the Court of First Instance began on December 11, 2018 and carried on into 2023, seeking the liability of the former members of the Board of Directors and management. Third parties, including the Italian Ministry of the Environment and Ministry of Health, joined the proceedings to claim damages. On October 3, 2023, the Court of Savona acquitted all 26 directors and managers of all charges. The subsidiary Tirreno Power SpA, in which ENGIE has a 50% stake, was also acquitted. The decision was notified in January 2024. The public prosecutor has decided to appeal the decision in February 2024.

23.4.2 Brazil – Claim against sales tax adjustments

ENGIE Brasil Energia S.A. was subject to a tax reassessment covering fiscal years 2014, 2015, 2016 and 2018 in respect of federal value-added taxes (PIS and COFINS) for refunds relating to fuels used in the production of energy by thermopower plants. The total amount at stake is 693.6 million Brazilian real, including a principal amount of 258.9 million.

The company is contesting these reassessments and has lodged administrative appeals. The administrative appeals for fiscal years 2014, 2015 and 2016 were rejected and the company initiated the discussion at the judicial court. The administrative appeal for 2018 is being examined. If this administrative appeal is unsuccessful, the case could also be brought before the ordinary courts and tribunals.

In 2023, Diamante Geraçao de Energia (controlled by ENGIE Brasil Energia SA at the time and owner of the thermopower plants) was also subject to reassessments for the tax treatment of comparable fuel reimbursements. The reassessments concerned both PIS and COFINS taxes (fiscal years 2019 and 2020) and corporate income tax (fiscal year 2018). The total amount at stake is 542 million Brazilian real, including a principal amount of 260.5 million. Although ENGIE Brasil Energia SA sold this company in 2021, it remains financially responsible under the vendor's warranty regarding the years prior to the sale. The company is challenging these reassessments and has lodged an administrative appeal, which is currently under review, with the potential for escalation to ordinary courts and tribunals.

23.4.3 Italy – exceptional tax on the energy sector

In December 2022, ENGIE filed an action against the tax authorities to obtain the reimbursement of the tax it had paid in July and November 2022 for a total amount of more than €308 million, pursuant to two legislative decrees (no. 21 and no. 50/2022) that introduced an exceptional solidarity contribution to be paid by operators in the energy sector. ENGIE contests the validity of the basis of the tax in relation to the decree's objective, its compatibility with the Italian Constitution as well as its compatibility with Italy's European commitments (EU law). In December 2023, the Milan Court of First Instance asked the Italian Constitutional Court to rule on the constitutionality of the tax as part of the proceedings launched by ENGIE.

23.4.4 Flémalle – EPC

In November 2021, Electrabel SA entered into an EPC (Engineering, Procurement, Construction) agreement with SEPCO III for the construction of a gas-fired power plant in Flémalle (Belgium), in the context of the CRM (Capacity Remuneration Mechanism).

In August 2022, Electrabel SA terminated the EPC agreement with SEPCO III for non-performance of its contractual obligations and initiated arbitration proceedings in November 2022, to obtain compensation for the damage sustained.

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SEPCO III filed a counterclaim against Electrabel seeking damages to cover the alleged loss it had sustained due to the termination of the contract.

23.5 Nuclear

23.5.1 Extension of operations at the nuclear power plants 2015-2025

Various associations have brought actions before the Constitutional Court, the *Conseil d'État* and the ordinary courts against the laws and administrative decisions authorizing the extension of operations at the Doel 1 and Doel 2 plants. On June 22, 2017 the Constitutional Court referred the case to the Court of Justice of the European Union (CJEU) for a preliminary ruling. In its judgment of July 29, 2019, the CJEU ruled that the Belgian law extending the operating lives of the Doel 1 and Doel 2 reactors (law extending Doel 1 and Doel 2) was adopted without the required environmental assessments being carried out first, but that the effects of the law on extension could provisionally be maintained where there was a genuine and serious threat of an interruption to the electricity supply, and then only for the length of time strictly necessary to eliminate this threat. In its decision of March 5, 2020, the Constitutional Court overturned the law extending Doel 1 and Doel 2, while maintaining its effects until the legislator adopts a new law after having carried out the required environmental assessment, including a cross-border public consultation process, by December 31, 2022 at the latest.

The environmental assessment and the cross-border public consultation were carried out by the Belgian State in 2021. The draft law incorporating the conclusion of the assessment and the consultation was passed by the Belgian Federal Parliament on October 11, 2022 and published on November 3, 2022.

The appeal before the *Conseil d'État* against the administrative decisions that allowed the extension of operations at the Doel 1 and Doel 2 plants is still pending.

23.5.2 Shutdown of the Doel 3 and Tihange 2 power plants

Various associations have lodged appeals before the Brussels Court of First Instance against Electrabel, the Belgian State, the Nuclear Safety Authority and/or the Elia electricity transmission network to contest the decisions and actions to shut down the Doel 3 (on September 23, 2022) and/or Tihange 2 (on January 31, 2023) power plants. In a first judgment dated November 16, 2022, the Brussels Court of First Instance, ruling in summary proceedings in one of the cases, confirmed the decisions and actions taken in relation to the shutdown. The applicants in this case withdrew their action on the merits. In the second case on the merits, a judgment was handed down on June 30, 2023, rejecting the interim measures requested, including the request to prohibit Electrabel from taking any irreversible action in connection with the shutdown of Doel 3 and Tihange 2. The case is continuing on the merits, with no precise timetable at this stage.

23.5.3 Appeal against the Belgian energy regulator's decision implementing the law of December 16, 2022 introducing a cap on electricity producers' market revenues

Electrabel lodged an appeal with the Belgian Market Court (*Cour des Marchés*) on March 29, 2023 against the decision of the Belgian energy regulator (CREG) to implement the December 16, 2022 law introducing a cap on electricity producers' market revenues for 2022. Electrabel lodged a second action for annulment with the same court against the same regulator's decision for 2023 revenues.

Electrabel contests the validity of this revenue cap, arguing that it is contrary to the European Regulation that introduced it, notably because it falsely determines market revenues using presumptions and not on the basis of revenues actually received, as provided for by the Regulation, and because it is implemented retroactively from August 1, 2022, outside the period covered by the Regulation. The Market Court handed down its ruling in the first case on October 18, 2023, finding that the action was admissible and prima facie founded, and referred three questions to the Court of Justice of the European Union for a preliminary ruling. The second case was heard on January 10, 2024, and the ruling handed down on January 31 suspends delivery until the Court of Justice of the European Union has ruled on the first case.

An appeal was also lodged with the Constitutional Court in June 2023.

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In addition to the above-mentioned appeals, a claim for restitution of the 2022 tax has been lodged, as well as an appeal to the Court of First Instance for the annulment of the tax.

23.5.4 Arbitration procedure in application of the Tihange 1 and Doel 1 and 2 agreements following the adoption of the law of December 16, 2022 introducing a cap on electricity producers' market revenues

On October 17, 2023, Electrabel gave notice of the launch of arbitration proceedings before an arbitral tribunal for the breach of the agreements signed for the extension of Tihange 1 on March 12, 2014 and the extension of Doel 1 and Doel 2 on November 30, 2015. These agreements excluded, by virtue of the royalties paid in particular, any other charges in favor of the State (with the exception of general application taxes) linked to the ownership or operation of Tihange 1 or Doel 1 and Doel 2, the revenues, production or production capacity of these plants, or their use of nuclear fuel. Under the terms of the agreements, Electrabel is claiming the reimbursement of the tax paid for 2022 and the levy for 2023 on these plants.

23.6 Other

23.6.1 Withholding tax

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the non-recourse Dailly sale by SUEZ (now ENGIE) of a disputed withholding tax (précompte) receivable in 2005 for an amount of €995 million (receivable relating to the *précompte* paid in respect of the 1999-2003 fiscal years). The Montreuil Administrative Court handed down a judgment in ENGIE's favor in 2019, which led the French tax authorities to appeal the decision before the Versailles Court of Appeal, which overturned the prior Court's decision in 2021. On April 14, 2023, the *Conseil d'État* overturned the Court's ruling on the grounds that the assigned claim should be classified as an advance repayment of non-deductible tax, irrespective of the fact that the State had not authorized its repayment by the bank assigning the claim, and that the repayment was only partial. The *Conseil d'État* referred the case back to the Versailles Administrative Court of Appeal to decide on the basis of a procedure that made the tax treatment of the disputed assignment of receivables in 2005 dependent on the outcome of the *précompte* litigation itself. The Court of Appeal's decision is expected in 2024.

Regarding the dispute over the *précompte* itself, on February 1, 2016, the *Conseil d'État* dismissed the appeal before the Court of Cassation seeking the repayment of the *précompte* in respect of the 1999, 2000 and 2001 fiscal years. On June 23, 2020, the Versailles Administrative Court of Appeal found in favor of ENGIE as regards the cases seeking repayment of the *précompte* in respect of the 2002 and 2003 fiscal years but rejected the case in respect of the 2004 fiscal year. As the *précompte* receivables for 2002/2003 have been assigned, the relevant amounts have been repaid to the assignee banks. The case has been referred to the *Conseil d'État* by the two parties. On March 27, 2023, the *Conseil d'État* dismissed ENGIE's appeal in light of the *Conseil Constitutionnel*'s decision of October 2022. On June 30, 2023, the *Conseil d'État* upheld the Court's ruling and dismissed the Minister's appeal in respect of the 2002 claim. It accordingly referred the matter back to the Versailles Administrative Court of Appeal, which was tasked with quantifying the amount of the 2003 précompte claim to be refunded in the light of the rules it had laid down, taking into account the prior decisions of the Court of Justice of the European Union and the Conseil constitutionnel. On January 9, 2024, the Court validated the calculation of the refundable *précompte* proposed by the tax authorities, without responding to ENGIE's arguments. The latter intends to appeal the decision before the *Conseil d'État*.

Furthermore, after ENGIE and several French groups lodged a complaint, on April 28, 2016, the European Commission issued a reasoned opinion to the French State as part of infringement proceedings, setting out its view that the *Conseil d'État* did not comply with European Union law when handing down decisions in disputes regarding the *précompte*, such as those involving ENGIE. On July 10, 2017, the European Commission referred the matter to the Court of Justice of the European Union on the grounds of France's failure to comply. On October 4, 2018, the Court of Justice of the European Union ruled partially in favor of the European Commission. Following this decision, France must revisit its methodology in order to determine the *précompte* repayment amounts in closed and pending court cases. No action has been initiated to date due to parallel litigation proceedings on the basis of Directive 90/435/EC.

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23.6.2 Luxembourg – State aid investigation

On September 19, 2016, the European Commission announced its decision to open an investigation into whether or not two private rulings granted by the Luxembourg State in 2008 and 2010 covering two similar transactions between several of the Group's Luxembourg subsidiaries constituted State aid. On June 20, 2018, the European Commission adopted a final, unfavorable decision deeming that Luxembourg had provided ENGIE with State aid. On September 4, 2018, ENGIE requested the annulment of the decision before the European Courts, thereby challenging the existence of a selective advantage. As these proceedings did not have a suspensive effect, ENGIE paid a sum of €123 million into an escrow account on October 22, 2018 in respect of one of the two transactions in question, since no aid was actually received for the other. Following the proceedings before the European Courts, this sum will be returned to ENGIE or paid to the Luxembourg State depending on whether or not the Commission's decision is annulled. On May 12, 2021, the Court rejected the appeals of the Luxembourg State and of ENGIE, thereby confirming the European Commission's position on the existence of State aid granted to the Group's Luxembourg subsidiaries. On July 22, 2021, ENGIE referred the matter to the Court of Justice of the European Union seeking the annulment of the Court's decision. On December 5, 2023, the Court ruled in favor of the Luxembourg State and ENGIE, annulling both the judgment of the Court of First Instance and the Commission's decision on the grounds of errors in the reference framework. ENGIE recovered the 123 million in escrow in January 2024, thus concluding the dispute.

23.6.3 Poland – Competition procedure

On November 7, 2019, a fine of 172 million Polish zloty (€40 million) was imposed on ENGIE Energy Management Holding Switzerland AG (EEMHS) for failing to respond to a request for disclosure of documents from the Polish Competition Authority (UOKiK) in proceedings initiated by the UOKiK which suspected a potential failure to notify by EEMHS and other financial investors involved in the financing of the Nord Stream 2 pipeline (main proceeding). EEMHS filed an appeal with the Competition Protection Court. On November 7, 2023, the Court reduced the penalty to around €100,000. The UOKiK has appealed this decision to the Warsaw Court of Appeal (2nd degree). The proceedings are pending.

In the context of the main proceedings, on October 6, 2020, the UOKiK ordered EEMHS to pay a fine of 55.5 million Polish zlotys (approximately €12.3 million). The UOKiK also ordered the termination of the financing agreements for the Nord Stream 2 project. On November 5, 2020, EEMHS appealed this decision with the Competition Protection Court (the "Court"). The appeal automatically suspends the execution of all of the penalties ordered by the UOKiK. On November 21, 2022, the Court overturned the UOKiK's decision in its entirety. The UOKiK has appealed this decision. On October 16, 2023, the Warsaw Court of Appeal (2nd degree) upheld the lower court's decisions, which overturned the UOKIK's decision in its entirety. The UOKiK may file an appeal in cassation.

23.6.4 Claim by the Dutch tax authorities related to interest deductibility

Based on a disputable interpretation of a statutory modification that came into force in 2007, the Dutch tax authorities refused the deductibility of a portion (€1.1 billion) of the interest paid on financing contracted for the acquisition of investments made in the Netherlands since 2000. Following the Dutch tax authorities' rejection of the administrative claim against the 2007 tax assessment, action was brought before the Arnhem Court of First Instance in June 2016. On October 4, 2018, the court ruled in favor of the tax authorities. On October 26, 2020, the ruling was confirmed by the Arnhem Court of Appeal. ENGIE Energie Nederland Holding BV considers that the Court committed errors in law and that its decision was not well-founded, under either Dutch or European law. It has therefore appealed the decision before the Court of Cassation. In July 2022, the Court of Cassation decided to refer questions on the compatibility of the Dutch legislation on interest with three of the European fundamental freedoms to the Court of Justice of the European Union for a preliminary ruling. The hearing was held before the Court of Justice of the European Union in November 2023. Its decision is expected in the first half of 2024.

23.6.5 Transfer price of gas

The Belgian tax authorities' Special Tax Inspectorate has issued two tax deficiency notices in respect of taxable income for fiscal years 2012 and 2013 for an aggregate amount of €706 million, considering that the price applied for the supply

of gas by ENGIE (then GDF SUEZ) to Electrabel S.A. was excessive. ENGIE and Electrabel S.A. are challenging this adjustment and have submitted a request for conciliation proceedings, which was accepted by France and Belgium in May 2018. The proceedings are ongoing between the two States, who put forward their respective positions late 2022/early 2023, although the issue was still not resolved by the end of December 2023.

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NOTE 24 SUBSEQUENT EVENTS

No significant subsequent events have occurred since the closing of the accounts at December 31, 2023.

NOTE 25 FEES PAID TO THE STATUTORY AUDITORS AND TO MEMBERS OF THEIR NETWORKS

Pursuant to Article 222-8 of the General Regulations of the French Financial Markets Authority (AMF), the following table presents information on the fees paid by ENGIE SA, its fully consolidated subsidiaries and joint operations to each of the auditors in charge of auditing the annual and consolidated financial statements of the ENGIE Group.

The Shareholders' Meeting of ENGIE SA of May 14, 2020 decided to renew the terms of office of Deloitte and EY as Statutory Auditors for a six-year period from 2020 to 2025.

	Deloitte			EY			
In millions of euros	**Deloitte & Associés**	**Network**	**Total**	**EY & others**	**Network**	**Total**	**Total**
Statutory audit and review of consolidated and parent company financial statements	**5.0**	**6.8**	**11.8**	**5.7**	**9.5**	**15.1**	**26.9**
ENGIE SA	2.5	-	2.5	2.9	-	2.9	5.4
Controlled entities	2.5	6.8	9.3	2.8	9.5	12.2	21.5
Non-audit services	**0.7**	**0.7**	**1.4**	**1.5**	**2.2**	**3.7**	**5.1**
ENGIE SA	**0.6**	**-**	**0.6**	**1.0**	**-**	**1.1**	**1.6**
Of which services related to legal and regulatory requirements	*0.4*	*-*	*0.4*	*0.6*	*-*	*0.6*	*0.9*
Of which other audit services	*0.1*	*-*	*0.1*	*0.5*	*-*	*0.5*	*0.6*
Of which reviews of internal control	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Of which due diligence services	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Of which tax services	*0.1*	*-*	0.1	*-*	*-*	*-*	0.1
Controlled entities	**0.1**	**0.7**	**0.8**	**0.5**	**2.2**	**2.6**	**3.4**
Of which services related to legal and regulatory requirements	*-*	*0.4*	*0.4*	*0.4*	*0.5*	*0.9*	*1.3*
Of which other audit services	*0.1*	*0.1*	*0.2*	*-*	*0.2*	*0.2*	*0.4*
Of which reviews of internal control	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Of which due diligence services	*-*	*-*	*-*	*-*	*1.1*	*1.1*	*1.1*
Of which tax services	*-*	*0.1*	*0.1*	*-*	*0.4*	*0.4*	*0.5*
Total	**5.6**	**7.5**	**13.1**	**7.1**	**11.7**	**18.8**	**31.9**

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NOTE 26 INFORMATION REGARDING LUXEMBOURG AND DUTCH COMPANIES EXEMPTED FROM THE REQUIREMENTS TO PUBLISH ANNUAL FINANCIAL STATEMENTS

Some companies do not publish annual financial statements pursuant to domestic provisions under Luxembourg law (Article 70 of the Law of December 19, 2002) and Dutch law (Article 403 of the Civil Code) relating to the exemption from the requirement to publish audited annual financial statements.

The companies exempted are notably: ENGIE Energie Nederland NV, ENGIE Energie Nederland Holding BV, ENGIE Nederland Retail BV, ENGIE United Consumers Energie BV, Electrabel Invest Luxembourg, ENGIE Treasury Management SARL and ENGIE Invest International SA.

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2022 MANAGEMENT REPORT AND ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

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1 ENGIE 2022 RESULTS

ENGIE FY 2022 Financial results

Significant progress on execution of strategic plan
Strong financial and operational performance
Proposal to pay a dividend of €1.40 per share for 2022

Business Highlights

- Leading role played by ENGIE to support security of supply in Europe
- Continued contribution to public policy measures through Working Capital support, extraordinary taxes and dedicated customer actions
- Major progress on simplification with €11.0 billion disposals signed or closed
- €5.5 billion growth Capex, primarily in Renewables, Networks and Energy Solutions
- Acceleration in Renewables with +3.9 GW of capacity added in 2022, taking total installed capacity to c. 38 GW
- Further progress on coal exit, coal represents 2.6% of centralised generation capacity

Financial Performance

- 2022 guidance achieved with continuing NRIgs of €5.2 billion
- EBIT of €9.0 billion, up 43% organically, with growth across most activities. Key contribution from GEMS and Thermal in unprecedented market conditions as well as from new capacity additions for Renewables
- Impact of windfall profit taxes of €0.9 billion in 2022, mainly in Belgium and Italy, in addition to existing Government profit sharing mechanisms in Belgium and France (nuclear and hydro) of €1.1 billion
- Strong balance sheet and high liquidity with improvement in credit ratios
- Improved Cash Flow From Operations [(1)], despite Working Capital headwinds due to energy prices
- Net financial debt at €24.1 billion, down €1.3 billion.
- 2022 proposed dividend of €1.40 per share

1.1 Key financial figures at December 31, 2022

In billions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis) [(1)]
Revenues	93.9	57.9	+62.2%	+60.4%
EBITDA	13.7	10.6	+29.8%	+27.0%
EBIT	9.0	6.1	+47.2%	+42.7%
Net recurring income of continuing activities, Group share	5.2	2.9	+78.4%	+76.2%
Net income, Group share	0.2	3.7	-94.1%	-
CAPEX [(1)]	7.9	6.7	+17.4%	-
Cash Flow From Operations (CFFO) [(2)]	8.0	6.5	+24.0%	-
Net financial debt	24.1	-€1,3 billion versus Dec.31, 2021		
Economic net debt	38.8	+€0.5 billion versus Dec.31, 2021		
Net financial debt	2.8x	-0.8X versus Dec.31, 2021		

(1) Net of DBSO (Develop, Build, Share & Operate) and tax equity proceeds.
(2) Cash Flow From Operations: Free Cash Flow before maintenance Capex and nuclear phase-out expenses.

(1) Cash Flow From Operations: Free Cash Flow before maintenance Capex and nuclear phase-out expenses.

1.2 2023-2025 outlook and guidance

The forecasts set forth below are based on data, assumptions and estimates considered to be reasonable by the Group at the date of issuance of this document.

These data and assumptions may evolve or be amended due to uncertainties related to the economic, financial, accounting, competitive, regulatory and tax environment or other factors that the Group may not be aware of at the date of registration of the management report. In addition, the fulfilment of forecasts requires the success of the Group's strategy. The Group therefore makes no commitment or warranty regarding the fulfilment of the forecasts set out in this section.

The forecasts presented below and the underlying assumptions, also been prepared in accordance with the provisions of Delegated Regulation (EU) No 2019/980 supplementing Regulation (EU) No 2017/1129 and the ESMA recommendations on forecasts.

The forecast presented below result from the budget and medium-term plan process as described in Note 14 to the consolidated financial statements for the year ended December 31, 2021; they have been prepared on a comparable basis with historical financial information and in accordance with the accounting methods applied to the Group's consolidated financial statements.

1.2.1. Assumptions

- Strategy: reinforcing the ENGIE Group's ambition to be a leader in the energy and climate transition. With its refocusing and simplification now complete, ENGIE is now embarking on the second stage of its strategic plan and accelerating its growth in the energy transition. The completion of the divestment plan will allow for a significant increase in growth investments in renewable energies, both electricity and gas, and decarbonization solutions: €22 to 25 billion over the period 2023-2025, i.e. a 50% increase compared to 2021-2023;
- No change in accounting policies;
- No major regulatory or macro-economic changes;
- Average temperature in France;
- Average hydro, wind ans solar productions;
- Average forex
  - €/USD: 1.08 for 2023, 1.09 for 2024 and 1.10 for 2025,
  - €/BRL: 5,56 over 2023-25;
- Belgian nuclear availability: c. 90% in 2023, 92% in 2024 and 94% in 2025 – based on availabilities as published on REMIT as of 01/01/2023;
- Contingencies on Belgian operations of €0.5 billion in 2023, €0.5 billion in 2024 and €0.2 billion in 2025;
- Market commodity prices at December 30, 2022;
- Hedged positions and captured prices at December31, 2022, Belgium and France:
  - 100% to 90 €/MWh for 2022,
  - 74% to 93 €/MWh for 2023,
  - 52% to 120 €/MWh for 2024,
  - 15% to 165 €/MWh for 2025,
  - Captured prices are shown
    - before specific Belgian nuclear and French CNR hydro tax contributions
    - before inframarginal rent cap in Belgium and France
    - excluding the mark-to-market impact of the proxy hedging used for part of Belgian nuclear volumes over 2023-2025, which is volatile and historically unwinds to close to zero at delivery,
- Recurring net financial costs of €(2.2)-(2.6) billion per year over 2023-25;
- Recurring effective tax rate: 23-26% over 2023-25;
- Discount rate for post-employment benefit provisions: based on market conditions at December 31, 2022, as described in Note 18 to the consolidated financial statements;
- Regulatory review on French networks in 2024-25;

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- Inframarginal rent caps based on current legal texts and additional contingencies;
- Full pass through of supply costs in French BtoC retail tariffs.

The progress on the execution of the strategic plan solidifies the foundation for ENGIE towards delivering long-term growth while achieving its purpose of carbon neutrality.

The Group anticipates delivering growth in the medium-term primarily fueled by investment in Renewables and improved results from Energy Solutions, alongside a stable contribution from Networks. GEMS is projected to further enhance the integrated business model securing energy supply, optimising and managing risks for ENGIE and third parties. Nuclear contribution, due to the ongoing phase-out capacity plan in Belgium, has been excluded from the EBIT indication.

European commodity price assumption in the guidance for residual merchant exposure: the price assumption used in the guidance for 2023-2025 provided today is based on the European forward prices as at 31 December 2022.

ENGIE outlook for 2023 to 2025:

In €billion	**2023 Results**	**2024 Results**	**2025 Results**
EBIT excluding Nuclear	6.6 - 7.6	7.2 - 8.2	7.5 - 8.5
RNRpg guidance	3.4 - 4.0	3.8 - 4.4	4.1 - 4.7

ENGIE remains committed to a “strong investment grade” rating and continues to target a leverage ratio of below or equal to 4.0x economic net debt to EBITDA.

1.2.2. Overview of key financial targets

The group has set itself the goal of accelerating its growth by focusing on the second stage of its strategic plan:

Accelerating growth in Renewables

Ramp-up in Renewables underpinned by a growing and well-balanced pipeline. The Group commissioned 7 GW of renewable capacity over the last two years, leading to 38 GW total installed capacity. Despite the supply chain challenges, ENGIE continues to accelerate its average annual renewable capacity additions to 4 GW until 2025, stepping-up to 6 GW from 2026 to 2030. This will bring total the installed capacity to 50 GW by 2025 and 80 GW by 2030.

This ambition is fuelled by a growing pipeline of 80 GW at end-2022 (vs. 56 GW at end-2020), which enjoys a good balance across onshore wind, offshore wind and solar. More than half of this pipeline includes projects already under construction, secured or at an advanced stage of development.

The geographic priorities remain Europe, North America, and Latin America, with offshore wind across a wider geographic footprint.

In total, ENGIE will invest between €13 billion and €14 billion over 2023-2025 in Renewables in a balanced portfolio with limited exposure to merchant risk.

The alliance between the molecule and the electron at the heart of ENGIE model to ensure flexibility and security of supply

As gas infrastructure owner, operator, and supplier, ENGIE has a critical role to play in Europe. Gas infrastructure (networks, storage capacities, LNG terminals) played a major role in the energy crisis and will continue to do so in the energy transition, ensuring security of supply and overall system resilience. Gas networks are also facilitators of the development of renewable gases and thus contribute to decarbonisation.

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ENGIE's gas networks business is largely regulated bringing stability and visibility. ENGIE's networks have consistently demonstrated strong operational performance and respect the highest safety standards. They generate strong cash-flow, enabling the Group to maintain safety and reliability, and finance growth Capex such renewable gases expansion.

Overall our regulated asset base (RAB), in France and international, is expected to reach €39bn in 2025, compared to €36bn in 2022.

A balanced portfolio is key to ensuring the energy system's flexibility and efficiency. In a context of strong growth in Renewables, ENGIE benefits from its large portfolio of flexible generation assets and energy storage, including CCGTs (51 GW) and pumped storage plants (c. 4 GW), which are absolutely key to absorbing the intermittency associated with these Renewables.

ENGIE will continue to adapt its fleet to bring more flexibility and optionality to the grid and to its own generation portfolio, make it leaner, nimbler, more efficient and less CO2 intensive. The business model of CCGTs will increasingly be shifting to capacity remuneration mechanism and ancillary services.

The Group intends to strongly accelerate in battery storage to complement its gas-fired generation and pumped storage fleet and has an ambitious target of c.10 GW of battery capacity by 2030, mainly in Europe and the US.

Ramping up in renewable gases

The development of renewable gases will capitalize on existing infrastructure, contributing to security of supply. The Group will leverage on its existing networks to develop renewable gases and will invest €3.5 billion in decarbonized gases by 2030.

The renewable and low-carbon gas market is set to grow rapidly in the coming decade, driven by the decarbonization commitments of governments and corporate offtakers.

ENGIE has a target of c.10 TWh of biomethane production per year by 2030.

ENGIE will focus on ramping up in low carbon hydrogen, which is key for hard-to-abate sectors for which electricity is an unrealistic option for decarbonization.

ENGIE is in a strong position to benefit from the buoyant growth in green hydrogen by leveraging on its world-leading capabilities in renewable power generation and its expertise in managing complex industrial processes. ENGIE has also global energy management capabilities to trade hydrogen and e-molecules.

ENGIE has set an ambitious target by 2030 to:

- develop green hydrogen production capacity of 4 GW,
- have 700 km dedicated hydrogen networks and 1 TWh of storage capacity,
- operate more than 100 refuelling stations

Total Capex for hydrogen is earmarked at c.€4 billion over 2023-2030.

Playing a major role in the decarbonization of ENGIE's customers through distributed infrastructure

Energy Solutions is ideally positioned to capture the growth of the market driven by strong demand from clients for decarbonized solutions and energy independence as well as increasingly support from public authorities.

Energy Solutions has streamlined its organization through three activities: local energy networks, on-site energy production, and energy performance services.

In the first two platforms, which benefit from long-term infrastructure-like contracts with stable and recurring revenues as well as long-term contracted cash flows, ENGIE invests in infrastructure and operates them as part as an asset-based business model. Capturing the long-term growth opportunities, using greater selectivity in targeting contracts, and with a more efficient base, EBIT annual growth from distributed energy infrastructure should be high-single digit on average over 2022-2025.

In energy management services, the EBIT margin is expected to increase more than 200bps over 2022-2025 to reach 5%.

ENGIE remains committed to adding 8 GW of distributed energy infrastructure by 2025 (vs 2020), translating into around €3 billion Capex growth over 2023-2025.

Leveraging ENGIE extensive market knowledge through GEMS

GEMS is at the heart of ENGIE's integrated business model. On the upstream side, GEMS' mandate is to add value from technical differences, complementarity, flexibility and optionality within ENGIE's and partners' portfolio of assets. On the downstream side, GEMS provides ENGIE clients with risk management services and tailor-made energy supply contracts.

GEMS EBIT is likely to be lower over 2023-2025 compared to the exceptional level of 2022, but it should remain above the historical level of 2020-2021 due mainly to commercial growth and continuing challenging energy markets, bringing optionality and volatility as well as increased customers demand for risk management.

Capital allocation and medium-term financial outlook

ENGIE targets growth Capex of €22-25 billion between 2023 and 25, an increase of 50% versus the previous 2021-23 plan, with 40% being already committed. These will be split 55-65% for Renewables, 10-15% for Networks, and 10-15% for Energy Solutions. Around 10% will be dedicated to ramping up in renewable gas and batteries. Capital allocation is based on a strict discipline of financial and ESG-related criteria. The contribution to 2023-25 EBIT of new capacities commissioned should amount to €1.5bn.

Return On Average Capital Employed excluding nuclear should benefit from this rigorous process to drive value creation: Group ROACE excluding nuclear is expected to increase to between 7% and 9% in a sustainable way from 6% in 2021.

Maintenance Capex should amount to €7 to 8 billion between 2023 and 2025, of which around 50% in French regulated infrastructure activities.

Around €9bn will go towards the funding of Belgian nuclear provisions over 2023-2025.

ENGIE will continue to drive efficiency by strong control of general and administrative costs, increasing support functions efficiency, and turning around underperforming businesses. The Group is aiming for a positive net impact on EBIT of €0.6 billion in 2023-25.

Main drivers for 2022-2025 EBIT evolution by activity

2022	Activity	Expectations for main EBIT evolution drivers vs 2022		2025
EBIT excluding Nuclear €8.0 billion	Renewables	Investments contribution, higher prices	+ +	EBIT excluding Nuclear indication €7.5 billion to €8.5 billion
	Networks	Inflation, temperature normalization, investments and portfolio management, regulatory reviews in France	= -	
	Energy Solutions	Investments contribution, EVBox contribution improvement and continued improvement of performance	= +	
	FLEXGEN (ex Thermal)	Dilution, normalization of spreads, higher fleet availability	=	
	Retail (ex Supply)	Temperature normalization, margin increase, growth in B2C services and power customer portfolio	= +	
	GEMS	Decrease of prices and volatility but still high	- - -	
	Nuclear	Higher prices, lower volumes	= +	

Convention: each "+" sign amounts to c. €+500m, each "-" sign amounts to c. €-500m, "=+" sign amounts to a variation between 0 and +250, "=-" sign amounts to a variation between -250 to 0.

1.3 Dividend policy reaffirmed and €1.40 per share proposal for 2022

ENGIE is focused on delivering a progressively growing and sustainable dividend for shareholders.

The Board has reaffirmed the Group's dividend policy with a payout ratio of 65-75% of net recurring income Group share, and a floor of €0.65 per share for the 2023 to 2025 period.

For 2022, the Board has proposed a payout ratio of 65%. This translates to a dividend of €1.40 per share, which will be proposed for shareholder approval at the Annual General Meeting on 26 April 2023.

1.4 ENGIE playing a leading role in security of supply and contributing to support energy affordability

As gas infrastructure owner, operator, and gas supplier, ENGIE has played a crucial role in Europe.

In France, ENGIE's networks activities have operated at record high utilisation rates, with LNG terminals working at nearly full capacity, two-fold increase in transit at GRTgaz including reversed flows from France to Germany, and gas storage levels filled at 82% as at December 31, 2022 compared to c. 53% at December 31, 2021.

ENGIE has contributed €1.1 billion in 2022 to existing Government profit-sharing mechanisms for Belgian Nuclear (specific tax framework) and French hydro (CNR).

ENGIE has pledged to support its French customers with €90 million in measures for vulnerable customers and a €60 million fund for industrial/tertiary customers affected by rising energy prices. ENGIE has also launched platforms for retail and SME customers to monitor and save energy.

ENGIE is contributing to public policy measures to address high energy prices. In France, ENGIE has increased working capital support for the tariff shield mechanism, now including small and medium-sized enterprises as well as customers under market prices (by linking their contracts to the regulated tariff). Most of ENGIE's B2C gas and power contracts in France benefit from protection against price increases through this tariff shield mechanism or fixed prices over the lifetime of the contract.

The Group is supporting the implementation of social tariffs in Belgium and a price cap mechanism in Romania and Chile. In addition, the Group has engaged with various local authorities to provide support through payment facilities. The overall impact of delayed payment plans worldwide is close to €1.0 billion. The Group is more focused than ever to work collaboratively with clients on energy efficiency to reduce their energy bill and achieve their decarbonisation goals.

ENGIE has also recognised the engagement of its employees around the world with an exceptional bonus of €1,500 awarded to each employee in an unprecedented energy situation to support in a high inflation environment.

1.5 ENGIE is contributing to public policy measures to address high energy prices

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1.6 Update on European proposals for windfall taxes

In December 2022, the Governments of Belgium and France, ENGIE's two most significant power generation countries in the EU, have passed new measures into Law to address inframarginal rent in relation to power prices.

In Belgium, an inframarginal rent cap was implemented retroactively, from 1 August 2022 to 30 June 2023, at a level depending on the power production's technology. A possible extension of this period will be evaluated next April. ENGIE's nuclear assets, owned and operated via its subsidiary Electrabel, fall into the scope of this measure: normative revenues exceeding €130/MWh are subject to the new levy but with a mechanism limiting potential double taxation with existing nuclear taxes.

In France, the Finance Bill for 2023 provides for a rent cap applicable over a period of eighteen months, (from 1 July 2022 until 31 December 2023). The cap ranges from €40/MWh to €175/MWh depending on the power production technology. The excess revenue is subject to a tax rate of 90%. ENGIE is mainly impacted through its drawing rights on two EDF nuclear power plants (Chooz B and Tricastin, 1.2 GW, 9 TWh of annual output at an availability rate of 85%) subject to a €90/MWh cap and its gas power plants (1.4 GW capacity) subject to a €40/MWh cap on the clean spark spread.

In Italy, the Government has already enacted an "extraordinary solidarity contribution" on energy companies calculated on a variation of VAT-taxable basis between October 2021 and April 2022 versus the same duration a year earlier, at a rate of 25%. ENGIE has been significantly and adversely impacted due to an ill-designed methodology, not representative of the excess revenues over the period.

The overall impact of extraordinary taxes in Europe is close to €0.9 billion in 2022, 85% in EBIT and 15% in corporate income tax.

1.7 Significant progress on the execution of strategic plan

Acceleration in Renewables, infrastructures and renewable gases

ENGIE added 3.9 GW of renewable capacity in 2022, including 1.8 GW of onshore wind, 1.2 GW of solar and

1.0 GW of offshore wind, taking total renewable installed capacity at 100% to c. 38 GW at the end of 2022. Geographically, the 3.9 GW additions include 2.6 GW in Europe (mainly in UK, Spain and France), 0.8 GW in US and 0.4 GW in Latin America. The Group is therefore on track with its target to add 4 GW on average per year of renewable capacity until 2025. This ambition is fuelled by a growing pipeline that totalled 80 GW at end of December 2022, up 14 GW compared to December 2021.

Ocean Winds, ENGIE's joint venture with EDPR dedicated to offshore wind continues to grow strongly. In December, Ocean Winds was awarded a lease area for a floating offshore wind site of 2 GW capacity in California.

In 2022, the Group continued supporting its customers in their decarbonisation efforts by signing a total amount of 2.0 GW of green Power Purchase Agreements (PPAs).

Energy Solutions has achieved major wins in District Heating and Cooling (DHC) and sustainable mobility in the 2022, including 12,000 electric vehicle charging points mainly in Belgium and Singapore. In 2022, c. 1 GW net installed capacity has been added in distributed energy infrastructures.

In Brazil, the internalization of TAG O&M activities has been successfully completed and the two power transmission lines, Gralha Azul and Novo Estado, are now close to full completion.

ENGIE continues to unlock the potential of renewable gases: 492 biomethane production units, with a yearly production capacity of up to 8.3 TWh are connected to ENGIE's networks in France. On hydrogen, the European Commission has approved up to €5 billion in public support. ENGIE has submitted five projects across Belgium, France, the Netherlands and Spain, and all of them have been selected.

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Simplifying and refocusing

The disposal plan financial target of at least €11 billion by the end of 2023 has been achieved with €11.0 billion already closed or signed, with EQUANS being the main contributor.

On geographic rationalization, the Group will be operating in 31 countries, down from 70 in 2018, once closing of the signed deals is effective. ENGIE exited seven countries as part of the EQUANS disposal and targets to be in less than 30 countries by the end of 2023.

Disciplined capital allocation

In 2022, total Capex amounted to €7.9 billion. Growth Capex reached €5.5 billion, of which 58% dedicated to Renewables, 20% to Networks and 13% to Energy Solutions, thus fully aligned with ENGIE's strategic roadmap.

Performance plan delivering

In a context of rising inflation, ENGIE maintained its momentum on cost efficiency and is on track to achieve its 3-year target, with a net EBIT contribution in 2022 of €0.4 billion.

1.8 Update on Belgian nuclear assets

In line with the planned nuclear phase-out in Belgium, the Doel 3 reactor was shut down in September 2022 and the Tihange 2 reactor in February 2023.

In January 2023, ENGIE and the Belgian federal government set a framework for the extension of the nuclear reactors Doel 4 and Tihange 3, signing the Heads of Terms and Commencement of LTO Studies Agreement which builds on the Letter of Intent signed on 21 July 2022, with the objective to extend the operational lifetime of both reactors for ten years, for a total production capacity of 2 GW.

This agreement in principle comprises three conditions, including the establishment of a legal structure dedicated to the two extended nuclear units equally owned by the Belgian State and ENGIE, the framework for a cap on future nuclear waste management costs, and a set of guarantees to ensure the proper execution of the nuclear operator's commitments. With this agreement, both parties confirm their objective to make reasonable endeavours to restart the Doel 4 and Tihange 3 nuclear units in November 2026.

In December 2022, ENGIE was informed on the new parameters considered by the Commission for Nuclear Provisions (CPN) for the calculation of the nuclear provision for the dismantling and spent fuel management of Belgian nuclear power plants following the triennial revision. Based on these parameters, nuclear provisions have increased by €3.3 billion, of which €2.9 billion borne by Synatom, compared to ENGIE's initial proposal of an increase of €0.9 billion. ENGIE considers the increase by €2.9 billion unjustified and has submitted an adapted proposal to the CPN.

1.9 ESG

Key ESG targets

In 2022, greenhouse gas emissions from energy production were reduced to 60 million tons, a decrease of 44% compared to 2017, and in line with the target of 43 million tons by 2030. 2022 results were positively impacted by the weather and a lower utilization rate of our CCGTs.

ENGIE increased the share of renewables in its portfolio to 38% at the end of 2022 from 34% at the end of 2021 with the addition of 3.9 GW of renewables.

ENGIE continues to progress on coal exit with the signing in September of the disposal of Pampa Sul in Brazil and the closure of Tocopilla in Chile which comprises a total of 0.6 GW installed capacity. ENGIE is committed to exiting all coal assets in continental Europe by 2025 and globally by 2027, including coal generation for district heating and cooling networks. At the end of 2022, coal represented 2.6% of ENGIE's centralized power generation portfolio.

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On gender diversity, ENGIE had 30% women in management at the end of 2022 and is implementing action plans towards its ambition of managerial parity of 40% to 60% between men and women.

1.10 Health & Safety

In 2022, ENGIE and its subcontractors experienced severe work-related accidents including 4 fatalities, notably at construction sites. A major company-wide response and comprehensive action plan are being deployed by the ENGIE leadership, to re-assess all safety standards and procedures in every activity and geography to ensure the application of the highest safety standards across the Group and its subcontractors.

1.11 FY 2022 financial review

1.11.3. Revenues

Revenue at €93.9 billion was up 62.2% on a gross basis and 60.4% on an organic basis.

Contributive revenues, after elimination of intercompany transactions

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis)
Renewables	6,216	3,653	+70.1%	+58.3%
Networks	6,961	6,700	3.9%	+2.9%
Energy Solutions	11,552	9,926	16.4%	+21.1%
Thermal	7,129	4,089	74.3%	+62.6%
Supply	16,810	10,396	61.7%	+61.3%
Nuclear	35	56	-37.7%	-37.7%
Others	45,163	23,046	96.0%	+92.6%
of which GEMS	*45,137*	*22,870*	97.4%	+92.7%
TOTAL	**93,865**	**57,866**	**+62.2%**	**+60.4%**

Revenue for **Renewables** amounted to €6,216 million, up 70.1% on a gross basis and up 58.3% organically. The gross increase was due to favourable foreign exchange effects mainly from the appreciation of the Brazilian real against the euro. On an organic basis, revenue growth was mainly driven by capacity additions and higher hydro prices in France.

Revenue for **Networks** amounted to €6,961 million, up 3.9% on a gross basis and up 2.9% organically. The gross increase was due to favourable foreign exchange effects mainly in Latin America and the scope out effect related to the Turkey and Argentina disposals. French infrastructures revenue rose driven by significantly higher volumes transported, notably with exceptional West-East reverse flows, terminals as well as storage activities reflecting own account operations (in the UK) which offset lower volumes in distribution and expected tariff evolution. Outside France, revenues increased organically notably in Latin America with higher volumes in distribution. Lower revenues in Brazil reflect the decrease in construction revenues following progressive commissioning of transmission lines.

Revenue for **Energy Solutions** amounted to €11,552 million, up 16.4% on a gross basis and 21.1% organically. The gross increase was driven by favourable foreign exchange effects mainly related to US dollar and scope out effects. Organically, revenue in France increased significantly on all activities: energy performance management, local energy networks and on-site energy production. International activities increased significantly driven by commodity prices in all geographies.

Revenue for **Thermal** amounted to €7,129 million, up 74.3% on a gross basis and up 62.6% organically. The gross increase benefited from positive foreign exchange effects mainly in Chile, Peru and Pakistan. The organic performance is mainly driven with exceptional level of spreads and increased ancillaries in Europe. Americas shows a positive growth thanks to the indexation of PPA contracts in a context of rising commodity prices and inflation.

Revenue for **Supply** amounted to €16,810 million, up 61.7% on a gross basis and 61.3% organically. The gross variation was due to favourable foreign exchange effects. Organically, the increase was mainly driven by increasing commodity prices, offset by negative volume effect mainly due to warmer temperature.

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Nuclear reported almost no external revenue post-elimination of intercompany operations, as its production was sold internally to other ENGIE businesses.

Revenue for **Others** amounted to €45,163 million. The increase compared to last year is mainly driven by GEMS (€+45,137 million) essentially impacted by increase in commodity prices combined with higher volumes.

1.11.4. EBITDA

EBITDA at €13.7 billion, was up 29.8% on a gross basis and up 27.0% on an organic basis.

Activity/geography matrix

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	December 31, 2022
Renewables	535	370	1,003	313	17	(35)	**2,202**
Networks	3,396	96	731	(3)	-	(8)	**4,212**
Energy Solutions	605	240	(2)	34	70	(69)	**879**
Thermal	-	1,475	295	47	436	(17)	**2,235**
Supply	(8)	199	6	-	70	(9)	**258**
Nuclear	-	1,510	-	-	-	-	**1,510**
Others	-	(16)	1	(1)	-	2,433	**2,417**
Of which GEMS						*2,837*	***2,837***
TOTAL EBITDA	**4,528**	**3,875**	**2,033**	**390**	**592**	**2,295**	**13,713**

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	December 31, 2021
Renewables	462	172	1,016	86	12	(47)	**1,702**
Networks	3,518	121	470	-	18	(7)	**4,121**
Energy Solutions	592	215	(3)	60	41	(119)	**786**
Thermal	-	743	424	43	448	(30)	**1,628**
Supply	356	114	-	-	48	(20)	**498**
Nuclear	-	1,403	-	-	-	-	**1,403**
Others	-	2	1	10	-	412	**426**
Of which GEMS						*679*	***679***
TOTAL EBITDA	**4,928**	**2,770**	**1,908**	**199**	**568**	**190**	**10,563**

1.11.5. EBIT

EBIT at €9.0 billion was up 47.2% on a gross basis and up 42.7% on an organic basis.

- Foreign exchange: a total positive effect of €325 million at EBIT mainly driven by the appreciation of the Brazilian real and the US dollar.
- Scope: a net negative scope effect of €115 million at EBIT mainly due to 2021 events including partial sale of GTT's shares that led to a change in consolidation method, asset sales to achieve the Group's geographical refocus and coal exit targets. These effects were only partly offset by the acquisition of Eolia in Spain in May 2022.
- French temperature: compared to average, the temperature effect stood at negative €190 million, generating a negative year-on-year variation of €308 million compared to 2021 across Networks, Supply and Others in France.

EBIT growth mainly driven by GEMS, Thermal and Renewables.

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Activity/geography matrix

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	December 31, 2022
Renewables	375	313	796	172	9	(39)	**1,627**
Networks	1,675	49	658	(3)	-	(8)	**2,371**
Energy Solutions	311	148	(5)	23	58	(123)	**412**
Thermal	-	1,278	51	44	417	(22)	**1,768**
Supply	(164)	115	6	-	49	(13)	**(7)**
Nuclear	-	1,026	-	-	-	-	**1,026**
Others	-	(16)	-	(11)	-	1,875	**1,848**
Of which GEMS	-	-	-	-	-	*2,618*	***2,618***
TOTAL EBIT	**2,197**	**2,913**	**1,506**	**226**	**532**	**1,671**	**9,045**

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	December 31, 2021
Renewables	273	117	846	(6)	8	(47)	**1,191**
Networks	1,823	77	403	-	18	(7)	**2,314**
Energy Solutions	307	132	(5)	48	27	(159)	**350**
Thermal	-	564	189	41	421	(32)	**1,183**
Supply	202	28	-	-	25	(23)	**232**
Nuclear	-	959	-	-	-	-	**959**
Others	-	2	-	(1)	-	(86)	**(85)**
Of which GEMS	-	-	-	-	-	*507*	***507***
TOTAL EBIT	**2,605**	**1,880**	**1,433**	**82**	**498**	**(355)**	**6,145**

EBIT contribution by activity

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis)	o/w temp. effect (France) vs. 2021
Renewables	1,627	1,191	+36.6%	+19.1%	-
Networks	2,371	2,314	2.5%	+0.5%	(197)
Energy Solutions	412	350	17.7%	+16.6%	-
Thermal	1,768	1,183	49.4%	46.6%	-
Supply	(7)	232			(87)
Nuclear	1,026	959	+6.9%	+6.9%	-
Others	1,848	(85)			(24)
of which GEMS	*2,618*	*507*			*(24)*
TOTAL	**9,045**	**6,145**	**+47.2%**	**+42.7%**	**(308)**
TOTAL excluding Nuclear	**8,019**	**5,185**	**+54.7%**	**+49.1%**	**(308)**

1.11.5.1. Renewables: contribution of newly commissioned assets and productivity improvements

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis)
EBIT	1,627	1,191	+36.6%	+19.1%
Total CAPEX	3,333	1,881	+77.2%	-
CNR achieved prices (€/MWh)	60	56	+7.0%	-
DBSO [(1)] Margins (EBIT level)	102	31		-
Operational KPIs				
Commissioning (GW at 100%)	3.9	3.0	+30.0%	-
Hydro volumes France (TWh at 100%)	12.8	15.2	-2.4	-

(1) Develop, Build, Share and Operate.

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Renewables reported a 19.1% organic EBIT growth, benefiting from the contribution of new capacity across Group's key geographies and technologies (+€268 million), performance plan (+€87 million), positive volume effects (+€69 million, resulting mainly from the reversal of the -€90 million Texas extreme weather event in Q1 2021) and positive price effects (+€55 million, mainly due to higher prices for French hydro, partly offset by hydro buybacks in France and Portugal in the context of low hydrology in Europe). Overall growth more than offset the 2021 one-off linked to GFOM ruling effect in Brazil (-€300 million).

Profit sharing mechanism on CNR hydro production in France has evolved after the adoption in February 2022 of the "*Aménagement du Rhône*" law under which the tax rate varies according to captured power prices, varying from 10% for volumes below €26.5/MWh up to 80% for volumes above €80/MWh. The Group EBIT impact in 2022 amounted to -€176 million.

1.11.5.2. Networks: strong performance in Latin America, partly offset by warmer temperatures in Europe

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis)
EBITDA	4,212	4,121	+2.2%	+1.0%
EBIT	2,371	2,314	+2.5%	+0.5%
Total CAPEX	2,321	2,524	-8.0%	
Operational KPIs				
Temperature effect – France (EBIT in €m)	(122)	75.0	(197)	-
Smart meters (m)	10.9	9.2	1.7	-

EBIT amounted to €2,371 million, up 0.5% on an organic basis.

French infrastructures EBIT was down €148 million due to lower distributed volumes following warmer temperatures versus last year and lower tariffs revenues reflecting regulatory reviews (smoothed out over the 4-year regulatory period). These effects were partly offset by significant growth in short term revenues in transport, including reversed flows from France to Germany, as well as in terminals and storage.

The Group performed strongly outside France with EBIT organically up €160 million mainly due to higher contribution from Latin America, driven by intrinsic growth and inflation indexations.

1.11.5.3. Energy Solutions: higher energy prices and strong commercial performance despite warmer temperature.

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis)
Revenues	11,552	9,926	+16.4%	+21.1%
EBIT	*412*	*350*	+17.7%	+16.6%
Total CAPEX	*886*	*903*	-1.8%	-
Operational KPIs				
Distrib. Infra installed cap. (GW)	*24.9*	*24,1* [(1)]	+3.8%	-
EBIT margin (excluding Evbox)	*4.6%*	*5.0%*	-47 bps	-
Backlog - French concessions (bn€)	18.4	16.8	+1.6	-

(1) Restated data to exclude countries ENGIE exited or stopped developments following geographical rationalization presented in May 2021.

EBIT amounted to €412 million, up 16.6% on an organic basis.

Organic growth was driven by the positive impact of energy prices, positive effect of performance plan in energy efficiency services, commercial market dynamics notably in cogeneration and DHC as well as production ramp up and process enhancements ongoing on EVBox, despite slowdown of EV market growth pace. These elements were partly offset by warmer temperature and positive 2021 one-offs on on-site energy production.

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1.11.5.4. Thermal: higher spreads and ancillaries captured by flexible assets in Europe.

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis)
EBITDA	2,235	1,628	+37.3%	+33.7%
EBIT	1,768	1,183	+49.4%	+46.6%
Operational KPIs				
Average captured CSS Europe (€/MWh)	28.0	19.0	+50%	
Installed capacity (GW at 100%)	59.5	59.9	(0.4)	-

Thermal EBIT amounted to €1,768 million, up 47% on an organic basis.

Organic growth was mainly driven by price effects (+€922 million, mainly from higher spread from European assets partly offset by negative impact from higher sourcing spot prices in Chile and adverse gas merchant position in Australia) as well as ancillaries and capacity remuneration mechanisms (+€175 million). These effects were partly offset by lower volumes (-€440 million) mainly in Europe, due to outages and strikes, and Italy windfall profit tax which ENGIE is contesting.

1.11.5.5. Supply: timing effects, warmer temperatures in Europe, price caps and support measures.

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis)
EBITDA	258	498	-48.2%	-47.3%
EBIT	(7)	232	-	-
French temperature effect (EBIT in m€)	(53)	34	(87)	-

EBIT amounted to -€7 million. Organically, the decrease (-€230 million) was driven by lower energy volumes mainly in France and Belgium, negative price effects in France and support measures to customers, partially offset by improved performance and higher results in most of the other European countries. EBIT decreased by €626 million over the last quarter of the year mainly due to expected reversal of timing effects mostly linked to the existing ARENH mechanism as well as negative climate effects.

1.11.5.6. Nuclear: higher prices triggered higher profit sharing through specific Belgian nuclear tax and inframarginal rent cap.

En millions d'+euros	Dec 31, 2022	Dec 31, 2021	% change (reported basis)	% change (organic basis)
EBITDA	1,510	1,403	*+7.6%*	*+7.6%*
EBIT	1,026	959	*+6.9%*	*+6.9%*
Total Capex	229	201	*+14.2%*	
Operational KPIs				
Output (BE + FR, @ share, TWh)	*42.1*	*47.4*	*-5,4 TWh*	-
Availability (Belgium at 100%)	*83.6%*	*91.8%*	*- 820 bps*	-

EBIT for Nuclear amounted to €1,026 million, up 6.9% on organic basis.

Organic increase was driven by higher achieved prices (+€1,694 million, at €97/MWh in 2022 vs €60/MWh in 2021) resulting in higher nuclear tax contribution on second generation units (-€759 million) and inframarginal rent cap. Also, a negative volume effect (-€494 million) due to higher outages in Belgium (availability rate at 83.6%, -820 bps vs 2021) and France.

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1.11.5.7. Others: unprecedented contribution from GEMS in a context of extreme market conditions

GEMS EBIT amounted to €2,618 million, representing an organic increase of €2,087 million compared to 2021.

ENGIE, as an integrated player, operates in the energy markets through GEMS. It sources energy, sells its own production and hedges upstream and downstream positions to meet customers' needs for risk management and decarbonisation, as well as secure supply in Europe. GEMS saw a record level of activity in all activities in an exceptionally volatile price environment and optimized long-term contracts by leveraging the optionality in ENGIE's commercial contract-base.

1.11.6. Comparable basis organic growth analysis

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported/organic basis)
Revenues	**93,865**	**57,866**	**+62.2%**
Scope effect	(21)	(807)	-
Exchange rate effect	-	1,462	-
Comparable data	**93,844**	**58,523**	**+60.4%**

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported/organic basis)
EBITDA	**13,713**	**10,563**	**+29.8%**
Scope effect	(48)	(219)	-
Exchange rate effect	-	418	-
Comparable data	**13,665**	**10,762**	**+27.0%**

In millions of euros	Dec 31, 2022	Dec 31, 2021	% change (reported/organic basis)
EBIT	**9,045**	**6,145**	**+47.2%**
Scope effect	(47)	(163)	-
Exchange rate effect	-	325	-
Comparable data	**8,998**	**6,307**	**+42.7%**

The calculation of organic growth aims to present comparable data both in terms of the exchange rates used to convert the financial statements of foreign companies and in terms of contributing entities (consolidation method and contribution in terms of comparable number of months). Organic growth in percentage terms represents the ratio between the data for the current year (N) and the previous year (N-1) restated as follows:

- The N-1 data is corrected by removing the contributions of entities transferred during the N-1 period or prorata temporis for the number of months after the transfer in N;
- The N-1 data is converted at the exchange rate for the period N;
- The N data is corrected with the N acquisition data or prorata temporis for the number of months prior to the N-1 acquisition.

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2 OTHER INCOME STATEMENT ITEMS

The reconciliation between EBIT and Net income/(loss) is presented below:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021	% change (reported basis)
EBIT	**9,045**	**6,145**	**+47.2%**
(+) Mark-to-Market on commodity contracts other than trading instruments	(3,661)	721	
(+) Non-recurring share in net income of equity method entities	(17)	50	
Current operating income including operating MtM and share in net income of equity method entities	**5,367**	**6,916**	**-22.4%**
Impairment losses	(2,774)	(1,028)	
Restructuring costs	(230)	(204)	
Changes in scope of consolidation	91	1,107	
Other non-recurring items	(1,328)	(69)	
Income/(loss) from operating activities	**1,127**	**6,722**	**-83.2%**
Net financial income/(loss)	(3,003)	(1,350)	
Income tax benefit/(expense)	83	(1,695)	
NET INCOME/(LOSS)	**390**	**3,758**	**-89.6%**
Net recurring income/(loss) relating to continued operations, Group share	**5,223**	**2,927**	
Net recurring income/(loss) Group share per share	**2.24**	**1.26**	
Net income/(loss) Group share	**216**	**3,661**	
Non-controlling interests	**173**	**97**	

The reconciliation between Net recurring income/(loss) Group share and Net income/(loss) Group share is presented below:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Net recurring income/(loss) relating to continued operations, Group share	**5,223**	**2,927**
Impairment & Others	(1,494)	(970)
Restructuring costs	(230)	(204)
Changes in scope of consolidation	91	1,107
Mark-to-Market on commodity contracts other than trading instruments	(3,661)	721
Net recurring income/(loss) relating to discontinued operations, Group share	287	231
Net income/(loss) Group share	**216**	**3,582**

Income from operating activities amounted to €1,127 million, representing a decrease compared with December 31, 2021, mainly due to unrealized losses on commodity hedges driven by price increases, in particular on certain economic hedges on gas and electricity not designated as cash flow hedges, higher impairment losses, lower gains on asset disposals, the recognition of additional costs related to the triennial review of nuclear provisions in Belgium, partly offset by EBIT growth.

Income from operating activities was affected by:

- net impairment losses of €2,774 million (compared with €1,028 million in 2021) (*see Note 9.1*);
- restructuring costs of €230 million (compared with €204 million in 2021) (*see Note 9.2*);
- positive scope effects of €91 million (compared with a positive €1,107 million in 2021). This amount included in particular the gain on the disposal of the Group's interest in Gaztransport et Technigaz (GTT) representing approximately 24.6% of its share capital (a positive €280 million), renewable geothermal assets in Indonesia (a positive €111 million), Energy Solutions activities in Africa and in France (a negative €127 million), and the purchase of shares in renewable assets in India with refinancing obligations scheduled for 2023 (a negative €110 million) (*see Note 9.3*);
- other non-recurring items for a negative €1,328 million (compared with a negative €69 million in 2021), mainly including the €979 million net expense related to additions to provisions for the back-end of the nuclear fuel cycle as part of the triennial review of nuclear provisions in Belgium (*see Note 9.4*).

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The **net financial loss** amounted to €3,003 million in 2022, compared with €1,350 million in 2021 (*see Note 10*). This change is mainly due to the impairment loss recognized on the Nord Stream 2 loan (€987 million) and the negative impact of the changes in the fair value of money market funds held by Synatom (€280 million). Adjusted for non-recurring items, the financial loss amounted to €1,819 million in 2022, compared with €1,494 million in 2021. This deterioration is due to the increase in other financial expenses, as well as to the increase in the cost of net debt, in particular due to the increase in lease liabilities related to the extension of the Compagnie Nationale du Rhône concession. The increase in the average cost of gross debt, mainly as a result of higher interest rates, was offset by the increase in interest on cash and cash equivalents and liquid debt instruments.

The **income tax** for 2022 amounted to a benefit of €83 million (compared with a tax expense of €1,695 million in 2021). It includes a €1,474 million tax benefit relating to non-recurring taxable items (compared with a tax expense of €552 million in 2021), mainly MtM losses recognized by ENGIE SA.

Adjusted for these non-recurring items, the recurring effective tax rate was 22.6% at December 31, 2022 compared with 29.3% at December 31, 2021, mainly due to:

- the favorable change in the tax situation in certain countries that only partially recognize their deferred tax assets, notably in Europe, the United States and Australia - approximately -7.6 points ;
- the effect on deferred tax liabilities of the increase in the future income tax rate voted in the United Kingdom in 2021 - approximately -2.1 points;
- the unfavorable impact of the non-deductibility of the one-off tax contribution voted in 2022 in Italy and recognized as an operating expense by the Group - approximately +1.2 points;
- the one-off solidarity contribution voted in 2022 in Italy, which increases the income tax charge - by about +2.1 points.

Net recurring income, Group share relating to continuing operations amounted to €5,223 million compared with €2,927 million in 2021. This increase was mainly driven by the strong growth in EBIT, the recurring effective tax rate decrease from 29.3% to 22.6%, partly offset by the increase in the recurring financial expense.

Net income, Group share amounted to €216 million, €3,445 million lower compared with 2021, mainly due to impairment losses, the recognition of additional costs related to the triennial revision of nuclear provisions in Belgium, the negative effect of mark-to-market on commodity contracts other than trading instruments, and the recognition of the credit loss on Nord Stream 2, partially offset by the capital gain realized on the sale of EQUANS.

Net income attributable to non-controlling interests amounted to €173 million, compared with €97 million in 2021, due to the relatively good performance of companies with minority shareholders, notably in Renewables in the United States and Networks in France.

Return on Capital Employed (ROCE) improved during 2022 from approximately 9.1% in 2021 to 12.6% in 2022, mainly due to improved EBIT and a lower effective tax rate.

3 CHANGES IN NET FINANCIAL DEBT

Net financial debt stood at €24.1 billion down by €1.3 billion compared to December 31, 2021. This decrease was mainly driven by:

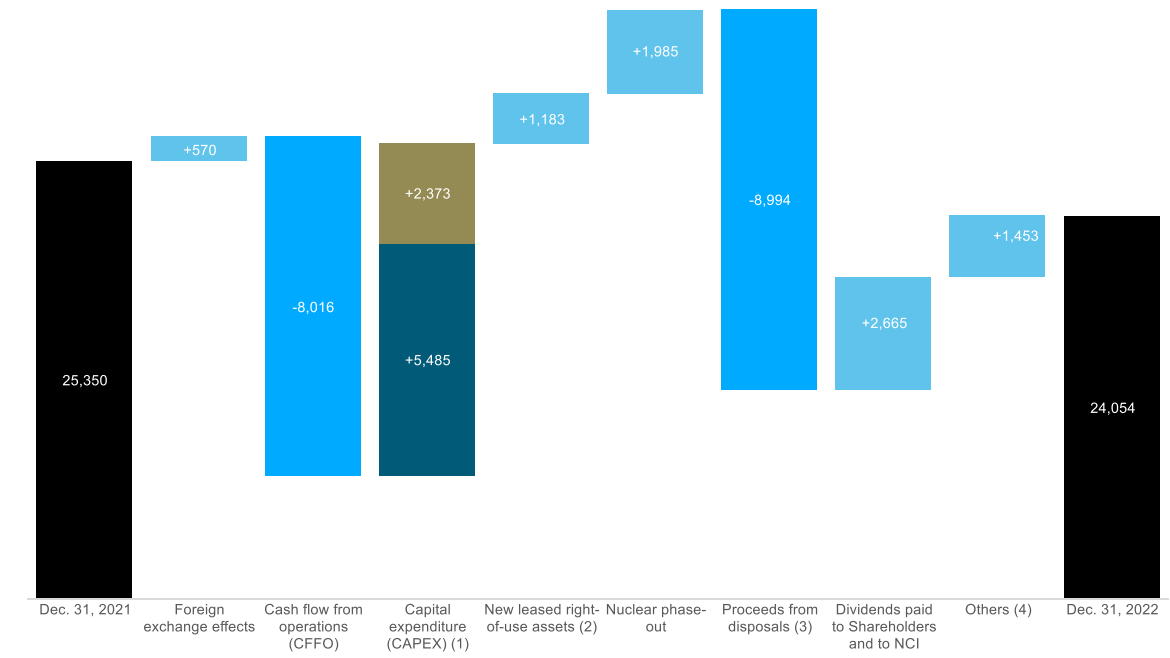
- Cash Flow From Operations of €8.0 billion;
- disposals of €9.0 billion, mainly related to the disposal of EQUANS.

These positive elements were partly offset by:

- capital expenditure over the period of €7.9 billion;
- dividends paid to ENGIE SA shareholders and to non-controlling interests of €2.7 billion;
- Belgian nuclear phase-out funding and expenses (1) of €2.0 billion;
- new rights of use of €1.2 billion, mainly following the extension of the CNR hydro concession;
- other elements of €1.9 billion, mainly related to foreign exchange rates.

Changes in net financial debt break down as follows:

In millions of euros



(1) Capital expenditure net of DBSO proceeds, and changes in the scope of net financial debt of acquired companies.
(2) Mainly related to the renewal of the CNR concession.
(3) Excluding DBSO proceeds.
(4) Mainly derivatives, and MtM.

(1) Financing flows relating to Synatom were previously recorded in gross Capex and waste management/dismantling expenses in CFFO.

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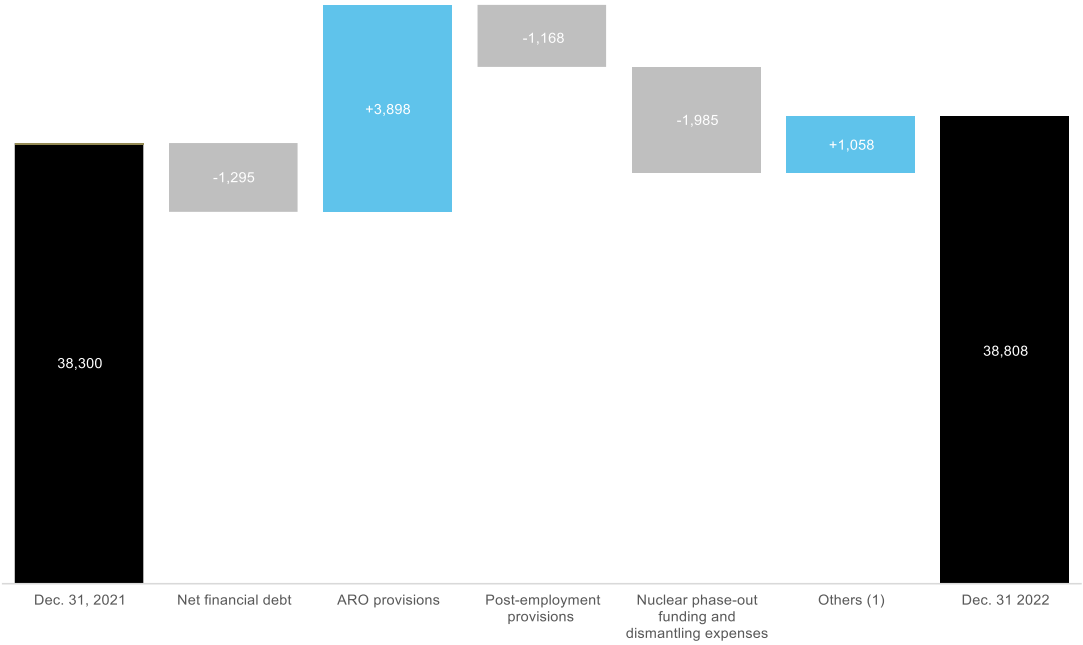
Economic net debt stood at €38.8 billion, up €0.5 billion compared to December 31, 2021, mainly due to the increase in asset retirement obligation provisions (€+3.9 billion, mainly including the increase in nuclear provisions of €+3.3 billion following the triennial review) and other variation (€+1.1 billion, including fair value variation of dedicated assets relating to nuclear provisions and related derivative financial instruments), partly offset by funding from Synatom and waste/dismantling expenses (€-2.0 billion), lower financial net debt (€-1.3 billion) and employment benefits provisions (€-1.2 billion).

Changes in economic net debt break down as follows:

In millions of euros



(1) Change in fair value of dedicated assets relating to nuclear provisions and related derivative financial instruments.

The **net financial debt to EBITDA ratio** stood at 1.7x, down 0.6x compared to December 31,2021. The average cost of gross debt was 2.73%, up 8 bps compared with December 31, 2021.

In millions of euros	Dec 31, 2022	Dec. 31, 2021
Net financial debt	24,054	25,350
EBITDA	13,713	10,563
NET DEBT/EBITDA RATIO	**1.75**	**2.40**

The **economic net debt to EBITDA ratio** stood at 2.8x, down 0.8x compared to December 31, 2021, and in line with the target ratio of below or equal to 4.0x.

In millions of euros	Dec 31, 2022	Dec. 31, 2021
Economic net debt	38,808	38,300
EBITDA	13,713	10,563
ECONOMIC NET DEBT/EBITDA RATIO	**2.83**	**3.63**

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3.1 Cash flow from operations (CFFO)

Cash Flow From Operations amounted to €8.0 billion, up €1.6 billion compared to 2021. This increase was mainly due to higher operating cash-flows (+€2.6 billion) driven by higher EBITDA (+€3.1 billion).

Working Capital Requirements were negative €2.4 billion, identical to previous year, with flat variation due to net negative price effects (-€4.8 billion), mainly due to higher valuation of gas stocks (-€1.8 billion), net receivables (-€2.3 billion) and unbilled volumes (-€0.5 billion linked to energy in the meter) and European supply tariff shields (-€1.0 billion), due to French gas and electricity tariff freeze (-€1.7 billion), Romania tariff shield and Belgium social tariff (-€0.6 billion), partly offset by the French gas tariff freeze monetization (+€1.4 billion). These effects were offset by positive effects of margin calls (+€4.0 billion) and nuclear activities (+€1.5 billion, mainly G2 tax, inframarginal rent cap and ONDRAF tariff revision).

3.2 Liquidity

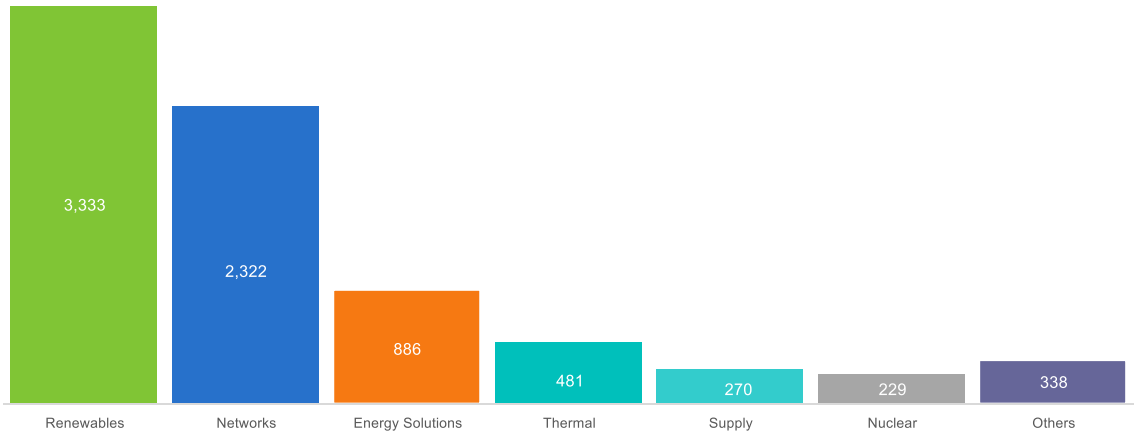
Liquidity stood at €20.9 billion, including €15.7 billion of cash [(1)]. The Group maintained a strong level of liquidity, by implementing dedicated management actions to address pressure on liquidity, mainly caused by unprecedented levels of commodity prices.

3.3 Net investments

Total Capex amounted to €7.9 billion, including growth CAPEX of €5.5 billion.

Capital expenditure (CAPEX) by activity

In millions of euros



([1]) Cash and cash equivalents plus liquid debt instruments held for cash investment purposes minus bank overdrafts.

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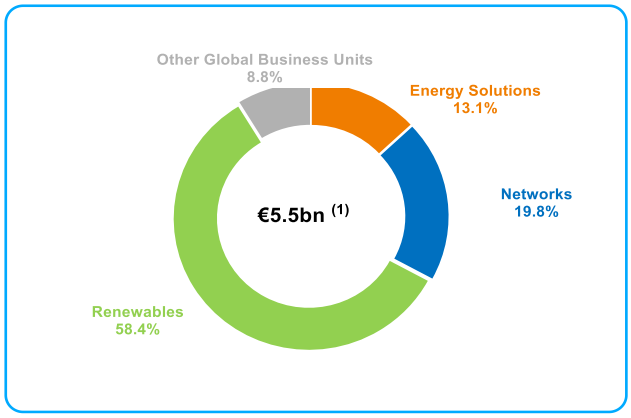
Growth capital expenditure amounted to €5.5 billion, breaking down as follows by activity:



Main projects (€bn)	
Renewables	**3.2**
Spain EOLIA Renovables Acquisition	0.5
US Saturn projects	0.5
Ocean Winds cash injections	0.5
US Pluto projects	0.4
South America W&S (Brazil, Chile, Peru & Mexico)	0.4
ENGIE Green W&S	0.2
US Photosol & Libra BESS acquisitions	0.1
US Mercury projects	-0.6
Networks	**1.1**
GRDF - Smart meters + network development	0.4
Brazil - Power transmission lines	0.1
GRTGaz	0.1
Energy Solutions	**0.7**
Various projects in France (mainly distributed energy infrastructures)	0.2
Various international projects (mainly US distributed solar, DHC in Europe and AMEA energy performance)	0.2

(1) *Net of disposals under DBSO operations, excluding Corporate.*

The **geography/activity matrix** for growth capital expenditure is presented below:

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Dec. 31, 2022
Renewables	361	1,094	876	648	214	10	**3,202**
Networks	779	63	245	-	-	-	**1,087**
Client Solutions	354	122	19	66	75	80	**716**
Thermal	-	181	9	34	(9)	6	**220**
Supply	62	42	-	-	7	63	**174**
Nuclear	-	-	-	-	-	-	**-**
Others	-	4	-	-	-	80	**85**
of which GEMS	-	-	-	-	-	*63*	***63***
TOTAL CAPEX	**1,556**	**1,506**	**1,148**	**748**	**287**	**240**	**5,485**

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Dec. 31, 2021 (1) (2)
Renewables	244	224	462	767	183	2	**1,881**
Networks	812	68	440	-	-	-	**1,320**
Client Solutions	209	118	15	305	29	40	**715**
Thermal	-	8	26	-	(52)	1	**(17)**
Supply	74	46	-	-	11	24	**154**
Nuclear	-	-	-	-	-	-	**-**
Others	-	4	-	(1)	-	218	**221**
of which GEMS	-	-	-	-	-	*(31)*	***(31)***
TOTAL CAPEX	**1,338**	**468**	**942**	**1,071**	**171**	**285**	**4,275**

(1) Growth capital expenditure (CAPEX) now include changes in the scope of net financial debt of acquired companies. Data at December 31, 2021 have been restated accordingly.

(2) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

Net investments for the period amounted to €0,2 billion and include:

- growth capital expenditure for €5.5 billion (see above);
- gross maintenance capital expenditure amounting to €2.4 billion;

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- new right-of-use assets recognized over the period for €1.2 billion;
- the effects of the reduction in net financial debt recognized in accordance with IFRS 5 as Non-current assets held for sale and discontinued operations for a negative €0.9 billion;
- proceeds from disposals representing an inflow of €-7.9 billion.

3.4 Dividends and movements in treasury stock

Dividends and movements in treasury stock during the period amounted to €3.1 billion and include ENGIE's dividend payment in May 2022 for the 2021 fiscal year for €2.1 billion, and dividends paid by various subsidiaries to their non-controlling interests in an amount of €0.5 billion, the hybrid debt repurchase and payment of interest for €0.5 billion, and capital movements relating to the global employee share ownership plan Link 2022 for €0.1 billion.

3.5 Net financial debt at December 31, 2022

Excluding amortized cost but including the impact of foreign currency derivatives, at December 31, 2022 a total of 83% of net financial debt was denominated in euros, 11% in US dollars and 10% in Brazilian real.

Including the impact of financial instruments, 90% of net debt is at fixed rates.

The average maturity of the Group's net debt is 12.5 years.

At December 31, 2022, the Group had total undrawn confirmed credit lines of €12.5 billion.

3.6 Rating

On August 17, 2022, S&P reaffirmed its BBB+ long-term issuer rating and short-term issuer rating at A-2, with a stable outlook.

On September 1, 2022, Moody’s reaffirmed its Baa1/P-2 senior unsecured rating, with a stable outlook.

On October 19, 2022 Fitch confirmed its long-term issuer rating at A-, and its short-term rating at F1, with a stable outlook.

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4 OTHER ITEMS IN THE STATEMENT OF FINANCIAL POSITION

In millions of euros	Dec. 31, 2022	Dec. 31, 2021	Net change
Non-current assets	**131,521**	**117,418**	**14,102**
Of which goodwill	*12,854*	*12,799*	*55*
Of which property, plant and equipment and intangible assets, net	*62,853*	*57,863*	*4,990*
Of which derivative instruments	*33,134*	*25,616*	*7,517*
Of which investments in equity method entities	*9,279*	*8,498*	*780*
Current assets	**103,969**	**107,915**	**(3,946)**
Of which trade and other payables	*31,310*	*32,556*	*(1,245)*
Of which derivative instruments	*15,252*	*19,373*	*(4,120)*
Of which assets classified as held for sale	*428*	*11,881*	*(11,452)*
Total equity	**39,285**	**41,980**	**(2,695)**
Provisions	27,027	25,459	1,568
Borrowings	40,591	41,048	(457)
Financial instruments derivatives	51,276	46,931	4,346
Other liabilities	77,311	69,916	7,395
Of which liabilities directly associated with assets classified as held for sale	*371*	*7,415*	*(7,045)*

The carrying amount of **property, plant and equipment and intangible assets** was €62.9 billion, up €5.0 billion compared with December 31, 2021. This increase was primarily the result of investments carried out over the period (positive €8.7 billion impact) and translation adjustments (positive €1.0 billion impact, mainly due to the appreciation of the US dollar and the Brazilian real), partially offset by depreciation and amortization (negative €4.6 billion impact) and impairment losses (negative €2.3 billion impact).

Goodwill amounted to €12.9 billion, stable compared with December 31, 2021.

Investments in equity method entities increased by €0.8 billion, primarily due to the acquisition of Eolia Renovables (*see Note 4.3*).

Total equity amounted to €39.3 billion, a decrease of €2.7 billion compared with December 31, 2021, essentially reflecting the payment of dividends (negative €2.6 billion impact), operations on deeply-subordinated perpetual notes (negative €0.5 billion impact), and other comprehensive income (€0.2 billion negative impact, including a negative €4.7 billion of cash flow hedges on commodities, a positive €2.7 billion of actuarial gains and losses, a positive €0.9 billion of share in equity method entities, and a positive €0.8 billion of translation adjustments) offset by net income for the period (positive €0.4 billion impact).

Provisions increased by €1.6 billion to €27.0 billion compared with December 31, 2021. This increase stemmed mainly from the increase in provisions for the decommissioning of nuclear production facilities and for the management of the back-end of the nuclear fuel cycle by Synatom (*see Note 17*), partially offset by actuarial gains on provisions for post-employment benefits and other long-term benefits (which deducted €2.8 billion from the provision amount) owing to the sharp rise in discount rates over the period (*see Note 18*).

The increase in **derivative instruments** is mainly due to the extreme volatility in commodity prices over the year.

"Assets classified as held for sale" and "**Liabilities directly associated with assets classified as held for sale**" correspond solely to a thermal power plant in Brazil, following the disposal of EQUANS in October 2022.

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5 PARENT COMPANY FINANCIAL STATEMENTS

The figures provided below relate to the financial statements of ENGIE SA, prepared in accordance with French GAAP and applicable regulations.

Revenues for ENGIE SA in 2022 totaled €68,500 million, an increase compared to 2021 (€36,224 million), both on the gas and electricity markets.

Net operating income amounted to €1,051 million in 2022, an improvement of €1,897 million compared with a loss of €846 million in 2021. The energy margin deteriorated by €152 million.

Net financial income amounted to €1,786 million, an increase of €1,405 million compared to 2021 due to higher dividends received.

Non-recurring items represented a loss of €1,461 million, mainly comprising changes in the value of equity interests (including Electrabel) and capital gains on the disposal of shares (including GazTransport et Technigaz).

The income tax benefit amounted to €321 million, versus an income tax benefit of €474 million in 2021, including a tax consolidation benefit of €253 million.

Net income for the year came in at €1,697 million.

Shareholders' equity amounted to €31,117 million at end-2022 compared with €31,211 million at end-2021. The €94 million decrease was mainly due to the 2022 net income of €1,697 million, and to the 2021 dividend payment for an amount of €2,093 million.

At December 31, 2022, borrowings and debt stood at €40,885 million, and cash and cash equivalents totaled €16,809 million (of which €10,105 million relating to subsidiaries' current accounts).

Information relating to payment terms

Pursuant to Articles L.441-14 and D.441-6 of the French Commercial Code, companies whose annual financial statements are subject to a statutory audit must publish information regarding supplier and customer payment terms. The purpose is to demonstrate that there is no significant failure to comply with such terms.

Information relating to supplier and customer payment terms mentioned in Articles L.441-10 to L.441-16 of the French Commercial Code

	Articles L441-10 to L441-16 : Invoices received, unpaid and overdue at the reporting date						Articles L441-10 to L441-16 : Invoices issued, unpaid and overdue at the reporting date					
In millions of euros	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) By aging category												
Number of invoices	-					46,998	-					4,221,959
Aggregate invoice amount (incl. VAT)	-	53.7	130.1	8.0	799.8	991.5	-	287.8	147.1	208.3	918.5	1,561.8
Percentage of total amount of	-	0.06%	0.16%	0.01%	0.96%	1.19%						
Percentage of total revenues (incl.							-	0.36%	0.18%	0.26%	1.14%	1.93%
(B) Invoices excluded from (A) relating to disputed or unrecognized receivables and payables												
Number of excluded invoices	540						542					
Aggregate amount of excluded	(6.9)						0.8					
(C) Standard payment terms used (contractual or legal terms - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	Legal payment terms: 30 days						Contractual payment terms: 14 days Legal payment terms: 30 days					

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02 CONSOLIDATED FINANCIAL STATEMENTS

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INCOME STATEMENT

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
REVENUES	**6.2 & 7**	**93,865**	**57,866**
Purchases and operating derivatives	8.1	(74,535)	(38,861)
Personnel costs	8.2	(8,078)	(7,692)
Depreciation, amortization and provisions	8.3	(5,187)	(4,840)
Taxes	8.4	(3,380)	(1,479)
Other operating income		1,624	1,122
Current operating income including operating MtM		**4,309**	**6,116**
Share in net income of equity method entities	6.2	1,059	800
Current operating income including operating MtM and share in net income of equity method entities	**0**	**5,367**	**6,916**
Impairment losses	9.1	(2,774)	(1,028)
Restructuring costs	9.2	(230)	(204)
Changes in scope of consolidation	9.3	91	1,107
Other non-recurring items	9.4	(1,328)	(69)
NET INCOME/(LOSS) FROM OPERATING ACTIVITIES	**9**	**1,127**	**6,722**
Financial expenses		(3,700)	(2,061)
Financial income		697	711
NET FINANCIAL INCOME/(LOSS)	**10**	**(3,003)**	**(1,350)**
Income tax benefit/(expense)	11	83	(1,695)
NET INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS		**(1,793)**	**3,678**
NET INCOME/(LOSS) RELATING TO DISCONTINUED OPERATIONS		**2,183**	**80**
NET INCOME/(LOSS)		**390**	**3,758**
Net income/(loss) Group share		**216**	**3,661**
Of which Net income/(loss) relating to continuing operations, Group share		*(1,965)*	*3,582*
Of which Net income/(loss) relating to discontinued operations, Group share		*2,182*	*79*
Non-controlling interests		**173**	**97**
Of which Non-controlling interests relating to continuing operations		*172*	*96*
Of which Non-controlling interests relating to discontinued operations		*1*	*1*
BASIC EARNINGS/(LOSS) PER SHARE (EUROS)	**12**	**0.08**	**1.46**
Of which Basic earnings/(loss) relating to continuing operations per share		*(0.84)*	*1.43*
Of which Basic earnings/(loss) relating to discontinued operations per share		*0.93*	*0.03*
DILUTED EARNINGS/(LOSS) PER SHARE (EUROS)	**12**	**0.08**	**1.46**
Of which Diluted earnings/(loss) relating to continuing operations per share		*(0.84)*	*1.42*
Of which Diluted earnings/(loss) relating to discontinued operations per share		*0.93*	*0.03*

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
NET INCOME/(LOSS)		**390**	**3,758**
Debt instruments	14.1	(378)	(21)
Net investment hedges	15	(15)	(215)
Cash flow hedges (excl. commodity instruments)	15	938	511
Commodity cash flow hedges	15	(4,719)	3,980
Deferred tax on recyclable or recycled items		951	(1,333)
Share of equity method entities in recyclable items, net of tax		871	270
Translation adjustments		848	909
Recyclable items relating to discontinued operations, net of tax		(118)	114
TOTAL RECYCLABLE ITEMS		**(1,622)**	**4,215**
Equity instruments	14.1	(685)	159
Actuarial gains and losses		2,718	1,742
Deferred tax on non recyclable items		(613)	(451)
Share of equity method entities in actuarial gains and losses, net of tax		5	-
Non-recyclable items relating to discontinued operations, net of tax		48	48
TOTAL NON-RECYCLABLE ITEMS		**1,472**	**1,499**
TOTAL RECYCLABLE ITEMS AND NON-RECYCLABLE ITEMS		**(150)**	**5,713**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**240**	**9,471**
Of which owners of the parent		*(257)*	*9,415*
Of which non-controlling interests		*497*	*56*

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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STATEMENT OF FINANCIAL POSITION

ASSETS

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
Non-current assets			
Goodwill	13.1	12,854	12,799
Intangible assets, net	13.2	7,364	6,784
Property, plant and equipment, net	13.3	55,488	51,079
Other financial assets	14	10,599	10,949
Derivative instruments	14	33,134	25,616
Assets from contracts with customers	7	9	34
Investments in equity method entities	3	9,279	8,498
Other non-current assets	22	766	478
Deferred tax assets	11	2,029	1,181
TOTAL NON-CURRENT ASSETS		**131,521**	**117,418**
Current assets			
Other financial assets	14	2,394	2,495
Derivative instruments	14	15,252	19,373
Trade and other receivables, net	7	31,310	32,555
Assets from contracts with customers	7	12,575	8,344
Inventories	22	8,145	6,175
Other current assets	22	18,294	13,202
Cash and cash equivalents	14	15,570	13,890
Assets classified as held for sale	4.2	428	11,881
TOTAL CURRENT ASSETS		**103,969**	**107,915**
TOTAL ASSETS		**235,490**	**225,333**

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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LIABILITIES

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
Shareholders' equity		34,253	36,994
Non-controlling interests	2	5,032	4,986
TOTAL EQUITY	**16**	**39,285**	**41,980**
Non-current liabilities			
Provisions	17	24,663	23,394
Long-term borrowings	14	28,083	30,458
Derivative instruments	14	39,417	24,228
Other financial liabilities	14	90	108
Liabilities from contracts with customers	7	121	68
Other non-current liabilities	22	3,646	2,342
Deferred tax liabilities	11	6,408	7,738
TOTAL NON-CURRENT LIABILITIES		**102,427**	**88,336**
Current liabilities			
Provisions	17	2,365	2,066
Short-term borrowings	14	12,508	10,590
Derivative instruments	14	11,859	22,702
Trade and other payables	14	39,801	32,822
Liabilities from contracts with customers	7	3,292	2,671
Other current liabilities	22	23,583	16,752
Liabilities directly associated with assets classified as held for sale	4.2	371	7,415
TOTAL CURRENT LIABILITIES		**93,778**	**95,019**
TOTAL EQUITY AND LIABILITIES		**235,490**	**225,333**

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholders' equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2020	**2,435**	**31,291**	**(3,874)**	**3,913**	**(1,719)**	**(2,850)**	**(251)**	**28,945**	**4,911**	**33,856**
Net income/(loss)			3,661					3,661	97	3,758
Other comprehensive income/(loss)			1,490		3,431	833		5,753	(40)	5,713
TOTAL COMPREHENSIVE INCOME/(LOSS)			**5,151**		**3,431**	**833**		**9,415**	**56**	**9,471**
Share-based payment	-	-	48					48	1	49
Dividends paid in cash [1]		(1,296)	-					(1,296)	(410)	(1,706)
Purchase/disposal of treasury stock			(52)				52	-	-	-
Operations on deeply-subordinated perpetual notes [1]			(129)	(146)				(275)		(275)
Transactions between owners [1] [2]			324					324	740	1,064
Transactions with impact on non-controlling interests [1] [3]			-					-	(312)	(312)
Share capital increases and decreases								-	(1)	(1)
Normative changes			43					43	1	44
Other changes [1] [4]		(3,937)	3,726		-			(211)	1	(209)
EQUITY AT DECEMBER 31, 2021	**2,435**	**26,058**	**5,238**	**3,767**	**1,711**	**(2,017)**	**(199)**	**36,994**	**4,986**	**41,980**

(1) Transactions of the period are listed in Note 19 "Equity" to the consolidated financial statements for the year ended December 31, 2021.

(2) Mainly relates to the disposal of 11.5% of GRTgaz.

(3) Mainly relates to the partial disposal of Gaztransport & Technigaz SA (GTT).

(4) Mainly concerns the dispute with the French tax authorities on the assignment without recourse of the withholding tax claim made in 2005 by SUEZ. This dispute is presented in Note 26.7.1 "Legal and anti-trust proceedings" in the consolidated financial statements for the year ended December 31, 2021.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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In millions of euros	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholders' equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2021	**2,435**	**26,058**	**5,238**	**3,767**	**1,711**	**(2,017)**	**(199)**	**36,994**	**4,986**	**41,980**
Net income/(loss)			216					216	173	390
Other comprehensive income/(loss)			1,311		(2,379)	595		(474)	324	(150)
TOTAL COMPREHENSIVE INCOME/(LOSS)			**1,527**	**-**	**(2,379)**	**595**	**-**	**(257)**	**497**	**240**
Share-based payment	-	3	45					48	-	48
Dividends paid in cash [1]		(394)	(1,689)					(2,082)	(482)	(2,565)
Purchase/disposal of treasury stock			(43)				10	(33)	-	(33)
Operations on deeply-subordinated perpetual notes [1]			(77)	(374)				(451)	-	(451)
Transactions between owners [1] [2]			154					154	56	210
Transactions with impact on non-controlling interests			-					-	(41)	(41)
Share capital increases and decreases								-	19	19
Normative change [3]			(116)					(116)	(6)	(121)
Other changes		-	(5)	-	-			(5)	3	(1)
EQUITY AT DECEMBER 31, 2022	**2,435**	**25,667**	**5,036**	**3,393**	**(668)**	**(1,422)**	**(189)**	**34,253**	**5,032**	**39,285**

(1) *Transactions of the period are listed in Note 16 "Equity".*

(2) *Mainly relates to the sale of part of the renewable assets portfolio in the United States (see Note 16.2.4 "Other transactions").*

(3) *SaaS arrangement (see Note 1.1.2 "Other text").*

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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STATEMENT OF CASH FLOWS

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
NET INCOME/(LOSS)		**390**	**3,758**
- Net income/(loss) relating to discontinued operations		**2,183**	**80**
NET INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS		**(1,793)**	**3,678**
- Share in net income of equity method entities		(1,059)	(800)
+ Dividends received from equity method entities		713	662
- Net depreciation, amortization, impairment and provisions		8,057	5,484
- Impact of changes in scope of consolidation and other non-recurring items		74	(1,039)
- Mark-to-market on commodity contracts other than trading instruments		3,661	(721)
- Other items with no cash impact		(157)	(501)
- Income tax expense	11	(83)	1,695
- Net financial income/(loss)	10	3,003	1,350
Cash generated from operations before income tax and working capital requirements		**12,415**	**9,807**
+ Tax paid		(1,504)	(603)
Change in working capital requirements	**22.1**	**(2,424)**	**(2,377)**
CASH FLOW FROM OPERATING ACTIVITIES RELATING TO CONTINUING OPERATIONS		**8,488**	**6,827**
CASH FLOW FROM OPERATING ACTIVITIES RELATING TO DISCONTINUED OPERATIONS		**98**	**486**
CASH FLOW FROM OPERATING ACTIVITIES		**8,586**	**7,313**
Acquisitions of property, plant and equipment and intangible assets	13.2 & 13.3	(6,379)	(5,990)
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	4 & 14	(289)	(392)
Acquisitions of investments in equity method entities and joint operations	4 & 14	(407)	(369)
Acquisitions of equity and debt instruments	14	175	(1,548)
Disposals of property, plant and equipment, and intangible assets	13.2 & 13.3	173	88
Loss of controlling interests in entities, net of cash and cash equivalents sold	4 & 14	6,728	(173)
Disposals of investments in equity method entities and joint operations	4 & 14	1,461	62
Disposals of equity and debt instruments	14	268	73
Interest received on financial assets		(37)	32
Dividends received on equity instruments		18	57
Change in loans and receivables originated by the Group and other	5.6	(2,877)	121
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES RELATING TO CONTINUING OPERATIONS		**(1,167)**	**(8,039)**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES RELATING TO DISCONTINUED OPERATIONS		**(3,123)**	**(3,003)**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		**(4,290)**	**(11,042)**
Dividends paid [(1)]		(2,665)	(1,859)
Repayment of borrowings and debt		(10,972)	(5,054)
Change in financial assets held for investment and financing purposes		188	464
Interest paid		(822)	(719)
Interest received on cash and cash equivalents		194	52
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives and on early buyback of borrowings		(216)	(219)
Increase in borrowings		8,669	8,353
Increase/decrease in capital		(259)	226
Purchase and/or sale of treasury stock		(115)	-
Changes in ownership interests in controlled entities	5.6	-	1,085
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES RELATING TO CONTINUING OPERATIONS		**(5,997)**	**2,329**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES RELATING TO DISCONTINUED		**3,019**	**2,519**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(2,979)**	**4,848**
Effects of changes in exchange rates and other relating to continuing operations		356	223
Effects of changes in exchange rates and other relating to discontinued operations		7	10
Effects of changes in exchange rates and other		363	233
TOTAL CASH FLOW FOR THE PERIOD		**1,680**	**1,352**
Reclassification of cash and cash equivalents relating to discontinued operations		-	(440)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**13,890**	**12,980**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**15,570**	**13,890**

(1) The line "Dividends paid" includes the coupons paid to owners of deeply-subordinated perpetual notes (see Note 16 "Equity").

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

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03 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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ENGIE SA, the parent company of the Group, is a French société anonyme with a Board of Directors that is subject to the provisions of Book II of the French Commercial Code (Code du commerce), as well as to all other provisions of French law applicable to French commercial companies. It was incorporated on November 20, 2004 for a period of 99 years.

It is governed by current and future laws and by regulations applicable to sociétés anonymes and its bylaws.

The Group is headquartered at 1 place Samuel de Champlain, 92400 Courbevoie (France).

ENGIE shares are listed on the Paris, Brussels and Luxembourg stock exchanges.

On February 20, 2023, the Group's Board of Directors approved and authorized for issue the consolidated financial statements of the Group for the year ended December 31, 2022.

NOTE 1 ACCOUNTING FRAMEWORK AND BASIS FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 Accounting standards

Pursuant to European Regulation (EU) 2019/980 dated March 14, 2019, financial information concerning the assets, liabilities, financial position, and profit and loss of ENGIE has been provided for the last two reporting periods (ended December 31, 2021 and 2022). This information was prepared in accordance with European Regulation (EC) 1606/2002 “on the application of international accounting standards” dated July 19, 2002. The Group's consolidated financial statements for the year ended December 31, 2022 have been prepared in accordance with IFRS Standards as published by the International Accounting Standards Board and endorsed by the European Union [(1)].

The accounting standards applied in the consolidated financial statements for the year ended December 31, 2022 are consistent with the policies used to prepare the consolidated financial statements for the year ended December 31, 2021, except for those described below.

1.1.1 IFRS Standards, amendments or IFRIC Interpretations applicable in 2022

- Amendments to IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts* - Cost of Fulfilling a Contract.
- Annual improvements to IFRSs – 2018-2020 cycle.

These amendments and improvements have no material impact on the Group’s consolidated financial statements.

- Amendments to IAS 16 – *Property, Plant and Equipment:* Proceeds before Intended Use.

The Group elected to early adopt these amendments, as indicated in Note 1.1.3 to the consolidated financial statements for the year ended December 31, 2021. These amendments have no material impact on the Group's consolidated financial statements.

(1) Available on the European Commission’s website:
http://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX:02002R1606-20080410

1.1.2 Other text

- In its March 2021 agenda decision, the IFRS Interpretations Committee (IFRIC) clarified the accounting treatment of configuration and customization costs for software in a SaaS (Software as a Service) arrangement. According to the IFRIC, some of these costs should be recognized as an expense (and not as an intangible asset). This decision does not have a material impact on the Group's consolidated financial statements.

1.1.3 IFRS Standards, amendments or IFRIC Interpretations effective as from 2023 and that the Group has elected not to early adopt

- Amendments to IAS 1 - *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-Current (1).
- IFRS 17 - *Insurance Contracts* (including amendments).
- Amendments to IAS 1 – *Presentation of Financial Statements* and the Materiality Practice Statement: Disclosure of Accounting Policies.
- Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors:* Definition of Accounting Estimates.
- Amendments to IAS 12 – *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IFRS 16 - *Leases*: Lease Liability in a Sale and Leaseback (1).

The impact of these standards and amendments is currently being assessed.

1.2 Measurement and presentation basis

1.2.1 Historical cost convention

The Group's consolidated financial statements are presented in euros and have been prepared using the historical cost convention, except for financial instruments, which are accounted for under the financial instrument categories defined by IFRS 9.

1.2.2 Chosen options

1.2.2.1 Reminder of IFRS 1 transition options

The Group used some of the options available under IFRS 1 for its transition to IFRS in 2005. The options that continue to have an impact on the consolidated financial statements are:

- translation adjustments: the Group elected to reclassify cumulative translation adjustments within consolidated equity at January 1, 2004;
- business combinations: the Group elected not to restate business combinations that took place prior to January 1, 2004 in accordance with IFRS 3.

1.2.2.2 Business combinations

Business combinations carried out prior to January 1, 2010 were accounted for in accordance with IFRS 3 prior to the revision. In accordance with IFRS 3 revised, these business combinations have not been restated.

(1) These standards and amendments have not yet been adopted by the European Union.

Since January 1, 2010, the Group applies the purchase method as defined in IFRS 3 revised, which consists in recognizing the identifiable assets acquired and liabilities assumed at their fair values at the acquisition date, as well as any non-controlling interests in the acquiree. Non-controlling interests are measured either at fair value or at the entity's proportionate interest in the net identifiable assets of the acquiree. The Group determines on a case-by-case basis which measurement option to be used to recognize non-controlling interests.

1.2.2.3 Consolidated statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method starting from net income.

“Interest received on non-current financial assets” is classified within investing activities because it represents a return on investments. “Interest received on cash and cash equivalents” is shown as a component of financing activities because the interest can be used to reduce borrowing costs. This classification is consistent with the Group's internal organization, where debt and cash are managed centrally by the Group treasury department.

As impairment losses on current assets are considered to be definitive losses, changes in current assets are presented net of impairment.

Cash flows relating to the payment of income tax are presented on a separate line.

1.2.3 Foreign currency transactions

1.2.3.1 Translation of foreign currency transactions

Foreign currency transactions are recorded in the functional currency at the exchange rate prevailing on the date of the transaction.

Functional currency is the currency of the primary economic environment in which an entity operates, which in most cases corresponds to local currency. However, certain entities may have a functional currency different from the local currency when that other currency is used for an entity's main transactions and better reflects its economic environment.

At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The resulting translation gains and losses are recorded in the consolidated income statement for the year to which they relate;
- non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical cost applicable at the date of the transaction.

1.2.3.2 Translation of the financial statements of subsidiaries with a functional currency other than the euro (the presentation currency)

The statements of financial position of these subsidiaries are translated into euros at the official year-end exchange rates. Income statement and cash flow statement items are translated using the average exchange rate for the year. Any differences arising from the translation of the financial statements of these subsidiaries are recorded under “Translation adjustments” as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are classified as assets and liabilities of those foreign entities and are therefore denominated in the functional currencies of the entities and translated at the year-end exchange rate.

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1.3 Use of estimates and judgment

1.3.1 Estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities and contingent assets and liabilities at the reporting date, as well as income and expenses reported during the period.

Developments in the economic and financial environment, particularly relating to highly volatile commodities markets and the war in Ukraine, have prompted the Group to step up its risk oversight procedures, mainly in measuring financial instruments, assessing contingencies related to interruptions in the natural gas supply, as well as counterparty and liquidity risks. The estimates used by the Group, among other things, to test for impairment and to measure provisions, also take into account this environment and the sharp market volatility.

Accounting estimates are made in a context that remains sensitive to energy market developments, therefore making it difficult to apprehend medium- and short-term economic prospects. Particular attention has been paid to the consequences of sharp fluctuations in the price of gas and electricity.

Due to uncertainties inherent in the estimation process, the Group regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used in preparing the Group's consolidated financial statements relate mainly to:

- measurement of the recoverable amount of goodwill (*see Note 13.1*), other intangible assets (*see Note 13.2*) and property, plant and equipment (*see Note 13.3*);
- measurement of the fair value of financial assets and liabilities, and, in the current context, factoring in the uncertainty surrounding the key assumptions used, in particular the contingencies related to interruptions in the natural gas supply as well as the effects on the minority interest held by the Group in Nord Stream AG and on the loan related to the financing of the Nord Stream 2 pipeline project (*see Note 14*). The Group has also updated the main valuation inputs of its commodity derivatives, in particular the “bid ask” reserve, to reflect the increased volatility of commodity prices and the reduced liquidity observed in the European gas and electricity markets in the second half of 2022 (*see notes 14 and 15*);
- assessment of expected credit losses, particularly in order to update probabilities of default and other inputs, mainly for calculating the CVA (Credit Valuation Adjustment) in an uncertain context with high market price volatility (*see Note 15*);
- measurement of provisions, particularly for the back-end of the nuclear fuel cycle, dismantling obligations, disputes, and pensions and other employee benefits (*see Notes 17 and 18*);
- measurement of the fair value of assets acquired and liabilities assumed in a business combination (*see Note 4*);
- measurement of un-metered revenues (energy in the meter), for which the valuation techniques have been impacted by changes in certain customers' consumption habits in a context of sharp fluctuations in commodity prices (*see Note 7*);
- measurement of recognized tax loss carry-forwards, taking into account, where applicable, taxable income revisions and projections (*see Note 11*).

1.3.2 Judgment

As well as relying on estimates, Group management also makes judgments to define the appropriate accounting policies to apply to certain activities and transactions, particularly when the IFRS Standards and IFRIC Interpretations in force do not specifically deal with the related accounting issues.

In particular, the Group exercised its judgment in:

- assessing the type of control (*see Notes 2 and 3*);
- identifying the performance obligations of sales contracts (*see Note 7*);

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- determining how revenues are recognized for distribution or transmission services invoiced to customers (*see* Note 7);
- recognizing support measures granted by certain governments, particularly in France and Romania ("tariff shield"), aimed at protecting both consumers and suppliers of gas and electricity against sharp fluctuations in commodity prices (*see Note 7*);
- identifying "own use contracts" as defined by IFRS 9 within non-financial purchase and sale contracts (electricity, gas, etc.) (*see Note 14*);
- identifying offsetting arrangements that meet the criteria set out in IAS 32 *Financial Instruments: Presentation* (*see Note 14*);
- determining whether arrangements are or contain a lease (*see Note 13.3*);
- recognizing new contributions in the energy sector in Europe (*see Note 8*).

Entities for which judgment on the nature of control has been exercised are listed in Note 2 "Main subsidiaries at December 31, 2022" and Note 3 "Investments in equity method entities".

1.3.3 Consideration of climate issues in the preparation of the Group's financial statements

In addition to the operational and financial issues and risks taken into account in determining future cash flows, the discount rate net of inflation and projected growth, the Group has also exercised its judgment to use assumptions reflecting climate change issues, in order to determine the potential impact on the consolidated financial statements, particularly if there were indications that non-financial assets might be impaired:

- The commitments made by France, Europe and various countries at international level, in particular with regard to long-term carbon neutrality, are taken into account (i) in assessing the value of the Group's assets, in particular through the long-term price scenarios used in impairment tests (s*ee Note 13.4*), and (ii) in assessing dismantling provisions, in particular by assessing the useful life of the gas infrastructures in France based on the expected change in the energy mix (*see Note 17*).
- The commitments specifically made by ENGIE are also reflected in the assessment of the value of the Group's assets (*see Note 13.1*), in particular (i) the complete withdrawal from coal by 2027, which primarily concerns South America, depending on each asset's specific prospects (closure, conversion or disposal), and (ii) the gradual decarbonization of the Group's power generation activities to net zero by 2045 and, more broadly, the Group's investment strategy in favor of the energy transition by expanding its renewable energy fleet, substituting natural gas with renewable gas, thereby confirming a mixed gas/electricity scenario in the Group's long-term projections under the present regulation/remuneration methods for regulated assets (in France in particular), and developing low-carbon services offerings.

As a reminder, the management of climate and environmental risks and their challenges for the Group are presented in Chapter 2 "Risk factors" and Chapter 3 "Non-Financial Statement and CSR Information" of the Universal Registration Document.

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NOTE 2 MAIN SUBSIDIARIES AT DECEMBER 31, 2022

Accounting standards

Controlled entities (subsidiaries) are fully consolidated in accordance with IFRS 10 – *Consolidated Financial Statements*. An investor (the Group) controls an entity and therefore must consolidate it if all of the following three criteria are met:

- it has the ability to direct the relevant activities of the entity;
- it has the rights and is exposed to variable returns from its involvement with the entity;
- it has the ability to use its power over the entity to affect the investor's return.

2.1 List of main subsidiaries at December 31, 2022

The following lists are made available by the Group to third parties, pursuant to Regulation No. 2016-09 of the French accounting standards authority (ANC) issued on December 2, 2016:

- list of companies included in consolidation;
- list of companies excluded from consolidation because their individual and cumulative incidence on the Group's consolidated financial statements is not material. They correspond to entities deemed not significant as regards the Group's main key figures (revenues, total equity, etc) or entities that have ceased all activities and are undergoing liquidation/closure proceedings;
- list of main non-consolidated interests.

This information is available on the Group's website (www.engie.com, Investors/Regulated information section). Non-consolidated companies are classified under non-current financial assets (*see Note 14.1.1.1)* under "Equity instruments at fair value".

The list of the main subsidiaries consolidated under the full consolidation method presented below was determined, as regards operating entities, based on their contribution to Group revenues, EBITDA, net income and net debt. The main equity-accounted investments (associates and joint ventures) are presented in Note 3 "Investments in equity method entities".

Some entities such as ENGIE SA, ENGIE Énergie Services SA or Electrabel SA comprise both operating activities and headquarters functions which report to management teams of different reportable segments. In the following tables, these operating activities and headquarters functions are shown within their respective reportable segments under their initial company name followed by a (*) sign.

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Renewables

			% interest	
Company name	**Activity**	**Country**	**Dec. 31, 2022**	**Dec. 31, 2021**
Compagnie Nationale du Rhône	Electricity distribution and generation	France	50.0	50.0
ENGIE Energía Perú *	Electricity distribution and generation	Peru	61.8	61.8
ENGIE Green	Electricity distribution and generation	France	100.0	100.0
ENGIE Infinity Renewables	Electricity distribution and generation	United States	100.0	100.0
ENGIE Resources Inc.	Energy sales	United States	100.0	100.0
ENGIE Romania *	Natural gas distribution, Energy sales	Romania	51.0	51.0
ENGIE Solar	Solar EPC	France	100.0	100.0
ENGIE Brazil Energia Group *	Electricity distribution and generation	Brazil	68.7	68.7
ENGIE Renewables	Electricity distribution and generation	France	100.0	100.0
ENGIE Energía Chile Group *	Electricity distribution and generation	Chile	60.0	60.0
Jupiter Equity Holding LLC	Electricity distribution and generation	United States	51.0	51.0

Networks

			% interest	
Company name	**Activity**	**Country**	**Dec. 31, 2022**	**Dec. 31, 2021**
Elengy	Natural gas, LNG	France	60.8	60.9
ENGIE Romania *	Natural gas distribution, Energy sales	Romania	51.0	51.0
Fosmax LNG	Natural gas, LNG	France	60.8	60.9
GRDF	Natural gas distribution	France	100.0	100.0
ENGIE Brazil Energia Group *	Electricity distribution and generation	Brazil	68.7	68.7
ENGIE Energía Chile Group *	Electricity distribution and generation	Chile	60.0	60.0
GRTgaz Group (excluding Elengy)	Natural gas transportation	France, Germany	60.8	60.9
Storengy Deutschland GmbH	Underground natural gas storage	Germany	100.0	100.0
Storengy SAS	Underground natural gas storage	France	100.0	100.0

Energy Solutions

			% interest	
Company name	**Activity**	**Country**	**Dec. 31, 2022**	**Dec. 31, 2021**
Cofely Besix	Systems, facilities and maintenance	UAE	100.0	100.0
CPCU	Urban heating networks	France	66.5	66.5
ENGIE Deutschland GmbH	Energy services	Germany	100.0	100.0
ENGIE Energie Services SA *	Energy services, Networks	France	100.0	100.0
ENGIE Servizi S.p.A	Energy services	Italy	100.0	100.0
Endel Group	Systems, facilities and maintenance	France	-	100.0
Tractebel Engineering	Engineering	Belgium	100.0	100.0

Thermal

			% interest	
Company name	**Activity**	**Country**	**Dec. 31, 2022**	**Dec. 31, 2021**
Electrabel SA *	Electricity generation, Energy sales	Belgium	100.0	100.0
ENGIE Cartagena	Electricity generation	Spain	100.0	100.0
ENGIE Deutschland AG *	Electricity generation	Germany	100.0	100.0
ENGIE Energía Perú *	Electricity distribution and generation	Peru	61.8	61.8
ENGIE Energie Nederland N.V. *	Electricity generation, Energy sales	Netherlands	100.0	100.0
ENGIE Italia S.p.A *	Energy sales	Italy	100.0	100.0
ENGIE SA *	Energy sales	France	100.0	100.0
ENGIE Thermique France	Electricity generation	France	100.0	100.0
First Hydro Holdings Company	Electricity generation	United Kingdom	75.0	75.0
ENGIE Brazil Energia Group *	Electricity distribution and generation	Brazil	68.7	68.7
ENGIE Energía Chile Group *	Electricity distribution and generation	Chile	60.0	60.0
Pelican Point Power Limited	Electricity generation	Australia	72.0	72.0
UCH Power Limited	Electricity generation	Pakistan	100.0	100.0

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Supply

Company name	Activity	Country	% interest Dec. 31, 2022	% interest Dec. 31, 2021
Electrabel SA *	Electricity generation, Energy sales	Belgium	100.0	100.0
ENGIE Italia S.p.A *	Energy sales	Italy	100.0	100.0
ENGIE Romania *	Natural gas distribution, Energy sales	Romania	51.0	51.0
ENGIE SA *	Energy sales	France	100.0	100.0
ENGIE Supply Holding UK Limited	Energy sales	United Kingdom	100.0	100.0
Simply Energy	Energy sales	Australia	72.0	72.0

Nuclear

Company name	Activity	Country	% interest Dec. 31, 2022	% interest Dec. 31, 2021
Electrabel SA *	Electricity generation, Energy sales	Belgium	100.0	100.0
Synatom	Managing provisions relating to power plants and nuclear fuel	Belgium	100.0	100.0

Others

Company name	Activity	Country	% interest Dec. 31, 2022	% interest Dec. 31, 2021
Electrabel SA *	Electricity generation, Energy sales	Belgium	100.0	100.0
ENGIE CC	Financial subsidiaries, Central	Belgium	100.0	100.0
ENGIE Deutschland AG *	Holding, Energy management trading	Germany	100.0	100.0
ENGIE Energie Nederland Holding B.V. *	Holding, Energy management trading	Netherlands	100.0	100.0
ENGIE Energie Nederland N.V.	Electricity generation, Energy sales	Netherlands	100.0	100.0
ENGIE Energie Services SA *	Energy services, Networks	France	100.0	100.0
ENGIE Energy Management *	Energy management trading	France, Belgium, Italy, United Kingdom	100.0	100.0
ENGIE Energy Management Holding Switzerland AG	Holding	Switzerland	100.0	100.0
ENGIE FINANCE SA	Financial subsidiaries	France	100.0	100.0
ENGIE Global Markets	Energy management trading	France, Belgium,	100.0	100.0
ENGIE Holding Inc.	Holding - parent company	United States	100.0	100.0
ENGIE Italia S.p.A *	Holding, Energy management trading	Italy	100.0	100.0
ENGIE North America	Electricity distribution and generation, Natural gaz, LNG, Energy services	United States	100.0	100.0
ENGIE Romania *	Natural gas distribution, Energy sales	Romania	51.0	51.0
ENGIE Energía Chile Group *	Electricity distribution and generation	Chile	60.0	60.0
ENGIE SA *	Holding - parent company, Energy management trading, energy sales	France	100.0	100.0
Cogac	Holding	France	100.0	100.0
GDFI	Holding	France	100.0	100.0
Engie Energie Services International SA	Holding	Belgium	100.0	100.0
Genfina	Holding	Belgium	100.0	100.0
International Power Limited	Holding	United Kingdom	100.0	100.0

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EQUANS [1]

Company name	Activity	Country	% interest Dec. 31, 2022	% interest Dec. 31, 2021
Axima Concept	Systems, facilities and maintenance services	France	-	100.0
Cofely Fabricom SA	Systems, facilities and maintenance services	Belgium	-	100.0
Conti Service LLC	Energy services	United States	-	100.0
ENGIE Regeneration	Energy services	United Kingdom	-	100.0
ENGIE Services Nederland N.V.	Energy services	Netherlands	-	100.0
ENGIE Services Holding UK Ltd	Energy services	United Kingdom	-	100.0
ENGIE Services Limited	Energy services	United Kingdom	-	100.0
INEO Group	Systems, facilities and maintenance services	France	-	100.0

(1) Activities held for sale and classified as "Discontinued operations" at December 31, 2021 (see Note 4 "Main changes in Group structure").

2.2 Significant judgments exercised when assessing control

The Group primarily considers the following information and criteria when determining whether it has control over an entity:

- governance arrangements: voting rights and whether the Group is represented in the governing bodies, majority rules and veto rights;
- the nature of substantive or protective rights granted to shareholders, relating to the entity's relevant activities;
- deadlock resolution mechanisms;
- whether the Group is exposed, or has rights, to variable returns from its involvement with the entity.

The Group exercised its judgment regarding the entities and sub-groups described below.

Entities in which the Group has the majority of the voting rights

GRTgaz (France Infrastructures): 60.8%

The analysis of the shareholders' agreement concluded with Société d'Infrastructures Gazières, a subsidiary of *Caisse des Dépôts et Consignations* (CDC), which holds 38.6% of the share capital of GRTgaz, was completed by an assessment of the rights granted to the French Energy Regulatory Commission (*Commission de Régulation de l'Énergie* – CRE). As a regulated activity, GRTgaz has a dominant position on the gas transportation market in France. Accordingly, since the transposition of the Third European Directive of July 13, 2009 into French law (*Code de l'énergie* – Energy Code) on May 9, 2011, GRTgaz has been subject to independence rules as regards its directors and senior management team. The French Energy Code confers certain powers on the CRE in the context of its duties to control the proper functioning of the gas markets in France, including verifying the independence of the members of the Board of Directors and senior management and assessing the choice of investments. The Group considers that it exercises control over GRTgaz and its subsidiaries (including Elengy) based on the Group's ability to appoint the majority of the members of the Board of Directors and take decisions about the relevant activities, especially in terms of the level of investment and planned financing.

Entities in which the Group does not have the majority of the voting rights

In the entities in which the Group does not have the majority of the voting rights, judgment is exercised with regard to the following items, in order to assess whether there is a situation of *de facto* control:

- dispersion of the shareholding structure: number of voting rights held by the Group relative to the number of rights held respectively by the other vote holders and their dispersion;
- voting patterns at shareholders' meetings: the percentages of voting rights exercised by the Group at shareholders' meetings in recent years;
- governance arrangements: representation in the governing body with strategic and operational decision-making power over the relevant activities;
- rules for appointing key management personnel;

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- contractual relationships and material transactions.

The main fully consolidated entity in which the Group does not have the majority of the voting rights at December 31, 2022 is Compagnie Nationale du Rhône (49.98%).

Compagnie Nationale du Rhône ("CNR" – Renewables France): 49.98%

The Group holds 49.98% of the share capital of CNR, with CDC holding 33.2%, and the balance of 16.82% being dispersed among around 200 local authorities. In view of the current provisions of the French "Murcef" law, under which a majority of CNR's share capital must remain under public ownership, the Group is unable to hold more than 50% of the share capital. However, the Group considers that it exercises *de facto* control as it holds the majority of the voting rights exercised at shareholders' meetings due to the widely dispersed shareholding structure and the absence of evidence of the minority shareholders acting in concert.

2.3 Main subsidiaries with non-controlling interests

The following table shows the subsidiaries with non-controlling interests that are deemed to be material, the respective contributions to equity and to net income at December 31, 2022 and December 31, 2021, as well as the dividends paid to non-controlling interests:

Company name	Activity	Percentage interest of non-controlling interests		Net income/(loss) of non-controlling interests		Equity of non-controlling interests		Dividends paid to non-controlling interests	
In millions of euros		Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
GRTgaz Group (France Infrastructures, France)	Regulated gas transportation activities and management of LNG terminals	39.2	39.1	190	106	1,614	1,554	168	105
ENGIE Energía Chile Group (Latin America, Chile) (1)	Electricity distribution and generation - thermal power plants	40.0	40.0	(158)	17	680	781	-	31
ENGIE Romania Group (Rest of Europe, Romania)	Distribution of natural gas, Energy sales	49.0	49.0	31	34	607	592	-	15
ENGIE Brasil Energia Group (Latin America, Brazil) (1)	Electricity distribution and generation	31.3	31.3	116	45	296	294	112	38
ENGIE Energía Perú (Latin America, Peru) (1)	Electricity distribution and generation - thermal and hydroelectric power plants	38.2	38.2	21	22	433	393	12	20
Other subsidiaries with non-controlling interests (2)				(27)	(127)	1,401	1,372	190	201
TOTAL				**173**	**97**	**5,032**	**4,986**	**482**	**410**

(1) ENGIE Energia Chile, ENGIE Brasil Energia and ENGIE Energia Perú are listed in their respective countries.

(2) The net income/(loss) of other non-controlling interests is mainly impacted by the net loss of the operating MtMs for an amount of -€58 million in 2022 and -€361 million in 2021.

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2.3.1 Condensed financial information on main subsidiaries with non-controlling interests

The condensed financial information concerning these subsidiaries presented in the table below is based on a 100% interest and is shown before intragroup eliminations.

	GRTgaz Group		ENGIE Energía Chile Group		ENGIE Romania Group	
In millions of euros	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Income statement						
Revenues	2,535	2,209	1,648	1,187	2,819	1,473
Net income/(loss)	485	388	(395)	42	63	69
Net income/(loss) Group share	295	282	(237)	25	32	35
Other comprehensive income/(loss) – Owners of the parent	54	130	85	107	(15)	9
TOTAL COMPREHENSIVE INCOME/(LOSS) – OWNERS OF THE PARENT	**349**	**412**	**(152)**	**132**	**17**	**45**
Statement of financial position						
Current assets	1,319	1,089	1,108	635	1,091	729
Non-current assets	9,961	10,098	3,210	3,150	975	903
Current liabilities	(1,360)	(1,272)	(540)	(345)	(753)	(357)
Non-current liabilities	(5,803)	(5,946)	(2,091)	(1,498)	(86)	(79)
TOTAL EQUITY	**4,116**	**3,969**	**1,688**	**1,941**	**1,227**	**1,196**
TOTAL NON-CONTROLLING INTERESTS	**1,614**	**1,554**	**680**	**781**	**607**	**592**
Statement of cash flows						
Cash flow from operating activities	1,117	1,149	(320)	186	(365)	102
Cash flow from (used in) investing activities	(450)	(464)	(384)	(234)	(121)	(131)
Cash flow from (used in) financing activities	(663)	(650)	635	29	317	39
TOTAL CASH FLOW FOR THE PERIOD (1)	**4**	**35**	**(68)**	**(19)**	**(169)**	**9**

(1) Excluding effects of changes in exchange rates and other.

	ENGIE Brasil Energia Group		ENGIE Energía Perú	
In millions of euros	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Income statement				
Revenues	2,164	2,118	525	445
Net income/(loss)	370	144	56	57
Net income/(loss) Group share	254	99	34	35
Other comprehensive income/(loss) – Owners of the parent	72	10	51	37
TOTAL COMPREHENSIVE INCOME/(LOSS) – OWNERS OF THE PARENT	**326**	**109**	**85**	**72**
Statement of financial position				
Current assets	1,322	1,390	384	360
Non-current assets	4,731	4,236	1,923	1,687
Current liabilities	(1,019)	(900)	(257)	(302)
Non-current liabilities	(4,213)	(3,912)	(915)	(716)
TOTAL EQUITY	**822**	**813**	**1,135**	**1,029**
TOTAL NON-CONTROLLING INTERESTS	**296**	**294**	**433**	**393**
Statement of cash flows				
Cash flow from operating activities	1,027	941	62	185
Cash flow from (used in) investing activities	(685)	(629)	(186)	(92)
Cash flow from (used in) financing activities	(1,010)	(126)	17	(14)
TOTAL CASH FLOW FOR THE PERIOD (1)	**(668)**	**185**	**(107)**	**80**

(1) Excluding effects of changes in exchange rates and other.

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NOTE 3 INVESTMENTS IN EQUITY METHOD ENTITIES

Accounting standards

The Group accounts for its investments in associates (entities over which the Group has significant influence) and joint ventures using the equity method. Under IFRS 11 – *Joint Arrangements*, a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The respective contributions of associates and joint ventures in the statement of financial position, the income statement and the statement of comprehensive income at December 31, 2022 and December 31, 2021 are as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Statement of financial position		
Investments in associates	4,187	4,007
Investments in joint ventures	5,092	4,492
INVESTMENTS IN EQUITY METHOD ENTITIES	**9,279**	**8,498**
Income statement		
Share in net income/(loss) of associates	400	306
Share in net income/(loss) of joint ventures	659	495
SHARE IN NET INCOME/(LOSS) OF EQUITY METHOD ENTITIES	**1,059**	**800**
Statement of comprehensive income		
Share of associates in "Other comprehensive income/(loss)"	510	208
Share of joint ventures in "Other comprehensive income/(loss)"	366	62
SHARE OF EQUITY METHOD ENTITIES IN "OTHER COMPREHENSIVE INCOME/(LOSS)"	**876**	**270**

Significant judgments

The Group primarily considers the following information and criteria in determining whether it has joint control or significant influence over an entity:

- governance arrangements: whether the Group is represented in the governing bodies, majority rules and veto rights;
- the nature of substantive or protective rights granted to shareholders, relating to the entity's relevant activities. This can be difficult to determine in the case of "project management" or "one-asset" entities, as certain decisions concerning the relevant activities are made upon the creation of the joint arrangement and remain valid throughout the project. Accordingly, the analysis of rights relates to the relevant residual activities of the entity (those that significantly affect the variable returns of the entity);
- deadlock resolution mechanisms;
- whether the Group is exposed, or has rights, to variable returns from its involvement with the entity. This can also involve analyzing the Group's contractual relations with the entity, in particular the conditions in which these contracts are entered into, their duration as well as the management of conflicts of interest that may arise when the entity's governing body casts votes.

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The Group exercised its judgment regarding the following entities and sub-groups:

Project management entities in the Middle East and in Africa

The significant judgments made in determining the consolidation method to be applied to these project management entities related to the risks and rewards relating to contracts between ENGIE and the entity concerned, as well as an analysis of the residual relevant activities over which the entity retains control after its creation. The Group considers that it exercises significant influence or joint control over these entities, since the decisions taken throughout the term of the project about the relevant activities such as refinancing, or the renewal or amendment of significant contracts (sales, purchases, operating and maintenance services) require, depending on the case, the unanimous consent of two or more parties sharing control.

Joint ventures in which the Group holds an interest of more than 50%

Tihama (60%)

ENGIE holds a 60% stake in the Tihama cogeneration plant in Saudi Arabia and its partner Saudi Oger holds 40%. The Group considers that it has joint control over Tihama since the decisions about its relevant activities, including for example the preparation of the budget and amendments to major contracts, etc., require the unanimous consent of the parties sharing control.

Transportadora Associada de Gás S.A. ("TAG" - Latin America): 65.0% holding interest (directly and indirectly) representing a net interest in TAG of 54.8%

The Group exercises joint control over TAG since the decisions about its relevant activities, including, for example, the preparation of the budget and medium-term plan, investments, operations and maintenance, etc., are taken according to a majority vote requiring the agreement of ENGIE and *Caisse de dépôt et placement du Québec* (CDPQ). The Group holds potential voting rights but they are not yet exercisable. Consequently, this investment is accounted for using the equity method.

Joint control – difference between joint ventures and joint operations

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of "other facts and circumstances" when determining the classification of jointly controlled entities.

The IFRS Interpretations Committee (IFRS IC) (November 2014) decided that for an entity to be classified as a joint operation, other facts and circumstances must give rise to direct enforceable rights to the assets, and obligations for the liabilities, of the joint arrangement.

In view of this position and its application to our analyses, the Group has no material joint operations at December 31, 2022.

3.1 Investments in associates

3.1.1 Contribution of material associates and of associates that do not have material impact on the Group's financial statements taken individually

The table hereafter shows the contribution of each material associate along with the aggregate contribution of associates deemed not material taken individually, in the consolidated statement of financial position, income statement, statement of comprehensive income, and the "Dividends received from equity method entities" line of the statement of cash flows.

The Group used qualitative and quantitative criteria to determine material associates. These criteria include the contribution to the consolidated line items "Share in net income/(loss) of associates" and "Investments in associates", the total assets of associates in Group share, and associates carrying major projects in the study or construction phase for which the related investment commitments are material.

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Company name	Activity	Capacity	Consolidation percentage of investments in associates		Carrying amount of investments in associates		Share in net income/(loss) of associates		Other comprehensive income/(loss) of associates		Dividends received from associates	
In millions of euros			Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Project management entities in the Middle East (Middle-East, Asia & Africa, Saudi Arabia, Bahrain, Qatar, United Arab Emirates, Oman, Kuwait) (1)	Gas-fired power plants and seawater desalination facilities		-		1,378	940	181	139	411	102	145	107
Gaztransport & Technigaz (GTT)	Engineering company in containment systems for shipping and storage of LNG		5,76 (2)	30.43	139	757	8	1	-	-	20	35
Movhera	Hydro power plant	1 688 MW	40.00	40.00	521	493	(13)	1	41	(23)	-	-
Energia Sustentável do Brasil (Brazil)	Hydro power plant	3 750 MW	40.00	40.00	567	501	(3)	21	-	-	-	-
GASAG (Germany)	Gas and heat networks		31.57	31.57	279	333	26	29	(62)	75	17	11
Eolia Renovables	Wind power plant		40.00		359		33	-	2	-	-	
Other investments in associates that are not material taken individually					943	982	168	114	118	54	89	81
INVESTMENTS IN ASSOCIATES					**4,187**	**4,007**	**400**	**306**	**510**	**208**	**271**	**234**

(1) Investments in associates operating gas-fired power plants and seawater desalination facilities in the Arabian Peninsula have been grouped together under "Project management entities in the Middle East". This mainly includes around 40 associates operating thermal power plants with a total installed capacity of 26,974 MW (at 100%).

These associates have fairly similar business models and joint arrangements: the project management entities selected as a result of a competitive bidding process develop, build and operate power generation plants and seawater desalination facilities. The entire output of these facilities is sold to government-owned companies under power and water purchase agreements, over periods generally spanning 20 to 30 years.

In accordance with their contractual arrangements, the corresponding plants are recognized in accordance with IFRIC 12, IFRS 16 or IAS 16 as property, plant and equipment or as financial receivables. The shareholding structure of these entities systematically includes a government-owned company based in the same country as the project management entity. The Group's percentage interest and percentage voting rights in each of these entities varies between 20% and 50%.

(2) See Note 4.1.4 "Disposal of a portion of ENGIE's interest in French company Gaztransport & Technigaz SA ("GTT")".

The share in net income/(loss) of associates includes a net non-recurring loss of €18 million in 2022 (compared to net non-recurring income of €6 million in 2021), mainly including changes in the fair value of derivative instruments, impairment losses and disposal gains and losses, net of tax *(see Note 5.3 "Net recurring income Group share (NriGs)")*.

3.1.2 Financial information regarding material associates

The tables below provide condensed financial information for the Group's main associates. The amounts shown have been determined in accordance with IFRS, before the elimination of intragroup transactions and after (i) adjustments made in line with Group accounting policies and (ii) fair value measurements of the assets and liabilities of the associate performed at the acquisition date at the level of ENGIE, as required by IAS 28. All amounts are presented based on a 100% interest with the exception of "Total equity attributable to ENGIE".

In millions of euros	Revenues	Net income/ (loss)	Other comprehensive income/ (loss)	Total comprehensive income/ (loss)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Total equity	Consolidation % of Group	Total equity attributable to ENGIE
AT DECEMBER 31, 2022											
Project management entities in the Middle East	5,067	764	1,695	2,459	2,824	19,711	3,343	13,781	5,411	-	1,378
Gaztransport & Technigaz (GTT)	307	139	2	141	412	2,225	224	2	2,411	5.76	139
Energia Sustentável do Brasil	581	(7)	-	(7)	239	3,275	2,098	-	1,416	40.00	567
Movhera	384	(33)	103	70	147	2,124	699	269	1,303	40.00	521
GASAG	1,606	82	(196)	(114)	1,491	2,140	2,462	284	885	31.57	279
Eolia Renovables	216	82	4	86	297	2,097	340	1,155	900	40.00	359
AT DECEMBER 31, 2021											
Project management entities in the Middle East	4,442	576	425	1,001	3,067	19,513	4,310	14,693	3,578	-	940
Gaztransport & Technigaz (GTT)	169	3	-	2	330	2,299	144	(2)	2,488	30.43	757
Energia Sustentável do Brasil	496	54	-	54	110	2,941	1,800	(3)	1,253	40.00	501
Movhera	276	2	(58)	(57)	198	2,189	226	929	1,232	40.00	493
GASAG	1,368	93	237	331	1,199	2,078	1,927	297	1,054	31.57	333

3.1.3 Transactions between the Group and its associates

The data below set out the impact of transactions with associates on the Group's 2022 consolidated financial statements.

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt
Project management entities in the Middle East	-	177	16	59	175	-	-
Contassur [1]	-	-	-	208	2	-	-
Energia Sustentável do Brasil	136	-	-	-	-	13	-
Movhera	-	25	6	7	120	5	22
Other	11	34	18	34	218	-	18
AT DECEMBER 31, 2022	**146**	**235**	**41**	**307**	**516**	**18**	**40**

(1) Contassur is a life insurance company accounted for using the equity method. Contassur offers insurance contracts, chiefly with pension funds that cover post-employment benefit obligations for Group employees and also employees of other companies mainly engaged in regulated activities in the electricity and gas sector in Belgium. Insurance contracts entered into by Contassur represent reimbursement rights recorded within "Other assets" in the statement of financial position. These reimbursement rights totaled €208 million at December 31, 2022 (€229 million at December 31, 2021).

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3.2 Investments in joint ventures

3.2.1 Contribution of joint ventures to the Group

The table below shows the contribution of each material joint venture along with the aggregate contribution of joint ventures deemed not material taken individually to the consolidated statement of financial position, income statement, statement of comprehensive income, and the "Dividends received from equity method entities" line of the statement of cash flows.

The Group used qualitative and quantitative criteria to determine material joint ventures. These criteria include the contribution to the line items "Share in net income/(loss) of joint ventures" and "Investments in joint ventures", the Group's share in the total assets of joint ventures, and joint ventures conducting major projects in the study or construction phase for which the related investment commitments are material.

Company name	Activity	Capacity	Consolidation percentage of investments in joint ventures		Carrying amount of investments in joint ventures		Share in net income/(loss) of joint ventures		Other comprehensive income/(loss) of joint ventures		Dividends received from joint ventures	
In millions of euros			Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Transportadora Associada de Gás S.A. (TAG) (Brazil) [1]	Gas transmission network		65.00	65.00	1,129	792	267	189	153	7	184	222
National Central Cooling Company "Tabreed" (Middle-East, Asia & Africa, Abu Dhabi)	District cooling networks		40.00	40.00	874	787	53	45	-	-	18	14
EcoÉlectrica (Puerto Rico)	Combined-cycle gas-fired power plant and LNG terminal	534 MW	50.00	50.00	314	310	42	46	-	-	60	63
Movhera	Electricity generation	2,392 MW	50.00	50.00	240	253	33	3	15	8	61	35
WSW Energie und Wasser AG (Germany)	Electricity distribution and generation		33.10	33.10	249	240	19	41	1	-	11	7
Iowa University partnership (United States)	Energy services		39.10	39.10	229	208	6	3	2	1	1	2
Ocean Winds	Electricity generation		50.00	50.00	431	169	80	13	124	5	-	-
Georgetown University partnership (United States)	Energy services		50.00	50.00	203	184	6	2	3	-	-	-
Tihama Power Generation Co (Saudi Arabia)	Electricity generation	1,544 MW	60.00	60.00	94	91	21	13	5	4	29	27
Ohio State Energy Partners (United States)	Energy services		50.00	50.00	82	78	4	3	8	6	16	9
Megal GmbH (Germany)	Gas transmission network		49.00	49.00	61	67	2	5	-	-	9	9
Transmisora Eléctrica del Norte (Chile) [2]	Electricity transmission line		50.00	50.00	116	96	5	(1)	19	25	-	-
Other investments in joint ventures that are not material taken individually					1,071	1,216	120	132	37	7	53	40
INVESTMENTS IN JOINT VENTURES					**5,092**	**4,492**	**659**	**495**	**366**	**62**	**442**	**428**

(1) The Group's interest in Transportadora Associada de Gás S.A. (TAG) is 54.83%.
(2) The Group's interest inTransmisora Eléctrica del Norte is 30%.

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The share in net income/(loss) of joint ventures includes non-recurring gain of €1 million in 2022 (non-recurring gain of €44 million in 2021), resulting chiefly from changes in the fair value of derivatives, impairment losses and disposal gains and losses, net of tax *(see Note 5.3 "Net recurring income Group share (NriGs)")*.

3.2.2 Financial information regarding material joint ventures

The amounts shown have been determined in accordance with IFRS before the elimination of intragroup items and after (i) adjustments made in line with Group accounting policies and (ii) fair value measurements of the assets and liabilities of the joint venture performed at the date of acquisition at the level of ENGIE, as required by IAS 28. All amounts are presented based on a 100% interest with the exception of "Total equity attributable to ENGIE" in the statement of financial position.

3.2.2.1 Information on the income statement and statement of comprehensive income

In millions of euros	Revenues	Depreciation and amortization of intangible assets and property, plant and equipment	Net financial income/(loss)	Income tax benefit/(expense)	Net income/(loss)	Other comprehensive income/(loss)	Total comprehensive income/(loss)
AT DECEMBER 31, 2022							
Transportadora Associada de Gás S.A. (TAG)	1,549	(292)	(386)	(215)	411	235	647
National Central Cooling Company "Tabreed"	167	-	(35)	-	133	-	133
EcoÉlectrica	166	(32)	1	(4)	85	-	85
Portfolio of power generation assets in Portugal	512	(50)	(14)	(27)	74	48	122
WSW Energie und Wasser AG	1,213	(14)	-	(28)	50	3	53
Iowa University partnership	87	-	(21)	-	16	6	22
Ocean Winds	40	(9)	(23)	(1)	160	247	407
Georgetown University partnership	60	(1)	(22)	-	12	5	17
Tihama Power Generation Co	119	(6)	(9)	(6)	35	9	45
Ohio State Energy Partners	180	(1)	(65)	(2)	7	15	22
Megal GmbH	122	(67)	(4)	1	5	-	5
Transmisora Eléctrica del Norte	70	-	(27)	(7)	13	19	32
AT DECEMBER 31, 2021							
Transportadora Associada de Gás S.A. (TAG)	1,109	(248)	(254)	(150)	290	11	301
National Central Cooling Company "Tabreed"	170	(40)	(35)	-	113	-	113
EcoÉlectrica	174	(38)	-	(5)	104	-	104
Portfolio of power generation assets in Portugal	369	(54)	(27)	(19)	3	26	29
WSW Energie und Wasser AG	781	(14)	(1)	(62)	126	-	126
Iowa University partnership	65	-	(19)	-	9	3	12
Ocean Winds	-	(12)	(13)	(1)	25	10	35
Georgetown University partnership	19	-	(9)	-	5	-	5
Tihama Power Generation Co	107	(5)	(11)	(6)	22	6	28
Ohio State Energy Partners	193	(1)	(48)	-	6	12	18
Megal GmbH	122	(64)	(3)	1	10	-	10
Transmisora Eléctrica del Norte	41	-	(22)	-	(1)	49	48

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3.2.2.2 Information on the statement of financial position

In millions of euros	Cash and cash equivalents	Other current assets	Non-current assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Total equity	Consolidation % of Group	Total equity attributable to ENGIE
AT DECEMBER 31,										
Transportadora Associada de Gás S.A. (TAG)	124	367	6,216	668	71	2,771	1,460	1,737	65.00	1,129
National Central Cooling Company "Tabreed"	402	150	2,631	-	194	805	-	2,184	40.00	874
EcoÉlectrica	6	79	580	3	15	-	18	629	50.00	314
Portfolio of power generation assets in Portugal	247	514	733	99	278	500	60	557	50.00	240
WSW Energie und Wasser AG	82	518	950	263	260	147	150	731	33.10	249
Iowa University partnership	2	17	1,162	7	7	581	-	586	39.10	229
Ocean Winds	337	-	2,425	1,149	189	137	424	863	50.00	431
Georgetown University partnership	5	3	954	-	-	555	3	404	50.00	203
Tihama Power Generation Co	49	145	221	78	51	119	11	156	60.00	94
Ohio State Energy	14	65	1,441	-	10	1,331	17	162	50.00	82
Megal GmbH	18	14	696	-	44	511	49	125	49.00	61
Transmisora Eléctrica del Norte	41	34	770	35	3	574	-	233	50.00	116
AT DECEMBER 31,										
Transportadora Associada de Gás S.A. (TAG)	70	251	5,721	540	75	3,174	1,036	1,218	65.00	792
National Central Cooling Company "Tabreed"	294	141	2,469	-	182	755	-	1,967	40.00	787
EcoÉlectrica	14	77	572	3	22	-	18	620	50.00	310
Portfolio of power generation assets in Portugal	294	495	793	159	208	558	72	583	50.00	253
WSW Energie und Wasser AG	17	268	852	156	36	93	142	711	33.10	240
Iowa University partnership	-	7	1,070	9	4	527	3	534	39.10	209
Ocean Winds	79	-	1,079	83	175	362	200	338	50.00	169
Georgetown University partnership	9	-	868	-	-	509	1	367	50.00	184
Tihama Power Generation Co	53	135	286	73	49	191	10	151	60.00	91
Ohio State Energy	31	70	1,274	-	63	1,126	30	156	50.00	78
Megal GmbH	9	13	729	-	50	511	52	138	49.00	67
Transmisora Eléctrica del Norte	45	9	730	30	3	559	-	193	50.00	96

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3.2.3 Transactions between the Group and its joint ventures

The data below set out the impact of transactions with joint ventures on the Group's 2022 consolidated financial statements.

In millions of euros	Purchases of goods and services	Sales of goods and services	Net financial income (excluding dividends)	Trade and other receivables	Loans and receivables at amortized cost	Trade and other payables	Borrowings and debt
EcoÉlectrica	-	-	-	-	-	-	62
WSW Energie und Wasser AG	2	47	-	6	-	4	-
Megal GmbH	65	-	-	-	-	6	-
Futures Energies Investissements Holding	14	21	4	8	210	2	-
Ocean Winds	-	-	41	2	569	-	-
Other	115	123	7	49	164	10	44
AT DECEMBER 31, 2022	**196**	**191**	**53**	**64**	**942**	**22**	**105**

3.3 Other information on investments accounted for using the equity method

3.3.1 Unrecognized share of losses of associates and joint ventures

Cumulative unrecognized losses of associates (corresponding to the cumulative amount of losses exceeding the carrying amount of investments in the associates concerned) including other comprehensive income/(loss), amounted to €6 million in 2022 (versus €49 million in 2021).

These unrecognized losses correspond to the negative fair value of derivative instruments designated as interest rate and commodity hedges ("Other comprehensive income/(loss)") contracted by associates in the Middle-East, Africa and Asia in connection with the financing of construction projects for power generation plants.

3.3.2 Commitments and guarantees given by the Group in respect of equity method entities

At December 31, 2022, the main commitments and guarantees given by the Group in respect of equity method entities concern:

- Energia Sustentável do Brasil ("Jirau"), for an aggregate amount of BRL 4,204 million (€755 million).
  At December 31, 2022, the amount of loans granted by Banco Nacional de Desenvolvimento Econômico e Social, the Brazilian Development Bank, to Energia Sustentável do Brasil amounted to BRL 10,511 million (€1,889 million). Each partner stands as guarantor for this debt to the extent of its ownership interest in the consortium;
- TAG for bank guarantees for an amount of €140 million;
- The project management entities in the Middle East and Africa, for an aggregate amount of €694 million.
  Commitments and guarantees given by the Group in respect of these project management entities chiefly correspond to:
  - letters of credit to guarantee debt service reserve accounts for an aggregate amount of €179 million.
    The project financing set up in certain entities can require those entities to maintain a certain level of cash within the company (usually enough to service its debt for six months). This is particularly the case when the financing is without recourse. However, this level of cash may be replaced by letters of credit,
  - collateral given to lenders in the form of pledged shares in the project management entities, for an aggregate amount of €280 million,
  - performance bonds and other guarantees for an amount of €235 million.

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NOTE 4 MAIN CHANGES IN GROUP STRUCTURE

Accounting standards

In accordance with IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*, assets or groups of assets held for sale are presented separately on the face of the statement of financial position and are measured and accounted for at the lower of their carrying amount and fair value less costs to sell.

An asset is classified as "held for sale" when its sale is highly probable within twelve months from the date of classification, when it is available for immediate sale under its present condition and when management is committed to a plan to sell the asset and an active program to locate a buyer and complete the plan has been initiated. To assess whether a sale is highly probable, the Group takes into consideration among other things indications of interest and offers received from potential buyers as well as specific execution risks attached to certain transactions.

If an asset classified as "held for sale" no longer meets the above conditions it will be reclassified in accordance with the standard.

Furthermore, assets or groups of assets are presented as discontinued operations in the Group's consolidated financial statements when they are classified as "held for sale" and represent a separate major line of business under IFRS 5.

4.1 Disposals carried out in 2022

4.1.1 Impact of the main disposals and sale agreements during the period

As part of the presentation of its new strategy, on May 18, 2021, the Group confirmed a significant €11 billion increase in its asset portfolio rotation program, the majority of which was carried out end of 2022.

The table below shows the impact of the main disposals and sale agreements of 2022 on the Group's net financial debt, excluding partial disposals with respect to DBSO [(1)] activities:

In millions of euros	Disposal price	Reduction in net debt
Disposal of EQUANS [(1)]	6,146	6,975
Earn out related to the disposal of a share of ENGIE's interest in SUEZ - France	347	347
Disposal of ENGIE's residual interest in SUEZ - France	227	227
Disposal of a share of ENGIE's interest in GTT - France	835	835
Disposals of ENGIE's interests in geothermal assets - Indonesia	263	342
Other disposals that are not material taken individually	177	(29)
Effects of classification as "assets held for sale"	-	297
TOTAL	**7,995**	**8,994**

(1) Does not include the reduction in external net financial debt recognized as held for sale in accordance with IFRS 5 at December 31, 2021.

The €8,994 million reduction in net financial debt at December 31, 2022 is in addition to the €2,025 million decrease previously recognized at December 31, 2021 as part of the asset disposal program, representing a total of €11,018 million to date. Disposals in the process of completion at December 31, 2022 are described in Note 4.2 "Assets held for sale".

4.1.2 Disposal of EQUANS

On October 4, 2022, the Group completed the sale of its interest in EQUANS to Bouygues.

(1) Develop, Build, Share and Operate, a model used in renewable energies based on continuous rotation of capital employed.

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The combined effects of the transaction and of the cash generated by these activities since January 1, 2022 have reduced the Group's net debt by €6,975 million (€7,134 million with the reduction of external net financial debt recognized under IFRS 5 – Non-current assets held for sale and discontinued operations, as of December 31, 2021).

The disposal gain recognized in "Net income/(loss) relating to discontinued operations" (*see Note 4.2.1*), amounted to €2,086 million in 2022.

4.1.3 Earn-out from the disposal of a portion of ENGIE's interest in French company SUEZ SA in 2021 and the disposal of its remaining stake in 2022

On October 6, 2020, the Group sold 29.9% of its stake in SUEZ SA to the VEOLIA Group. This sale was subject to an earn-out mechanism if the VEOLIA Group carried out other capital transactions on SUEZ at a price higher than that of the 29.9% block sold by ENGIE.

In 2021, the VEOLIA Group launched a takeover bid for SUEZ at a price of €20.50 per share (cum dividend) which closed successfully on January 7, 2022. At the end of 2021, the ENGIE Group considered that all the conditions had been met to recognize the €347 million in profit or loss related to the earn-out mechanism negotiated with the VEOLIA Group.

ENGIE cashed in this earn-out on January 19, 2022, once the takeover bid had been closed

On January 18, 2022, the Group also contributed its remaining 1.8% stake in SUEZ as part of the public offer initiated by the VEOLIA Group. This transaction had no impact on the Group's 2022 results, as the interest was measured at fair value at December 31, 2021. The effects of the transaction have reduced the Group's net financial debt by €227 million.

4.1.4 Disposal of a portion of ENGIE's interest in French company Gaztransport & Technigaz SA ("GTT")

On March 24, 2022, ENGIE announced the sale of a stake in GTT representing approximately 9% of the share capital at a price of €90 per share.

On September 16, 2022, ENGIE sold an additional stake in GTT representing approximately 6% of the share capital at a price of €115.50 per share.

At December 31, 2022, 96% of the bond redeemable for GTT shares had been converted. The balance was either converted or redeemed at par in January 2023.

At December 31, 2022, these transactions did not change ENGIE's representation on GTT's Board of Directors. Consequently, following these disposals and conversions, ENGIE has maintained its significant influence and therefore continues to account for its residual 5.76% interest in GTT using the equity method.

These transactions, which are part of the targeted plan to withdraw from non-strategic businesses and non-controlling interests, have reduced the Group's net financial debt by €835 million. The disposal gain before tax, including the effects of the embedded derivative on the bond redeemable for GTT shares, amounted to €280 million in 2022.

4.1.5 Disposal of ENGIE's interests in geothermal assets in Indonesia

On September 16, 2022, ENGIE finalized the sale of its entire stake in PT Supreme Energy Muara Laboh to Sumitomo Corporation and INPEX Geothermal Ltd.

On October 14 and October 24, 2022, ENGIE finalized the sale of its entire stake in PT Supreme Energy Rantau Dedap to Merit Power Holding bv and INPEX Geothermal Ltd.

These transactions have reduced the Group's net financial debt by €342 million. The disposal gain before tax amounted to €111 million in 2022.

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4.2 Assets held for sale

Total "Assets classified as held for sale" and total "Liabilities directly associated with assets classified as held for sale" amounted to €428 million and €371 million, respectively, at December 31, 2022.

En millions d'euros	31 déc. 2022	31 déc. 2021
Immobilisations corporelles et incorporelles nettes	336	4,235
Autres actifs	92	7,645
TOTAL ACTIFS CLASSÉS COMME DÉTENUS EN VUE DE LA VENTE	**428**	**11,881**
dont Actifs des activités non poursuivies		*11,186*
Dettes financières	290	368
Autres passifs	80	7,047
TOTAL PASSIFS DIRECTEMENT LIÉS À DES ACTIFS CLASSÉS COMME DÉTENUS EN VUE DE LA VENTE	**371**	**7,415**
dont Passifs directement liés à des actifs des activités non poursuivies		*6,952*

The assets related to the EQUANS entities, as well as Endel and its main subsidiaries recorded as "Assets held for sale" at December 31, 2021 were sold in 2022. Due to unfavorable developments in the planned sale of certain renewable assets in Mexico, they were no longer classified as "Assets held for sale" at December 31, 2022.

At December 31, 2022, "Assets held for sale" relate solely to a thermal power plant in Brazil. Given the expected sale price, a non-material value adjustment was recognized for the year. This transaction is expected to be completed in first half 2023.

4.2.1 Financial information on discontinued operations

Net income/(loss) from discontinued operations

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
REVENUES	**9,937**	**12,860**
Purchases and operating derivatives	(6,164)	(7,942)
Personnel costs	(3,497)	(4,420)
Depreciation, amortization and provisions	38	(239)
Taxes	(48)	(59)
Other operating income	150	166
Current operating income including operating MtM	**416**	**366**
Share in net income of equity method entities	4	-
Current operating income including operating MtM and share in net income of equity method entities	**420**	**367**
Impairment losses	(3)	2
Restructuring costs	(28)	(100)
Changes in scope of consolidation	2,030	(53)
Other non-recurring items	-	(30)
RESULT FROM OPERATING ACTIVITIES	**2,420**	**185**
Financial expenses	(47)	(73)
Financial income	17	24
NET FINANCIAL INCOME/(LOSS)	**(30)**	**(49)**
Income tax benefit/(expense)	(206)	(55)
NET INCOME/(LOSS) RELATING TO DISCONTINUED OPERATIONS	**2,183**	**80**
Of which Net income/(loss) relating to discontinued operations, Group share	**2,181**	**79**
Of which Non-controlling interests relating to discontinued operations	**1**	**1**
FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION		
EBITDA	424	622
EBIT (1)	420	368
Net recurring income/(loss) Group Share (1)	287	231

(1) Includes the impact at December 31, 2022 of no longer depreciating the assets as of their date of classification as "Assets held for sale", of a positive €229 million on EBIT (compared with €51 million in 2021) and a positive €170 million on "Recurring net income, Group share" (compared to €37 million in 2021).

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Income from discontinued operations relates to ENGIE's activities relating to the EQUANS entities, including their disposal gain (*see Note 4.1.2*).

Cash flows from discontinued operations

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
NET INCOME/(LOSS)	**2,183**	**80**
Cash generated from operations before income tax and working capital requirements	**356**	**462**
+ Tax paid	(17)	(71)
Change in working capital requirements	**(241)**	**96**
CASH FLOW FROM OPERATING ACTIVITIES	**98**	**486**
Acquisitions of property, plant and equipment and intangible assets	(135)	(208)
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	(2)	(14)
Loss of controlling interests in entities, net of cash and cash equivalents sold	595	-
Disposals of property, plant and equipment and intangible assets	3	6
Interest received on financial assets	(6)	(12)
Change in loans and receivables originated by the Group and other [1]	(3,580)	(2,782)
Other	1	7
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(3,123)**	**(3,003)**
Repayment of borrowings and debt	(124)	(155)
Interest paid	(20)	(33)
Interest received on cash and cash equivalents	-	(1)
Increase in borrowings	26	8
Others	(2)	-
Cash flow from (used in) financing activities excluding intercompany transactions	**(120)**	**(181)**
Transactions with ENGIE [2]	3,138	2,700
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**3,018**	**2,519**
Effects of changes in exchange rates and other [3]	(422)	(1)
TOTAL CASH FLOW FOR THE PERIOD	**(429)**	**1**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**429**	**428**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**-**	**429**

(1) The line "Change in loans and receivables originated by the Group and other" includes the acquisition by EQUANS of shares in the "Asset-Light Client Solutions business" held by ENGIE for a negative €3,555 million and disposals, by EQUANS, of shares not constituting the "Asset-Light Client Solutions business" to ENGIE for a positive €7 million.

(2) The line "Transactions with ENGIE" includes the capital increases of EQUANS, for an amount of €2,774 million subscribed by ENGIE.

(3) The line "Effects of changes in exchange rates and other" corresponds to EQUANS' cash and cash equivalents at December 31, 2021 for €429 million.

4.3 Acquisitions carried out in 2022

In total, acquisitions carried out in 2022 had an impact of €1,951 million on net financial debt.

On May 4, 2022, ENGIE and Crédit Agricole Assurances completed the acquisition of a 97.33% stake in Eolia Renovables, a renewable energy producer in Spain, from Canadian institutional investment manager Alberta Investment Management Corporation. The transaction covers the ownership and operation of 899 MW of operating assets (821 MW of onshore wind and 78 MW photovoltaic) and a 1.2 GW pipeline of renewable energy projects.

The operating assets are 40% owned by ENGIE and 60% by Crédit Agricole Assurances while ENGIE is developing and building the pipeline of projects. The Group will provide a complete range of services (O&M, Asset Management, Energy Management and Development services) for the full asset scope.

The acquired assets benefit from a regulated scheme ensuring predictability of returns for the next ten years. This transaction has an impact of €0.5 billion on the Group's net financial debt. The interest in the company holding the operating assets is accounted for using the equity method. The company responsible for developing and building the pipeline of projects is fully consolidated by ENGIE. The Group will finalize the purchase price allocation during the first half of 2023.

Other acquisitions during the year relate mainly to the financing of the development of the Group's offshore wind energy activities (Ocean Winds joint venture) for €0.4 billion, concession contracts in Brazil for €0.2 billion, the effect of acquiring a controlling interest in renewable activities in France and India for €0.2 billion each and the acquisition of renewable energy assets in Chile for €0.1 billion.

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NOTE 5 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION

The purpose of this note is to present the main non-GAAP financial indicators used by the Group as well as their reconciliation with the indicators of the IFRS consolidated financial statements.

5.1 EBITDA

The reconciliation between EBITDA and current operating income including operating MtM and share in net income of equity method entities is as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Current operating income including operating MtM and share in net income of equity method entities	**5,367**	**6,916**
Mark-to-market on commodity contracts other than trading instruments	3,661	(721)
Net depreciation and amortization/Other	4,576	4,370
Share-based payments (IFRS 2)	92	48
Non-recurring share in net income of equity method entities	17	(50)
EBITDA	**13,713**	**10,563**

5.2 EBIT

The reconciliation between EBIT and current operating income including operating MtM and share in net income of equity method entities is as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Current operating income including operating MtM and share in net income of equity method entities	**5,367**	**6,916**
Mark-to-market on commodity contracts other than trading instruments	3,661	(721)
Non-recurring share in net income of equity method entities	17	(50)
EBIT	**9,045**	**6,145**

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5.3 Net recurring income Group share (NriGs)

Net recurring income Group share is a financial indicator used by the Group in its financial reporting to present net income Group share adjusted for unusual, inhabitual or non-recurring items.

The reconciliation of net income/(loss) with net recurring income Group share is as follows:

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
NET INCOME/(LOSS) GROUP SHARE		**216**	**3,661**
NET INCOME/(LOSS) RELATING TO DISCONTINUED OPERATIONS, GROUP SHARE		**2,182**	**79**
NET INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS, GROUP SHARE		**(1,965)**	**3,582**
Net income attributable to non-controlling interests relating to continuing operations		172	96
NET INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS		**(1,793)**	**3,678**
Reconciliation items between "Current operating income including operating MtM and share in net income of equity method entities" and "Net income/(loss) from operating activities"		**4,241**	**194**
Impairment losses	*9.1*	*2,774*	*1,028*
Restructuring costs	*9.2*	*230*	*204*
Changes in scope of consolidation	*9.3*	*(91)*	*(1,107)*
Other non-recurring items		*1,328*	*69*
Other adjusted items		**3,389**	**(363)**
Mark-to-market on commodity contracts other than trading instruments	*8*	*3,661*	*(721)*
Ineffective portion of derivatives qualified as fair value hedges	*10*	*(7)*	*2*
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	*10*	*(46)*	*-*
Change in fair value of derivatives not qualified as hedges and ineffective portion of derivatives qualified as cash flow hedges	*10*	*(16)*	*153*
Non-recurring income/(loss) from debt instruments and equity instruments	*10*	*1,254*	*(298)*
Other adjusted tax impacts		*(1,474)*	*552*
Non-recurring income/(loss) included in share in net income of equity method entities		*17*	*(50)*
NET RECURRING INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS		**5,836**	**3,509**
Net recurring income/(loss) attributable to non-controlling interests		614	581
NET RECURRING INCOME/(LOSS) RELATING TO CONTINUING OPERATIONS, GROUP		**5,223**	**2,927**
Net recurring income/(loss) relating to discontinued operations, Group share		287	231
NET RECURRING INCOME/(LOSS) GROUP SHARE		**5,510**	**3,158**

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5.4 Industrial capital employed

The reconciliation of industrial capital employed with items in the statement of financial position is as follows:

In millions of euros			Dec. 31, 2022	Dec. 31, 2021
(+)		Property, plant and equipment and intangible assets, net	62,853	57,863
(+)		Goodwill	12,854	12,799
	(-)	*Goodwill Gaz de France – SUEZ and International Power [1]*	*(7,241)*	*(7,213)*
(+)		IFRIC 4, IFRS 16 and IFRIC 12 receivables	2,521	2,456
(+)		Investments in equity method entities	9,279	8,498
	(-)	*Goodwill arising on the International Power combination [1]*	*(40)*	*(38)*
(+)		Trade and other receivables, net	31,310	32,556
	(-)	*Margin calls [1] [2]*	*(5,405)*	*(13,856)*
(+)		Inventories	8,145	6,175
(+)		Assets from contracts with customers	12,584	8,377
(+)		Other current and non-current assets	19,060	13,681
(+)		Deferred tax	(4,379)	(6,557)
	(+)	*Cancellation of deferred tax on other recyclable items [1] [2]*	*(14)*	*841*
(-)		Provisions	(27,027)	(25,459)
	(+)	*Actuarial gains and losses in shareholders' equity (net of deferred tax) [1]*	*1,058*	*3,162*
(-)		Trade and other payables	(39,801)	(32,822)
	(+)	*Margin calls [1] [2]*	*6,351*	*7,835*
(-)		Liabilities from contracts with customers	(3,412)	(2,739)
(-)		Other current and non-current liabilities	(27,279)	(19,175)
INDUSTRIAL CAPITAL EMPLOYED			**51,416**	**46,382**

(1) For the purpose of calculating industrial capital employed, the amounts recorded in respect of these items have been adjusted from those appearing in the statement of financial position.

(2) Margin calls included in "Trade and other receivables, net" and "Trade and other payables" correspond to advances received or paid as part of collateralization agreements set up by the Group to manage counterparty risk on commodity transactions.

From January 1, 2023, the Group will expand its definition of industrial capital employed to include financial assets covering nuclear provisions, as well as the initial margins required by certain market activities. The following table shows the impact of these changes on industrial capital employed:

In millions of euros		Dec. 31, 2022	Dec. 31, 2021
INDUSTRIAL CAPITAL EMPLOYED		**51,416**	**46,382**
(+)	Financial assets covering nuclear provisions	6,626	5,505
(+)	Initials Margins	1,740	4,722
INDUSTRIAL CAPITAL EMPLOYED (new definition for 2023)		**59,782**	**56,609**

5.5 Cash flow from operations (CFFO)

The reconciliation of cash flow from operations (CFFO) with items in the statement of cash flows is as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021 [1]
Cash generated from operations before income tax and working capital requirements	12,415	9,806
Tax paid	(1,504)	(603)
Change in working capital requirements	(2,424)	(2,377)
Interest received on financial assets	(37)	32
Dividends received on equity investments	18	57
Interest paid	(822)	(719)
Interest received on cash and cash equivalents	194	52
Nuclear – expenditure on power plant dismantling and reprocessing, fuel storage	163	202
Change in financial assets held for investment or financing purposes	188	464
(+)Change in financial assets held for investment or financing purposes recorded in the statement of financial position and other and other	*(176)*	*(448)*
CASH FLOW FROM OPERATIONS (CFFO)	**8,016**	**6,466**

(1) In view of the start of work related to the nuclear exit in Belgium, the definition of cash flow from operations (CFFO) has been adjusted to exclude expenditure on the dismantling of nuclear power plants and the management of radioactive materials and waste. These expenses are now presented together with investments to cover nuclear provisions, under a dedicated heading. The data at December 31, 2021 have been restated accordingly.

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5.6 Capital expenditure (CAPEX) and growth CAPEX

The reconciliation of capital expenditure (CAPEX) with items in the statement of cash flows is as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021 (1) (2)
Acquisitions of property, plant and equipment and intangible assets	6,379	5,990
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	289	392
(+) Cash and cash equivalents acquired	*14*	*6*
Acquisitions of investments in equity method entities and joint operations	407	369
Acquisitions of equity and debt instruments	(175)	1,548
Change in loans and receivables originated by the Group and other	2,877	(121)
(+) Other	*(10)*	*3*
Change in ownership interests in controlled entities	-	35
(-) Disposal impacts relating to DBSO (3) activities	(472)	(270)
(-) Synatom Financial investments / Disposal of Synatom financial assets (1)	(1,822)	(1,261)
(+) Change in scope - Acquisitions (2)	371	-
TOTAL CAPITAL EXPENDITURE (CAPEX)	**7,858**	**6,693**
(-) Maintenance CAPEX	(2,373)	(2,418)
TOTAL GROWTH CAPEX	**5,485**	**4,275**

(1) In view of the start of work related to the nuclear exit in Belgium, the definition of capital expenditure (CAPEX) has been adjusted to exclude hedging of nuclear provisions carried out by Synatom. These expenses are now presented together with investments to cover expenditure for the dismantling of nuclear power plants and the management of radioactive materials nd waste, under a dedicated heading. The data at December 31, 2021 have been restated accordingly.

(2) Capital expenditure (CAPEX) now includes changes in the scope of net financial debt of acquired entities. The impact at December 31, 2021 is not material.

(3) Develop, Build, Share & Operate; including Tax equity financing received (See Note 22 "Working capital requirements, inventories, other assets and other liabilities").

5.7 Net financial debt

The reconciliation of net financial debt with items in the statement of financial position is as follows:

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
(+) Long-term borrowings	14.2 & 14.3	28,083	30,458
(+) Short-term borrowings	14.2 & 14.3	12,508	10,590
(+) Financial instruments – carried in liabilities	14.4	51,276	46,931
(-) Derivative instruments hedging commodities and other items		*(50,542)*	*(46,617)*
(-) Other financial assets	14.1	(12,992)	(13,444)
(+) Loans and receivables at amortized cost not included in net financial debt		*6,720*	*5,143*
(+) Equity instruments at fair value		*1,495*	*2,827*
(+) Debt instruments at fair value not included in net financial debt		*3,394*	*3,853*
(-) Cash and cash equivalents	14.1	(15,570)	(13,890)
(-) Financial instruments – carried in assets	14.4	(48,386)	(44,989)
(+) Derivative instruments hedging commodities and other items		*48,067*	*44,489*
NET FINANCIAL DEBT		**24,054**	**25,350**

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5.8 Economic net debt

Economic net debt is as follows:

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
NET FINANCIAL DEBT	14.3	**24,054**	**25,350**
Provisions for back-end of the nuclear fuel cycle	17	9,088	8,030
Provisions for dismantling of plant and equipment	17	11,015	8,015
Provisions for site rehabilitation	17	244	246
Post-employment benefits – Pensions	18	452	1,779
(-) Infrastructures regulated companies		*272*	*(16)*
Post-employment benefits – Reimbursement rights	18	(208)	(228)
Post-employment benefits – Other benefits	18	3,704	5,149
(-) Infrastructures regulated companies		*(2,392)*	*(3,289)*
Deferred tax assets for pensions and related obligations	11	(812)	(1,501)
(-) Infrastructures regulated companies		*490*	*780*
Plan assets relating to nuclear provisions, inventories of uranium, related derivative financial instruments and a receivable of Electrabel towards EDF Belgium	17 & 22	(7,098)	(6,014)
ECONOMIC NET DEBT		**38,808**	**38,300**

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NOTE 6 SEGMENT INFORMATION

6.1 Operating segment and reportable segment

ENGIE is organized around:

- four Global Business Units (GBUs) representing the Group's four strategic activities: Renewables GBU, Energy Solutions GBU, Networks GBU and Thermal & Supply GBU;
- two operating entities: Nuclear and Global Energy Management & Sales ("GEMS");
- an Other group mainly comprising the Corporate functions and certain Holdings.

From 2022 onwards and given the significant volatility of the commodity markets, the Group Executive Committee, which represents the chief operating decision maker as defined by IFRS 8 – *Operating Segments*, monitors the activities of GEMS, which has become an operating segment.

The reportable segments are identical to the operating segments and correspond to the activities underlying the organization of the GBUs.

- **Renewables**: comprises all centralized renewable energy generation activities, including financing, construction, operation and maintenance of renewable energy facilities, using various energy sources such as hydroelectric, onshore wind, photovoltaic solar, biomass, offshore wind, and geothermal. The energy produced is fed into the grid and sold either on the open or regulated market or to third parties through electricity sale agreements.
- **Networks**: comprises the Group's electricity and gas infrastructure activities and projects. These activities include the management and development of (i) gas and electricity transportation networks and natural gas distribution networks in and outside of Europe, (ii) natural gas underground storage in Europe, and (iii) regasification infrastructure in France and Chile. Apart from the historical infrastructure management activities, its asset portfolio also contributes to the challenges of energy decarbonization and network greening (gradual integration of green gas, hydrogen-based projects, etc.).
- **Energy Solutions**: encompasses the construction and management of decentralized energy networks to produce low-carbon energy (heating and cooling networks, distributed power generation plants, distributed solar power parks, low-carbon mobility, low-carbon cities and public lighting, etc.) and related services (energy efficiency, technical maintenance, sustainable development consulting).
- **Thermal**: encompasses all the Group's centralized power generation activities using thermal assets, whether contracted or not. It includes the operation of power plants fueled mainly by gas or coal, as well as pump-operated storage plants. The energy produced is fed into the grid and sold either on the open or regulated market or to third parties through electricity sale agreements. It also includes the financing, construction and operation of desalination plants, whether or not connected to power plants as well as the development of hydrogen production capacities.
- **Supply**: encompasses all the Group's activities relating to the sale of gas and electricity to end customers, whether professional or individual. It also includes all the Group's activities in services for residential clients.
- **Nuclear**: encompasses all of the Group's nuclear power generation activities, with seven reactors in Belgium (four in Doel and three in Tihange) and drawing rights in France.
- **Others**: encompasses the activities of GEMS and GTT, as well as Corporate and holdings. The GEMS operating entity is responsible, at the global level, for the supply of energy and the management of risk and optimization of assets on the markets. It sells energy to companies and offers energy management services and solutions to support the decarbonization of the Group and its customers.

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6.2 Key indicators by reportable segment

REVENUES

	Dec. 31, 2022			Dec. 31, 2021 (2)		
In millions of euros	External revenues	Intra-Group revenues	Total	External revenues	Intra-Group revenues	Total
Renewables	6,216	136	6,352	3,653	61	3,714
Networks	6,961	961	7,922	6,700	878	7,578
Energy Solutions	11,552	262	11,814	9,926	230	10,155
Thermal	7,129	1,144	8,274	4,089	827	4,916
Supply	16,810	534	17,344	10,396	117	10,513
Nuclear	35	2,653	2,688	56	1,705	1,762
Others	45,163	2,007	47,169	23,046	16,102	39,148
Of which GEMS (1)	*45,137*	*1,979*	*47,115*	*22,870*	*16,077*	*38,947*
Elimination of internal transactions	-	(7,697)	(7,697)	-	(19,920)	(19,920)
TOTAL REVENUES	**93,865**	**-**	**93,865**	**57,866**	**-**	**57,866**

(1) Of which a c. €20 billion price effect compared to 2021.

(2) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

EBITDA

In millions of euros	Dec. 31, 2022	Dec. 31, 2021 (1)
Renewables	2,202	1,702
Networks	4,212	4,121
Energy Solutions	879	786
Thermal	2,235	1,628
Supply	258	498
Nuclear	1,510	1,403
Others	2,417	426
Of which GEMS	*2,837*	*679*
TOTAL EBITDA	**13,713**	**10,563**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

EBIT

In millions of euros	Dec. 31, 2022 (1)	Dec. 31, 2021 (2)
Renewables	1,627	1,191
Networks	2,371	2,314
Energy Solutions	412	350
Thermal	1,768	1,183
Supply	(7)	232
Nuclear	1,026	959
Others	1,848	(85)
Of which GEMS	*2,618*	*507*
TOTAL EBIT	**9,045**	**6,145**

(1) Including €739 million in taxes on "excess profits" and €917 million relating to the tax on nuclear energy production.

(2) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

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SHARE IN NET INCOME/(LOSS) OF EQUITY METHOD ENTITIES

In millions of euros	Dec. 31, 2022	Dec. 31, 2021 (1)
Renewables	217	95
Networks	323	233
Energy Solutions	118	148
Thermal	397	301
Supply	-	-
Nuclear	-	(11)
Others	4	34
Of which GEMS	*(1)*	*2*
TOTAL SHARE IN NET INCOME/(LOSS) OF EQUITY METHOD ENTITIES	**1,059**	**800**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

Associates and joint ventures accounted for €400 million and €659 million respectively of share in net income of equity method entities at December 31, 2022 (compared to €306 million and €494 million at December 31, 2021).

INDUSTRIAL CAPITAL EMPLOYED

In millions of euros	Dec. 31, 2022	Dec. 31, 2021 (1)
Renewables	16,588	12,508
Networks	25,221	24,167
Energy Solutions	7,575	6,687
Thermal	8,091	7,846
Supply	1,023	1,322
Nuclear (2)	(16,481)	(12,666)
Others	9,399	6,517
Of which GEMS (3)	*7,320*	*2,915*
TOTAL INDUSTRIAL CAPITAL EMPLOYED	**51,416**	**46,382**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

(2) Including €19,017 million of nuclear provisions at December 31, 2022 (€15,119 million as of December 31, 2021). Capital employed does not include assets dedicated to covering provisions for €6,626 million as of December 31, 2022 (€5,505 million at December 31, 2021).

(3) Industrial Capital employed does not include the initial margin required by certain market activities for €1,740 million at December 31, 2022 (€4,722 million at December 31, 2021).

As indicated in Note 5.4, from January 1, 2023, the Group will expand its definition of industrial capital employed to include financial assets covering nuclear provisions (with an impact on the Nuclear operating segment) as well as the initial margins required by certain market activities (with an impact on the GEMS operating segment). The following table shows the impact of these changes to industrial capital employed of the reportable segments:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Renewables	16,588	12,508
Networks	25,221	24,167
Energy Solutions	7,575	6,687
Thermal	8,091	7,846
Supply	1,023	1,322
Nuclear	(9,855)	(7,161)
Others	11,139	11,239
Of which GEMS	*9,060*	*7,637*
TOTAL INDUSTRIAL CAPITAL EMPLOYED (new definition for 2023)	**59,782**	**56,609**

CAPITAL EXPENDITURE

In millions of euros	Dec. 31, 2022 [1]	Dec. 31, 2021 [1][2][3]
Renewables	3,333	2,000
Networks	2,322	2,524
Energy Solutions	886	903
Thermal	481	268
Supply	270	300
Nuclear	229	201
Others	338	496
Of which GEMS	*149*	*76*
TOTAL CAPITAL EXPENDITURE (CAPEX)	**7,858**	**6,693**

(1) Capital expenditure (CAPEX) now include changes in the scope of net financial debt of acquired entities. The impact at December 31, 2021 is not material.

(2) In the context of the start of work related to the end of life of the nuclear power plant in Belgium, the definition of capital expenditures (CAPEX) has been modified to exclude investments made by Synatom to cover nuclear provisions. These expenses are now presented together with investments to cover expenditure for the dismantling of nuclear power plants and the management of radioactive materials and waste, under a dedicated heading. Data at December 31, 2021 have been restated accordingly.

(3) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

GROWTH CAPEX

In millions of euros	Dec. 31, 2022 [1]	Dec. 31, 2021 [1][2]
Renewables	3,202	1,881
Networks	1,087	1,320
Energy Solutions	716	715
Thermal	220	(17)
Supply	174	154
Nuclear	1	-
Others	85	221
Of which GEMS	*63*	*(31)*
TOTAL GROWTH CAPEX	**5,485**	**4,275**

(1) Growth Capex now includes changes in the scope of net financial debt of acquired companies. The impact at December 31, 2021 is not material.

(2) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

6.3 Key indicators by geographic area

The amounts set out below are analyzed by:

- destination of products and services sold for revenues;
- geographic location of consolidated companies for industrial capital employed.

	Revenues		Industrial capital employed	
In millions of euros	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
France	34,248	24,341	32,495	30,241
Belgium	12,705	4,372	(14,201)	(10,775)
Other EU countries	22,687	12,501	9,261	6,938
Other European countries	4,202	3,110	1,610	1,447
North America	6,133	4,752	7,101	5,342
Asia, Middle East & Oceania	8,875	4,441	3,507	2,709
South America	4,778	4,053	11,095	9,521
Africa	237	297	548	960
TOTAL	**93,865**	**57,866**	**51,417**	**46,382**

Due to the variety of its businesses and their geographical location, the Group serves a very diverse range of situations and customer types (industry, local authorities and individual customers). Accordingly, no external customer represents individually 10% or more of the Group's consolidated revenues.

NOTE 7 REVENUES

7.1 Revenues

Accounting standards

Revenues from contracts with customers concern revenues from contracts that fall within the scope of IFRS 15. Revenues are recognized when the customer obtains control of goods or services promised in the contract, for the amount of consideration to which an entity expects to be entitled in exchange for said promised goods or services.

A contractual analysis of the Group's sale contracts has led to the application of the following revenue recognition principles:

- **Gas, electricity and other energies**
  Revenues from sales of gas, electricity and other energies are recognized upon delivery of the power to the retail, business or industrial customer.
  Power deliveries are monitored in real time or on a deferred basis for those customers whose energy consumption is metered during the accounting period, in which case the portion of not yet metered revenues "in the meter" is estimated on the closing date.

- **Gas, electrical and other energy infrastructures**
  Revenues derived by gas and electricity infrastructure operators upon providing transportation or distribution or storage capacities, are recognized on a straight-line basis over the contract term.
  In the countries where the Group acts as an energy provider (supplier) without being in charge of its distribution or transportation, mainly in France and Belgium, an analysis of the energy sales contracts and of the related regulatory framework is carried out to determine whether the distribution or transportation services invoiced to the customers have to be excluded from the revenues recognized under IFRS 15.
  Judgment may be exercised by the Group for this analysis in order to determine whether the energy provider acts as an agent or a principal for the gas or electricity distribution or transportation services re-invoiced to the customers. The main criteria used by the Group to exercise its judgment and conclude, in certain countries, that the energy provider acts as an agent of the infrastructure operator are as follows: who is primarily responsible for fulfillment of the distribution or transportation services? Does the energy provider have the ability to commit to capacity reservation contracts towards the infrastructure operator? To what extent does the energy provider have discretion in establishing the price for the distribution or transportation services?

- **Constructions, installations, Operations and Maintenance (O&M)**
  Construction and installation contracts mainly concern assets built on the premises of customers such as cogeneration units, heaters or other energy-efficiency assets. The related revenues are usually recognized according to the percentage of completion on the basis of the costs incurred where the contracts fall within the scope of IFRS 15.
  O&M contracts generally require the Group to perform services ensuring the availability of power generating facilities. These services are performed over time and the related revenues are recognized according to the percentage of completion on the basis of the costs incurred.

If it is not possible to conclude from the contractual analysis that the contract falls within the scope of IFRS 15, the revenues are accounted for as non-IFRS 15 revenues.

Revenues from other contracts, corresponding to revenues from operations that do not fall within the scope of IFRS 15, presented in the "Others" column include trading, lease and concession income, as well as any financial component of operating services, and the effects of the tariff shield mechanisms

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NOTE 7 REVENUES

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The table below shows a breakdown of revenues by type:

In millions of euros	Sales of gas	Sales of electricity and other energies	Sales of services linked to infrastructures	Constructions, installations, and O&M	Others	Dec. 31, 2022
Renewables	-	5,797	88	242	89	**6,216**
Networks	232	1	6,021	478	230	**6,961**
Energy Solutions	246	4,713	96	6,424	73	**11,552**
Thermal	22	4,522	1,601	396	588	**7,129**
Supply	7,793	5,372	153	958	2,534	**16,810**
Nuclear	-	5	8	24	(3)	**35**
Others	21,405	19,595	170	70	3,923	**45,163**
Of which GEMS	*21,405*	*19,595*	*170*	*45*	*3,923*	***45,137***
TOTAL REVENUES	**29,697**	**40,004**	**8,135**	**8,593**	**7,435**	**93,865**

The significant change in natural gas and electricity prices has led some governments to introduce a “tariff shield” for natural gas and electricity, particularly in France and Romania.

The measure with the most significant impact on the Group's consolidated financial statements is the one introduced by the French government for natural gas. Under the Finance Law for 2022 (No. 2021-1900 of December 30, 2021), as amended by the first Amending Finance Law for 2022 (No. 2022-1157 of August 16, 2022), the regulated natural gas sales tariffs applied by ENGIE were capped at the level of October 31, 2021, including all taxes, until December 31, 2022. The loss of revenue borne by ENGIE constitutes an expense attributable to public service obligations and is subject to guaranteed compensation by the State. The subsidy recognized in 2022 amounts to approximately €1,591 million (€248 million in 2021) and is recorded under “Supply” business in the “Others” column (“Non-IFRS 15 revenues”). During 2022, the Group signed three non-recourse assignment agreements with Natixis, under the so-called “Dailly” law, in order to sell part of the receivable relating to the subsidy, amounting to approximately €1,395 million.

In millions of euros	Sales of gas	Sales of electricity and other energies	Sales of services linked to infrastructures	Constructions, installations, and O&M	Others	Dec. 31, 2021 (1)
Renewables	-	3,335	85	142	91	**3,653**
Networks	205	1	5,715	606	173	**6,700**
Energy Solutions	157	3,368	102	6,247	51	**9,926**
Thermal	66	3,165	345	451	62	**4,089**
Supply	5,532	3,539	74	985	265	**10,396**
Nuclear	-	4	11	22	19	**56**
Others	10,019	11,448	231	353	994	**23,046**
Of which GEMS	*10,019*	*11,448*	231	*177*	*994*	**22,870**
TOTAL REVENUES	**15,978**	**24,861**	**6,565**	**8,806**	**1,656**	**57,866**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at December 31, 2021. The main internal reclassifications concern the transfer of international Energy Supply activities to Others, of the North American Renewable Energies activities to Energy Solutions, and the reallocation of Corporate costs between business lines.

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7.2 Trade and other receivables, assets and liabilities from contracts with customers

Accounting standards

On initial recognition, trade and other receivables are recorded at their transaction price as defined in IFRS 15.

A contract asset is an entity's right to consideration in exchange for goods or services that have been transferred to a customer but for which payment is not yet due or is contingent on the satisfaction of a specific condition stipulated in the contract. When an amount becomes due, it is transferred to receivables.

A receivable is recorded when the entity has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has already received consideration from the customer. The liability is derecognized upon recognition of the corresponding revenue.

Trade and other receivables and assets from contracts with customers are tested for impairment in accordance with the provisions of IFRS 9 on expected credit losses.

The impairment model for financial assets is based on the expected credit loss model. To calculate expected losses, the Group uses a matrix approach for trade receivables and assets from contracts with customers, for which the change in credit risk is monitored on a portfolio basis. An individual approach is used for large customers and other large counterparties, for which the change in credit risk is monitored on an individual basis.

See Note 15 "Risks arising from financial instruments" for the Group's assessment of counterparty risk.

7.2.1 Trade and other receivables and assets from contracts with customers

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Trade and other receivables, net	31,310	32,555
Of which IFRS 15	*7,587*	*6,453*
Of which non-IFRS15	*23,723*	*26,103*
Assets from contracts with customers	12,584	8,377
Accrued income and unbilled revenues	*9,513*	*6,817*
Energy in the meter [(1)]	*3,071*	*1,560*

(1) Net of advance payments.

In 2022, the most significant assets from contracts mainly concerned GEMS (€5,023 million), Energy Solutions (€2,758 million) and Supply (€3,097 million).

	Dec. 31, 2022			Dec. 31, 2021		
In millions of euros	Gross	Allowances and expected credit losses	Net	Gross	Allowances and expected credit losses	Net
Trade and other receivables, net	33,282	(1,973)	31,310	33,920	(1,365)	32,555
Assets from contracts with customers	12,632	(48)	12,584	8,393	(16)	8,377
TOTAL	**45,914**	**(2,020)**	**43,894**	**42,313**	**(1,381)**	**40,932**

Gas and electricity in the meter

For customers whose energy consumption is metered during the accounting period, the gas supplied but not yet metered at the reporting date is estimated based on historical data, consumption statistics and estimated selling prices.

For sales on networks used by a large number of grid operators, the Group is allocated a certain volume of energy transiting through the networks by the grid managers. As the final allocations are sometimes only known several months down the line, revenue figures cannot be determined with absolute certainty. However, the Group has developed measuring and modeling tools allowing it to estimate revenues with a reasonable degree of accuracy and subsequently ensure that risks of error associated with estimating quantities sold and the related revenues can be considered as immaterial.

In France and Belgium, un-metered revenues ("gas in the meter") are calculated using a direct method taking into account customers' estimated consumption based on the last invoice or metering not yet billed. These estimates are in line with the volume of energy allocated by the grid managers over the same period. The average price is used to measure "gas in the meter" and takes account of the category of customer and the age of the delivered unbilled "gas in the meter". The portion of unbilled revenues at the reporting date varies according to the assumptions about volume and average price.

"Electricity in the meter" is also determined using a direct allocation method similar to that used for gas, but taking into account specific factors related to electricity consumption. It is also measured on a customer-by-customer basis or by customer type.

Realized but not yet metered revenues ("un-metered revenues") mainly related to France and Belgium for an amount of €5,883 million at December 31, 2022 (€4,638 million at December 31, 2021).

7.2.2 Liabilities from contracts with customers

	Dec. 31, 2022			Dec. 31, 2021		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Liabilities from contracts with customers	121	3,292	3,412	68	2,671	2,739
Advances and downpayments received	*53*	*2,201*	*2,253*	*-*	*1,955*	*1,955*
Deferred revenues	*68*	*1,091*	*1,159*	*68*	*716*	*784*

In 2022, the Global Business Units reporting the greatest amounts of liabilities from contracts with customers were Supply (€1,717 million) and Energy Solutions (€1,467 million).

7.3 Revenues relating to performance obligations not yet satisfied

Revenues relating to performance obligations only partially satisfied at December 31, 2022 amounted to €1,131 million. They mainly concern Energy Solutions (€1,013 million) and Renewables (€117 million) which handle a large number of construction, installation, and maintenance contracts under which revenues are recognized over time.

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NOTE 8 OPERATING EXPENSES

Accounting standards

Operating expenses include:

- purchases and operating derivatives including:
  - the purchase of commodities and associated costs (infrastructure, transport, storage, etc.),
  - the realized impact, as well as the change in fair value (MtM), of commodity transactions, with or without physical delivery, that fall within the scope of IFRS 9 – *Financial Instruments* and that do not qualify as trading or hedging. These contracts are set up as part of economic hedges of operating transactions in the energy sector;
- purchases of services and other items such as subcontracting and interim expenses, lease expenses (short-term lease contracts, leases with a low underlying asset value or leases with variable expenses), concession expenses, etc.;
- personnel costs;
- depreciation, amortization, and provisions; and
- taxes.

8.1 Purchases and operating derivatives

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Purchases and other income and expenses on operating derivatives other than trading (1)	(67,676)	(32,135)
Service and other purchases (2)	(6,860)	(6,726)
PURCHASES AND OPERATING DERIVATIVES	**(74,535)**	**(38,861)**

(1) Of which net expense of €3,661 million in 2022 relating to MtM on commodity contracts other than trading (compared to a net income of €721 million in 2021), notably on certain economic gas and electricity hedging positions not documented as cash flow hedges.

(2) Of which €56 million in lease expenses not included in the IFRS 16 lease liability (compared to €51 million in lease expenses in 2021).

The increase in purchases and operating derivatives is mainly due to changes in commodity prices over the period.

8.2 Personnel costs

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
Short-term benefits		(7,712)	(7,373)
Share-based payments	19	(104)	(48)
Costs related to defined benefit plans	18.3.4	(172)	(178)
Costs related to defined contribution plans	18.4	(91)	(93)
PERSONNEL COSTS		**(8,078)**	**(7,692)**

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8.3 Depreciation, amortization and provisions

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
Depreciation and amortization	13.2 & 13.3	(4,576)	(4,370)
Net change in write-downs of inventories, trade receivables and other assets		(768)	(310)
Net change in provisions	17	157	(159)
DEPRECIATION, AMORTIZATION AND PROVISIONS		**(5,187)**	**(4,840)**

At December 31, 2022, depreciation and amortization mainly break down as €1,041 million for intangible assets and €3,534 million for property, plant and equipment.

8.4 Taxes

In millions of euros	Dec. 31, 2022	Dec. 31, 2022
TAXES	**(3,380)**	**(1,479)**

Taxes at December 31, 2022 include taxes on "excess profits", mainly the tax on infra-marginal income in Belgium and the temporary solidarity contribution in Italy, amounting to €739 million, as well as the tax on nuclear power generation for €917 million. The Italian temporary solidarity contribution of €132 million is recognized in income tax.

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NOTE 9 OTHER ITEMS OF NET INCOME/(LOSS) FROM OPERATING ACTIVITIES

Accounting standards

Other items of Net income/(loss) from operating activities include:

- "Impairment losses": this line include impairment losses on goodwill, other intangible assets, property, plant and equipment and investments in entities consolidated using the equity method;
- "Restructuring costs": this line concern costs corresponding to a restructuring program planned and controlled by management that materially changes either the scope of a business undertaken by the entity, or the manner in which that business is conducted, based on the criteria set out in IAS 37;
- "Changes in the scope of consolidation". This line includes:
  - direct costs related to acquisitions of controlling interests,
  - in a business combination achieved in stages, remeasurement at fair value at the acquisition date of the previously held interest,
  - subsequent changes in the fair value of contingent consideration,
  - gains or losses from disposals of investments which result in a change of consolidation method, as well as any impact from the remeasurement of retained interests with the exception of gains and losses arising from transactions realized in the framework of "Develop, Build, Share & Operate" (DBSO) or "Develop, Share, Build & Operate" (DSBO) business models. These transactions on renewable activities are recognized in current operating income as they are part of the recurring rotation of the Group's capital employed;
- "Other non-recurring items": this line includes other elements of an unusual, abnormal or infrequent nature.

9.1 Impairment losses

In millions of euros	Notes	Dec. 31, 2022	Dec. 31, 2021
Impairment losses:			
Goodwill	13.1	-	(107)
Property, plant and equipment and other intangible assets	13.2 & 13.3	(2,306)	(969)
Investments in equity method entities and related provisions		(536)	(17)
TOTAL IMPAIRMENT LOSSES		**(2,841)**	**(1,093)**
Reversal of impairment losses:			
Property, plant and equipment and other intangible assets		67	64
TOTAL REVERSALS OF IMPAIRMENT LOSSES		**67**	**64**
TOTAL		**(2,774)**	**(1,028)**

9.1.1 Impairment losses recognized in 2022

Net impairment losses recognized at December 31, 2022 amounted to €2,774 million. They mainly fall into three categories (*see Note 13.4*):

- the effects of the three-yearly revision of nuclear provisions on assets to be recognized against nuclear power plant dismantling provisions;
- the effects of the ongoing program to exit coal activities;
- the consequences of negotiations initiated or finalized during the year in connection with the renegotiation of PPA contracts or the disposal of non-strategic assets.

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These impairment losses mainly concern property, plant and equipment and intangible assets. Considering the effects of deferred taxes and the portion of impairment losses attributable to non-controlling interests, the impact of the impairment losses on net income Group share amounted to €2,275 million.

With the exception of the induced effects of decisions to dispose of non-strategic assets, no impairment losses were recognized on non-financial assets as a result of measures to prevent or mitigate climate risks or to achieve the 2045 net zero-carbon objective.

Impairment tests are carried out in accordance with the procedures described in Note 13.4.

9.1.2 Impairment losses recognized in 2021

Net impairment losses recognized at December 31, 2021 amounted to €1,028 million and related mainly to:

- assets affected by the Group's announced exit from coal, in 2021, for thermal power generation assets, particularly in Brazil (€228 million);
- assets affected by the strategic review of Client Solutions, announced by the Group in 2020, in France (€90 million), Africa (€73 million) and Asia (€33 million);
- assets that have been subject to revisions to their medium- and long-term prospects, or that have encountered operational difficulties, in particular renewable energy production assets in Latin America (€221 million) and thermal power generation assets in Asia (€90 million);
- other production or support assets for less significant amounts taken individually.

9.2 Restructuring costs

In 2022, restructuring costs totaled € 230 million (versus €204 million in 2021). Restructuring costs in both years mainly included costs related to staff reduction plans and measures to adapt to economic situations in 2022 and 2021, as well as the shutdown or sale of operations, the closure or restructuring of certain facilities as well as other miscellaneous restructuring costs.

9.3 Changes in scope of consolidation

At December 31, 2022, the impact of changes in the scope of consolidation was a positive €91 million and mainly comprised:

- a positive impact of €280 million relating to the disposals of shares held in Gaztransport et Technigaz (GTT) for a total representing approximatively 24.6% of its share capital. This result includes the effects of the almost full conversion of the exchangeable bond issued by the Group in June 2021;
- a positive impact of €111 million relating to the disposal of geothermal assets in Indonesia;
- a negative impact of €127 million relating to the disposal of the Energy Solutions activities in Africa and France;
- a negative impact of €110 million relating to the purchase of shares in renewable assets in India with refinancing obligations due in 2023;
- a negative impact of €63 million relating to miscellaneous disposals that are not individually significant.

At December 31, 2021, the impact of changes in the scope of consolidation was a positive €1,107 million and mainly comprised:

- a positive €628 million impact related to the disposal of 10% of the shares held in GTT for €151 million and the revaluation of the remaining 30% for €478 million;
- the positive impact of the earn-out to be received on the disposal of the 29.9% stake in SUEZ for €347 million;

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- a positive €113 million change in the fair value of the earn-out from the disposal of LNG activities to TOTAL in 2018;
- a positive €56 million impact relating to various disposals including EPS for €83 million, the Group's interests in Georgetown Energy Partners Holding LLC in the United States for €44 million, and in a thermal power generation asset in Greece for a negative €28 million, and
- a negative €48 million impact related to the change in the fair value of the embedded derivative of the GTT shares exchangeable bond.

9.4 Other non-recurring items

Other non-recurring items at December 31, 2022 totaled a negative €1,328 million and mainly comprised:

- a negative impact of €979 million related to the three-yearly review of provisions for the management of the back-end nuclear cycle;
- a negative impact of €205 million related to provisions set up to cover clean-up obligations in France;
- a negative impact of €161 million related to the write-off of intangible assets and property, plant and equipment, mainly in France.

Other non-recurring items at December 31, 2021 totaled a negative €69 million and comprised asset scrapping, and disposals of property, plant and equipment.

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NOTE 10 NET FINANCIAL INCOME/(LOSS)

In millions of euros	Expense	Income	Dec. 31, 2022	Expense	Income	Dec. 31, 2021
Interest expense on gross debt and hedges	*(1,104)*	*-*	*(1,104)*	*(943)*	*-*	*(943)*
Cost of lease liabilities	*(73)*	*-*	*(73)*	*(35)*	*-*	*(35)*
Foreign exchange gains/losses on borrowings and hedges	*(28)*	*-*	*(28)*	*(6)*	*-*	*(6)*
Ineffective portion of derivatives qualified as fair value hedges	*-*	*7*	*7*	*(2)*	*-*	*(2)*
Gains and losses on cash and cash equivalents and liquid debt instruments held for cash investment purposes	*-*	*197*	*197*	*-*	*63*	*63*
Capitalized borrowing costs	*109*	*-*	*109*	*70*	*-*	*70*
Cost of net debt	**(1,097)**	**205**	**(893)**	**(916)**	**63**	**(852)**
Cash payments made on the unwinding of swaps	*(9)*	*-*	*(9)*	*(73)*	*-*	*(73)*
Reversal of the negative fair value of these early unwound derivative financial instruments	*-*	*-*	*-*	*-*	*73*	*73*
Gains/(losses) on debt restructuring transactions	*-*	*55*	*55*	*-*	*-*	*-*
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	**(9)**	**55**	**46**	**(73)**	**73**	**-**
Net interest expense on post-employment benefits and other long-term benefits	*(92)*	*-*	*(92)*	*(63)*	*-*	*(63)*
Unwinding of discounting adjustments to other long-term provisions	*(617)*	*-*	*(617)*	*(630)*	*-*	*(630)*
Change in fair value of derivatives not qualified as hedges and ineffective portion of derivatives qualified as cash flow hedges	*(5)*	*-*	*(5)*	*(152)*	*-*	*(152)*
Income/(loss) from debt instruments and equity instruments	*(1,295)*	*36*	*(1,258)*	*(16)*	*329*	*313*
Interest income on loans and receivables at amortized cost	*-*	*69*	*69*	*-*	*125*	*125*
Other	*(585)*	*332*	*(253)*	*(213)*	*121*	*(92)*
Other financial income and expenses	**(2,594)**	**438**	**(2,156)**	**(1,073)**	**575**	**(498)**
NET FINANCIAL INCOME/(LOSS)	**(3,700)**	**697**	**(3,003)**	**(2,061)**	**711**	**(1,350)**

The cost of net debt is higher compared to December 31, 2021 notably due to the increase in lease liabilities relating to the extension of the Compagnie Nationale du Rhône concession. The higher average cost of gross debt, mainly due to the rise in interest rates, is partly offset by the increase in interest received on cash and cash equivalents and liquid debt instruments.

Losses from debt and equity instruments amounted to €1.258 million. This amount mainly includes the impairment of the loan granted to Nord Stream 2 for €987 million and the negative change in fair value of money market funds held by Synatom for €280 million *(see Note 17.2.4 "Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material").*

At December 31, 2022, the average cost of debt after hedging came out at 2.73% compared with 2.65% at December 31, 2021.

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NOTE 11 INCOME TAX EXPENSE

Accounting standards

The Group calculates taxes in accordance with prevailing tax legislation in the countries where income is taxable.

In accordance with IAS 12, deferred taxes are recognized according to the liability method on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, using tax rates that have been enacted or substantively enacted by the reporting date. However, under the provisions of IAS 12, no deferred tax is recognized for temporary differences arising from goodwill for which impairment losses are not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which (i) is not a business combination and (ii) at the time of the transaction, affects neither accounting income nor taxable income. In addition, deferred tax assets are only recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates, joint ventures and branches, except if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Net balances of deferred taxes are calculated based on the tax position of each company or on the total income of companies included within the relevant consolidated tax group, and are presented in assets or liabilities for their net amount per tax entity.

Deferred taxes are reviewed at each reporting date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

Tax effects relating to coupon payments on deeply-subordinated perpetual notes are recognized in profit or loss.

11.1 Actual income tax expense recognized in the income statement

11.1.1 Breakdown of actual income tax expense recognized in the income statement

The tax income recognized in the income statement for 2022 amounted to €83 million (€1,695 million income tax expense in 2021). It breaks down as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Current income taxes	(1,762)	(740)
Deferred taxes	1,845	(955)
TOTAL INCOME TAX BENEFIT/(EXPENSE) RECOGNIZED IN INCOME	**83**	**(1,695)**

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11.1.2 Reconciliation of theoretical income tax expense with actual income tax expense

A reconciliation of theoretical income tax expense with the Group's actual income tax expense is presented below:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Net income/(loss)	**390**	**3,758**
Share in net income of equity method entities	523	784
Net income/(loss) from discontinued operations	2,183	80
Income tax expense	83	(1,695)
Income/(loss) before income tax of consolidated companies (A)	**(2,400)**	**4,588**
Of which French companies	*(2,130)*	*5,604*
Of which companies outside France	*(270)*	*(1,016)*
Statutory income tax rate of the parent company (B)	25.8%	28.4%
THEORETICAL INCOME TAX EXPENSE (C) = (A) X (B)	**620**	**(1,303)**
Reconciling items between theoretical and actual income tax expense		
Difference between statutory tax rate applicable to the parent and statutory tax rate in force in jurisdictions in France and abroad	(8)	38
Permanent differences (1)	(313)	(30)
Income taxed at a reduced rate or tax-exempt (2)	427	300
Additional tax expense (3)	(327)	(230)
Effect of unrecognized deferred tax assets on tax loss carry-forwards and other tax-deductible temporary differences (4)	(940)	(958)
Recognition or utilization of tax income on previously unrecognized tax loss carry-forwards and other tax-deductible temporary differences (5)	643	510
Impact of changes in tax rates (6)	(37)	(17)
Tax credits and other tax reductions (7)	20	185
Other (8)	(1)	(189)
INCOME TAX BENEFIT/(EXPENSE) RECOGNIZED IN INCOME	**83**	**(1,695)**

(1) Mainly includes disallowable impairment losses on goodwill, disallowed operating expenses and the deduction of interest expenses arising from hybrid debt.

(2) Mainly includes capital gains on disposals of securities exempt from tax or taxed at a reduced rate in some tax jurisdictions, the impact of the specific tax regimes used by some entities, disallowable impairment losses and capital losses on securities, and the impact of untaxed income from remeasuring previously-held (or retained) equity interests in connection with acquisitions and changes in consolidation methods.

(3) Mainly includes tax on dividends resulting from the parent company tax regime, withholding tax on dividends and interest levied in several tax jurisdictions, allocations to provisions for income tax, and regional and flat-rate corporate taxes. In 2022, this line also includes the temporary Italian solidarity contribution, which amounts to €132 million.

(4) Includes (i) the cancellation of the net deferred tax asset position for some tax entities in the absence of sufficient profit being forecast and (ii) the impact of disallowable impairment losses on fixed assets.

(5) Includes the impact of the recognition of net deferred tax asset positions for some tax entities.

(6) Mainly includes the impact of tax rate changes on deferred tax balances in the United Kingdom for 2022 and in the United Kingdom, France and Argentina for 2021.

(7) Mainly includes reversals of provisions for tax litigation, tax credits in France and other tax reductions.

(8) Mainly includes the correction of previous tax charges.

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11.1.3 Analysis of the deferred tax income/(expense) recognized in the income statement, by type of temporary difference

	Impact in the income statement	
In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Deferred tax assets:		
Tax loss carry-forwards and tax credits	1,051	(178)
Pension and related obligations	(1)	(218)
Non-deductible provisions	55	(56)
Difference between the carrying amount of PP&E and intangible assets and their tax bases	454	174
Measurement of financial instruments at fair value (IAS 32/IFRS 9)	(1,260)	6,542
Other	(135)	222
TOTAL	**164**	**6,485**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(545)	(498)
Measurement of assets and liabilities at fair value (IAS 32/IFRS 9)	1,781	(7,148)
Other	398	183
TOTAL	**1,634**	**(7,463)**
DEFERRED TAX INCOME/(EXPENSE)	**1,798**	**(977)**
Of which continuing activities	*1,844*	*(955)*

11.2 Deferred tax income/(expense) recognized in "Other comprehensive income"

Net deferred tax income/(expense) recognized in "Other comprehensive income" is broken down by component as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Equity and debt instruments	33	(4)
Actuarial gains and losses	(646)	(447)
Net investment hedges	11	55
Cash flow hedges on other items	943	(1,370)
Cash flow hedges on net debt	(3)	(19)
TOTAL EXCLUDING SHARE OF EQUITY METHOD ENTITIES & DISCONTINUED OPERATIONS	**338**	**(1,784)**
Share of equity method entities	(132)	(50)
Discontinued operations	(21)	(13)
TOTAL	**185**	**(1,848)**

11.3 Deferred taxes presented in the statement of financial position

11.3.1 Change in deferred taxes

Changes in deferred taxes recognized in the statement of financial position, after netting deferred tax assets and liabilities by tax entity, break down as follows:

In millions of euros	Assets	Liabilities	Net position
AT DECEMBER 31, 2021	**1,181**	**(7,738)**	**(6,557)**
Impact on net income for the year	164	1,635	1,799
Impact on other comprehensive income items	(479)	792	313
Impact of changes in scope of consolidation	38	(19)	19
Impact of translation adjustments	101	(146)	(45)
Transfers to assets and liabilities classified as held for sale	(54)	51	(3)
Other	440	(344)	95
Impact of netting by tax entity	638	(638)	-
AT DECEMBER 31, 2022	**2,029**	**(6,408)**	**(4,379)**

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11.3.2 Analysis of the net deferred tax position recognized in the statement of financial position (before netting deferred tax assets and liabilities by tax entity), by type of temporary difference

Accounting standards

Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. The probability that taxable profit will be available against which the unused tax losses can be utilized, is based on taxable temporary differences relating to the same taxation authority and the same taxable entity and estimates of future taxable profits. These estimates and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts over a six-year tax projection period as included in the medium-term business plan validated by Management, subject to exceptions justified by a particular context and, if necessary, on the basis of additional forecasts.

	Statement of financial position at	
In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Deferred tax assets:		
Tax loss carry-forwards and tax credits	2,202	1,299
Pension obligations	812	1,501
Non-deductible provisions	518	388
Difference between the carrying amount of PP&E and intangible assets and their tax bases	1,830	1,440
Measurement of financial instruments at fair value (IAS 32 / IFRS 9)	8,346	8,968
Other	620	523
TOTAL	**14,328**	**14,119**
Deferred tax liabilities:		
Difference between the carrying amount of PP&E and intangible assets and their tax bases	(9,873)	(9,345)
Measurement of financial instruments at fair value (IAS 32 / IFRS 9)	(8,141)	(10,643)
Other	(693)	(687)
TOTAL	**(18,707)**	**(20,675)**
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(4,378)**	**(6,557)**

11.4 Unrecognized deferred taxes

At December 31, 2022, the tax effect of tax losses and tax credits eligible for carry-forward but not utilized and not recognized in the statement of financial position amounted to €4,165 million (€4,642 million at December 31, 2021). Most of these unrecognized tax losses relate to companies based in countries which allow losses to be carried forward indefinitely (mainly Belgium, Australia, Luxembourg and the Netherlands). These tax loss carry-forwards did not give rise to the full or partial recognition of a deferred tax asset due to the absence of sufficient profit forecasts in the medium term.

The tax effect of other tax-deductible temporary differences not recorded in the statement of financial position was €1,590 million at end-December 2022 versus €1,097 million at end-December 2021.

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NOTE 12 EARNINGS PER SHARE

Accounting standards

Basic earnings per share is calculated by dividing net income Group share for the year by the weighted average number of ordinary shares outstanding during the year. The average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year.

For the diluted earnings per share calculation, the weighted average number of shares and basic earnings per share are adjusted to take into account the impact of the conversion or exercise of any dilutive potential ordinary shares (options, warrants and convertible bonds, etc.).

In compliance with IAS 33 – *Earnings per Share,* earnings per share and diluted earnings per share are based on net income/(loss) Group share after deduction of payments to bearers of deeply-subordinated perpetual notes *(see Note 16.2.1 "Issuance of deeply-subordinated perpetual notes").*

The Group's dilutive instruments included in the calculation of diluted earnings per share include bonus shares and performance shares granted in the form of ENGIE securities.

	Dec. 31, 2022	Dec. 31, 2021
Numerator (in millions of euros)		
Net income/(loss) Group share	**216**	**3,661**
Of which Net income/(loss) relating to continuing operations, Group share	*(1,965)*	*3,582*
Interest from deeply-subordinated perpetual notes	(77)	(121)
Net income/(loss)used to calculate earnings per share	**140**	**3,540**
Of which Net income/(loss) relating to continuing operations, Group share, used to calculate earnings per share	*(2,042)*	*3,461*
Diluted net income/(loss) Group share	**140**	**3,540**
Net recurring income/(loss) Group share	**5,510**	**3,158**
Of which Net recurring income/(loss) relating to continuing operations, Group share	*5,223*	*2,927*
Interest from deeply-subordinated perpetual notes	(77)	(121)
Net recurring income/(loss)used to calculate earnings per share	**5,433**	**3,037**
Of which Net recurring income/(loss) relating to continuing operations, Group share, used to calculate earnings per share	*5,146*	*2,806*
Diluted net recurring income/(loss) Group share	**5,433**	**3,037**
Denominator (in millions of shares)		
Average number of outstanding shares	**2,420**	**2,419**
Impact of dilutive instruments:		
Bonus share plans reserved for employees	-	12
Diluted average number of outstanding shares	**2,420**	**2,431**
Earnings per share (in euros)		
Basic earnings/(loss) per share	**0.06**	**1.46**
Of which Basic earnings/(loss) Group share relating to continuing operations per share	*(0.84)*	*1.43*
Diluted earnings/(loss) per share	**0.06**	**1.46**
Of which Diluted earnings/(loss) Group share relating to continuing operations per share	*(0.84)*	*1.42*
Basic recurring earnings/(loss) per share	**2.24**	**1.26**
Of which Basic recurring earnings/(loss) Group share relating to continuing operations per share	*2.13*	*1.16*
Diluted recurring earnings/(loss) per share (1)	**2.23**	**1.25**
Of which Diluted recurring earnings/(loss) Group share relating to continuing operations per share (1)	*2.12*	*1.15*

(1) In 2022, the calculation of the denominator includes 12 million potential ENGIE shares which would have a dilutive effect on the NRIgs and NRIgs relating to continuing operations per share but have not been taken into account in the calculation of the NIgs and the NIgs relating to continuing operations per share due to the antidilutive effect on the latter.

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NOTE 13 FIXED ASSETS

13.1 Goodwill

Accounting standards

Upon a business combination, goodwill is measured as the difference between:

- on the one hand the sum of:
  - the consideration transferred;
  - the amount of non-controlling interests in the acquiree, and
  - in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree;
- on the other hand the net fair value of the identifiable assets acquired and liabilities assumed. The key assumptions and estimates used to determine the fair value of assets acquired and liabilities assumed include the market outlook for the measurement of future cash flows as well as applicable discount rates. These assumptions reflect management's best estimates at the acquisition date.

The amount of goodwill recognized at the acquisition date cannot be adjusted after the end of the 12-month measurement period.

Goodwill relating to interests in associates is recorded under "Investments in equity method entities".

13.1.1 Movements in the carrying amount of goodwill

In millions of euros	**Net amount**
AT DECEMBER 31, 2021	**12,799**
Changes in scope of consolidation and Other	(27)
Translation adjustments	82
AT DECEMBER 31, 2022	**12,854**

13.1.2 Information on goodwill

For the purposes of impairment testing, goodwill is allocated to operating segments, which represent the lowest level at which it is monitored for internal management purposes.

The table below shows the amount of goodwill at December 31, 2022:

In millions of euros	**Dec. 31, 2022**
Networks	5,302
Renewables	2,110
Supply	1,830
Energy Solutions	1,316
Thermal	1,152
Nuclear	797
Other	350
TOTAL	**12,855**

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13.2 Intangible assets

Accounting standards

Initial measurement

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Amortization

Intangible assets are amortized on the basis of the expected pattern of consumption of the estimated future economic benefits embodied in the asset. Amortization is calculated mainly on a straight-line basis over the following useful lives:

	Useful life	
Main depreciation periods (years)	**Minimum**	**Maximum**
Concession rights	10	30
Customer portfolio	3	20
Other intangible assets	1	50

Intangible assets with an indefinite useful life are not amortized but are tested for impairment annually.

Intangible rights arising on concession contracts

IFRIC 12 – *Service Concession Arrangements* deals with the treatment to be applied by the concession operator in respect of certain concession arrangements.

For a concession arrangement to fall within the scope of IFRIC 12, usage of the infrastructure must be controlled by the concession grantor. This requirement is satisfied when the following two conditions are met:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls any residual interest in the infrastructure at the end of the term of the arrangement, for example it retains the right to take back the infrastructure at the end of the concession.

The intangible asset model according to paragraph 17 of IFRIC 12 applies if the operator receives a right (a license) to charge the users, or the grantor, depending on the use made of the public service. There is no unconditional right to receive cash, as the amounts depend on the extent to which the public uses the service.

Concession infrastructures that do not meet the requirements of IFRIC 12 are presented as property, plant and equipment. This is the case of gas distribution infrastructures in France. The related assets are recognized in accordance with IAS 16, given that GRDF operates its network under long-term concession arrangements, most of which are mandatorily renewed upon expiration pursuant to French law No. 46-628 of April 8, 1946.

Research and development costs

Research costs are expensed as incurred.

Development costs are capitalized when the asset recognition criteria set out in IAS 38 are met. Capitalized development costs are amortized over the useful life of the intangible asset.

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13.2.1 Movements in intangible assets

In millions of euros	Intangible rights arising on concession contracts	Capacity entitlements	Others	Total
GROSS AMOUNT				
AT DECEMBER 31, 2021	**3,917**	**2,845**	**12,936**	**19,697**
Acquisitions	68	-	1,364	1,432
Disposals	(485)	(15)	(622)	(1,122)
Translation adjustments	11	-	150	162
Changes in scope of consolidation	(37)	-	15	(22)
Transfer to "Assets classified as held for sale and discontinued operations"	-	-	6	6
Other	156	453	(351)	257
AT DECEMBER 31, 2022	**3,630**	**3,282**	**13,498**	**20,410**
ACCUMULATED AMORTIZATION AND IMPAIRMENT				
AT DECEMBER 31, 2021	**(1,921)**	**(2,133)**	**(8,860)**	**(12,913)**
Amortization	(139)	(90)	(812)	(1,041)
Impairment	(13)	-	(41)	(54)
Disposals	477	15	519	1,011
Translation adjustments	1	-	(45)	(44)
Changes in scope of consolidation	9	-	37	46
Other	(121)	-	71	(50)
AT DECEMBER 31, 2022	**(1,706)**	**(2,208)**	**(9,131)**	**(13,046)**
CARRYING AMOUNT				
AT DECEMBER 31, 2021	**1,996**	**712**	**4,076**	**6,784**
AT DECEMBER 31, 2022	**1,924**	**1,074**	**4,366**	**7,364**

In 2022, the net increase in “Intangible assets” was mainly attributable to:

- the investments during the period (positive €1,432 million) relating mainly to information technology projects in progress (positive €898 million) in the business of Energy Solutions in France, Networks in France and in the Renewables businesses in Brazil and in the United States;
- a positive foreign exchange impact of €118 million primarily due to the appreciation against the euro of the Brazilian real (positive €86 million) and of the US dollar (positive €37 million);
- changes in scope of consolidation (positive €24 million) relating mainly to the acquisition of Eolia Renovables in Spain (positive €22 million) and to the acquisition of Renewables activities in the United States (positive €14 million);

partially offset by:

- amortizations (negative €1,041 million);
- the impact of the first-time application of the decision of the IFRS IC of March 2021, related to the accounting treatment of configuration and customization costs for software in a SaaS arrangement (Software as a Service) for a negative €140 million *(Note 1.1 “Accounting standards”)*;
- impairment losses (negative €54 million).

13.2.2 Capacity entitlements

The Group has acquired capacity entitlements from power stations operated by third parties. These power station capacity rights were acquired in connection with transactions or within the scope of the Group’s involvement in financing the construction of certain power stations. In consideration, the Group received the right to purchase a share of the production over the useful life of the underlying assets. These rights are amortized over the useful life of the underlying assets, not exceeding 50 years. The Group currently holds entitlements in the Chooz B and Tricastin power plants in France and in the virtual power plant (VPP) in Italy.

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13.2.3 Other

At December 31, 2022, this caption mainly relates to software and licenses for €1,393 million, as well as intangible assets in progress €767 million and intangible assets (client portfolio) acquired as a result of business combinations and capitalized acquisition costs for customer contracts for €1,925 million.

13.2.4 Information regarding research and development costs

Research and development activities primarily relate to various studies regarding technological innovation, improvements in plant efficiency, safety, environmental protection, service quality, and the use of energy resources. Research and development priorities are focused on climate change adaptation and mitigation, including renewable energy systems (solar photovoltaic, onshore and offshore wind), the production and use of green gases (hydrogen, biomethane) or the development of decentralized energy infrastructure (district heating and cooling, decentralized solar energy, low carbon cities and mobility.

The capitalized development costs, related to projects in the development phase that meet the criteria for recognition as an intangible asset as defined in IAS 38, totaled €44 million in 2022 and are mainly related to EV Box (€22 million) which is active in the Energy Solutions business and to the Renewables businesses of Engie Energia Chile (€20 million).

13.3 Property, plant and equipment

Accounting standards

Initial recognition and subsequent measurement

Items of property, plant and equipment are recognized at historical cost less any accumulated depreciation and any accumulated impairment losses.

The carrying amount of these items is not revalued as the Group has elected not to apply the allowed alternative method, which consists of regularly revaluing one or more categories of property, plant and equipment.

Investment subsidies are deducted from the gross value of the assets concerned.

In accordance with IAS 16, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present, legal or constructive obligation to dismantle the item or restore the site. A corresponding provision for this obligation is recorded for the amount of the asset component.

Borrowing costs that are directly attributable to the construction of the qualifying asset are capitalized as part of the cost of that asset.

Leases

In accordance with IFRS 16, the Group recognizes a right-of-use asset and a corresponding lease liability with respect to contracts considered as a lease in which the Group acts as lessee, except for leases with a term of 12 months or less (“short-term leases”), and leases for which the underlying asset is of a low value (“low-value asset”). Payments associated with these leases are recognized on a straight-line basis as expenses in profit and loss. The lease contracts in the Group mainly concern real estate, vehicles and other equipment.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The lease liability is initially measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. This rate is calculated based on the Group's incremental borrowing rate adjusted in accordance with IFRS 16, taking into account (i) the economic environment of the subsidiaries, and in particular their credit risk, (ii) the currency in which the contract is concluded and (iii) the duration of the contract at inception (or the remaining duration for contracts existing upon the initial application of IFRS 16). The methodology applied to determine the incremental borrowing rate reflects the profile of the lease payments (duration method).

The lease term is assessed, including whether a renewal option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised, on a case-by-case basis. The lease term is reassessed if a significant event or a significant change in circumstances that is within the control of the lessee occurs and may affect the assessment made. In determining the enforceable period of a lease, the Group applies a broad interpretation of the term penalty and takes into consideration not only contractual penalties arising from termination, but also ancillary costs that could arise in case of an early termination of the lease.

Cushion gas

"Cushion" gas injected into underground storage facilities is essential for ensuring that reservoirs can be operated effectively, and is therefore inseparable from these reservoirs. Unlike "working" gas which is included in inventories (*see Note 22.2 "Inventories"*), cushion gas is reported in other property, plant and equipment.

Depreciation

In accordance with the components approach, each significant component of an item of property, plant and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

Property, plant and equipment is depreciated mainly using the straight-line method over the following useful lives:

	Useful life	
Main depreciation periods (years)	**Minimum**	**Maximum**
Plant and equipment		
• Storage - Production - Transport - Distribution	5	60(*)
• Installation – Maintenance	3	10
• Hydraulic plant and equipment	20	65
Solar and wind farms	25	30
Other property, plant and equipment	2	33

(*) Excluding cushion gas.

The range of useful lives is due to the diversity of the assets in each category. The minimum periods relate to smaller equipment and furniture, while the maximum periods concern network infrastructures and storage facilities. In accordance with the law of January 31, 2003 adopted by the Belgian Chamber of Representatives with respect to the gradual phase-out of nuclear energy for the industrial production of electricity, the useful lives of nuclear power stations were reviewed and adjusted prospectively to 40 years as from 2003, except for Tihange 1, Doel 1 and Doel 2 for which the operating lives have been extended by 10 years.

Fixtures and fittings relating to hydro plants operated by the Group are depreciated over the shorter of the contract term and the useful life of the assets, taking into account the renewal of the concession period if such renewal is considered to be reasonably certain.

The right-of-use asset related to leases is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term. In that case the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as that used for property, plant and equipment mentioned above.

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13.3.1 Movements in property, plant and equipment

In millions of euros	Land	Buildings	Plant and equipment	Vehicles	Dismantling costs	Assets in progress	Right of use	Other	Total
GROSS AMOUNT									
AT DECEMBER 31, 2021	**650**	**3,312**	**90,530**	**304**	**3,669**	**4,715**	**3,867**	**1,308**	**108,355**
Acquisitions/Increases	4	21	348	33	-	5,473	1,335	69	7,283
Disposals	(33)	(94)	(475)	(29)	(3)	(28)	(167)	(55)	(884)
Translation adjustments	8	15	934	3	13	153	110	23	1,260
Changes in scope of consolidation	5	(2)	178	(12)	22	(75)	(88)	(22)	6
Transfer to "Assets classified as held for sale and discontinued operations"	-	-	(372)	-	-	(6)	10	-	(369)
Other	16	(491)	4,873	5	2,337	(4,585)	27	(3)	2,179
AT DECEMBER 31, 2022	**649**	**2,762**	**96,016**	**304**	**6,038**	**5,649**	**5,094**	**1,319**	**117,831**
ACCUMULATED DEPRECIATION AND IMPAIRMENT									
AT DECEMBER 31, 2021	**(146)**	**(1,849)**	**(49,426)**	**(219)**	**(3,115)**	**(387)**	**(1,284)**	**(850)**	**(57,277)**
Depreciation	(3)	(70)	(2,797)	(29)	(102)	-	(442)	(92)	(3,534)
Impairment	(2)	(8)	(846)	-	(911)	(472)	(19)	(2)	(2,259)
Disposals	3	78	395	27	1	47	157	49	757
Translation adjustments	(1)	(8)	(331)	(2)	(4)	(12)	(24)	(8)	(390)
Changes in scope of consolidation	1	(8)	(78)	(3)	(25)	97	(76)	(4)	(97)
Transfer to "Assets classified as held for sale and discontinued operations"	-	-	260	-	-	3	(1)	-	262
Other	(4)	93	112	-	-	2	(21)	12	193
AT DECEMBER 31, 2022	**(153)**	**(1,772)**	**(52,709)**	**(226)**	**(4,155)**	**(724)**	**(1,710)**	**(895)**	**(62,343)**
CARRYING AMOUNT									
AT DECEMBER 31, 2021	**503**	**1,463**	**41,105**	**85**	**554**	**4,328**	**2,583**	**458**	**51,079**
AT DECEMBER 31, 2022	**497**	**991**	**43,307**	**78**	**1,883**	**4,925**	**3,384**	**424**	**55,488**

In 2022, the net increase in “Property, plant and equipment” essentially takes into account :

- the recognition of decommissioning assets in respect of the revision of decommissioning provisions for which the main part related to nuclear installations (€2,238 million);
- maintenance and development investments for a total amount of €5,948 million mainly related to the construction and the development of wind and solar farms primarily in France, the United States and in Latin America (€2,870 million), as well as to the extension of the transportation and distribution networks in France and Romania (€1,806 million), to Energy Solutions activities (€461 million) and to Thermal operating segments assets (€516 million);
- the recognition of the right of use related to the extension of the concession of the *Compagnie Nationale du Rhône* (CNR) for a positive €848 million; and
- positive foreign exchange effects of €870 million, mainly resulting from the appreciation against the euro of the US dollar (positive impact of €601 million) and fluctuations in the Brazilian real (positive impact of €324 million);

largely offset by :

- depreciation for a total amount of €3,534 million;
- the classification under “Assets held for sale” for a negative €107 million, relating mainly to the classification of a thermal power plant in Brazil (negative €353 million) partially offset by the reversal of the classification as held for sale of certain renewables assets in Mexico due to the unfavorable evolution of the disposal project (positive €229 million);
- impairment losses on property, plant and equipment amounting to €2,259 million mainly relating to the nuclear assets in Belgium (negative €1,219 million).

13.3.2 Pledged and mortgaged assets

Items of property, plant and equipment pledged by the Group to guarantee borrowings and debt amounted to €1,120 million at December 31, 2022 compared to €1,373 million at December 31, 2021.

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The net decrease mainly relates to the Thermal assets in Brazil for a negative €484 million due to the recognition of a thermal plant as an asset held for sale.

13.3.3 Contractual commitments to purchase property, plant and equipment

In the ordinary course of their operations, some Group companies have entered into commitments to purchase, and the related third parties to deliver plant and equipment. These commitments relate mainly to orders for equipment and material related to the construction of energy production units and to service agreements.

Investment commitments made by the Group to purchase property, plant and equipment totaled €3,548 million at December 31, 2022 compared to €1,926 million at December 31, 2021 [1)].

The net increase primarily relates to the construction of renewable assets in Brazil for €680 million and in the United States for €392 million and to contractual commitments related to the Zuidwending and JemGum gas storages sites in the Netherlands for €286 million.

13.3.4 Other information

Borrowing costs for 2021 included in the cost of property, plant and equipment amounted to €109 million at December 31, 2022 compared to €70 million at December 31, 2021.

13.4 Impairment testing of goodwill, intangible assets and property, plant and equipment

Accounting standards

Risk of impairment

Goodwill

Goodwill is not amortized but is tested for impairment each year in accordance with IAS 36, or more frequently where an indication of impairment is identified. All goodwill are tested for impairment based on data at the end of June, supplemented by a review of events in the second half.

Impairment tests are carried out at the level of cash-generating units (CGUs) or groups of CGUs, which constitute groups of assets which generate cash flows that are largely independent from cash flows generated by other CGUs.

Goodwill is impaired if the net carrying amount of the CGU (or group of CGUs) to which the goodwill is allocated is greater than the recoverable amount of that CGU.

Impairment losses in relation to goodwill cannot be reversed and are shown as “Impairment losses” in the income statement.

Intangible assets and property, plant and equipment

In accordance with IAS 36, impairment tests are carried out on items of property, plant and equipment and intangible assets where there is an indication that the assets may be impaired. Such indications may be based on events or

(1) Investment commitments made by the Group to purchase property, plant and equipment as of December 31, 2021, have been adjusted for double counting.

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changes in the market environment, or on internal sources of information. Intangible assets that are not amortized are tested for impairment annually.

Property, plant and equipment and intangible assets with finite useful lives are only tested for impairment when there is an indication that they may be impaired. This is generally the result of significant changes in the environment in which the assets are operated or when economic performance is lower than expected.

Items of property, plant and equipment and intangible assets are tested for impairment at the level of the cash-generating unit (CGU), as appropriate and determined in accordance with IAS 36. If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is written down to the recoverable amount by recording an impairment loss. Upon recognition of an impairment loss, the depreciable amount and possibly the useful life of the asset concerned is revised.

Impairment losses recorded in relation to property, plant and equipment or intangible assets may be subsequently reversed if the recoverable amount of the asset increases to exceed the carrying amount. The increased carrying amount of an item of property, plant or equipment following the reversal of an impairment loss may not exceed the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized in prior periods.

Indicators of impairment

The main indicators of impairment used by the Group are:

- using external sources of information
  - a decline in an asset's value over the period that is significantly more than would be expected from the passage of time or normal use;
  - significant adverse changes that have taken place over the period, or will take place in the near future, in the technological market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated;
  - an increase over the period in market interest rates or other market rates of return on investments if such increase is likely to affect the discount rate used in calculating an asset's value in use and decrease its recoverable amount materially;
  - the carrying amount of the net assets of the entity exceeds its market capitalization;
- using internal sources of information
  - evidence of obsolescence or physical damage to an asset;
  - significant changes in the extent to which, or manner in which, an asset is used or is expected to be used, that have taken place in the period or soon thereafter and that will adversely affect it. These changes include the asset becoming idle, plans to dispose of an asset sooner than expected, reassessing its useful life as finite rather than indefinite or plans to restructure the operations to which the asset belongs;
  - internal reports that indicate that the economic performance of an asset is, or will be, worse than expected.

Measurement of recoverable amount

For operating entities which the Group intends to hold on a long-term and going concern basis, the recoverable amount of a CGU corresponds to the higher of its fair value less costs to sell and its value in use. Value in use is primarily determined based on the present value of future operating cash flows including a terminal value. Standard valuation techniques are used based on the following main economic assumptions:

- market perspectives and developments in the regulatory framework;
- discount rates based on the specific characteristics of the operating entities concerned;
- terminal values in line with available market data specific to the operating segments concerned and growth rates associated with these terminal values, not exceeding the inflation rate.

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Discount rates are determined on a post-tax basis and applied to post-tax cash flows. The recoverable amounts calculated on the basis of these discount rates are the same as the amounts obtained by applying the pre-tax discount rates to cash flows estimated on a pre-tax basis, as required by IAS 36.

For operating entities which the Group has decided to sell, the related recoverable amount of the assets concerned is based on market value less disposal costs. Where negotiations are ongoing, this value is determined based on the best estimate of their outcome as of the reporting date.

13.4.1 General assumptions

The impairment tests were performed in the context of a highly volatile economic environment, as described in Note 1.3 “Use of estimates and judgments”.

In most cases, the recoverable amounts are determined by reference to a value in use that is calculated using cash flow projections drawn up on the basis of the 2023 budget and the 2024-2025 medium term business plan, as approved by the Executive Committee and the Board of Directors, and on the basis of extrapolated cash flows beyond that time frame.

Cash flow projections are determined on the basis of macroeconomic assumptions (inflation, exchange rates and growth rates), and price forecasts resulting from the Group’s reference scenario for 2026-2050 as revised and validated by the Executive Committee in October 2022. The forecasts and projections included in the reference scenario were determined on the basis of the following inputs:

- forward market prices over the liquidity period for fuel (coal, oil and gas), CO_2 and electricity on each market against a backdrop of highly volatile energy prices;
- beyond this period, medium- and long-term energy prices were determined by the Group based on macroeconomic assumptions and fundamental supply and demand equilibrium models, the results of which are regularly compared against forecasts prepared by external energy sector specialists. Long-term projections for CO_2 prices are in line with the 2030 emissions reduction target of 55% and the 2050 climate neutrality objectives set by the European Commission as part of the "European Green Deal" presented in December 2019 and July 2021. Among the external scenarios, the Group's scenario is similar to that of the International Energy Agency, with its APS (Announced Pledges Scenario) model, and that of ADEME ("green technology");
- more specifically, medium- and long-term electricity prices were determined by the Group using electricity demand forecasting models, medium- and long-term forecasts of fuel and CO_2 prices, and expected trends in installed capacity and in the technology mix of the production assets within each power generation system. ENGIE has opted for a balanced mix, integrating renewable gas and carbon dioxide capture and storage in order to guarantee an energy system with the best levels of efficiency and resilience. This trajectory has been included in the Group’s report as part of the "Task Force on Climate Related Financial Disclosures" (TCFD) initiative. The risk factors arising from climate and environmental issues are also detailed in the Group's Universal Registration Document.

13.4.2 Renewables

At December 31, 2022, goodwill amounted to €2,110 million, intangible assets to €1,305 million and property, plant and equipment to €14,679 million. Renewables comprises all centralized renewable energy generation activities, including financing, construction, operation and maintenance of renewable energy facilities, using various energy sources such as hydroelectric, onshore wind, photovoltaic solar, biomass, offshore wind, and geothermal. The energy produced is fed into the grid and sold either on the open or regulated market or to third parties through electricity sale agreements.

The main assumptions and key estimates relate primarily to discount rates, assumptions as to the renewal of the hydropower concession agreements and changes in electricity prices beyond the liquidity period.

Value in use of the Compagnie Nationale du Rhône and SHEM was calculated based on assumptions including the extension or renewal of a tender process for the concession agreements, as well as on the conditions of a potential extension.

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The cash flows for the periods covered by the renewal of the concession agreements are based on a number of assumptions relating to the economic and regulatory conditions for operating these assets (royalty rates, required level of investment, etc.) during this period.

In 2022, the discount rates applied to these activities ranged between 4.5% and 10.2%. In 2021, these rates ranged between 4.5% and 10%.

Results of the impairment tests

At December 31, 2022, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

However, impairment losses totaling €232 million were recognized during the year on property, plant and equipment, notably in Latin America for €135 million and in North America for €82 million.

Sensitivity analyses

A decrease of €10/MWh in electricity prices for hydropower generation would have a negative €0.4 billion impact on the recoverable amount. However, the recoverable amount of goodwill would remain above the carrying amount. Conversely, an increase of €10/MWh in electricity prices would have a positive €0.3 billion impact on the recoverable amount.

An increase of 50 basis points in the discount rates used for hydropower generation activities in France would have a negative €0.3 billion impact on the recoverable amount. However, the recoverable amount of goodwill would remain above the carrying amount. A reduction of 50 basis points in the discount rates used would have a positive €0.3 billion impact on the recoverable amount.

13.4.3 Networks

Networks comprises the Group's electricity and gas infrastructure activities and projects. These activities include the management and development of (i) gas and electricity transportation networks and natural gas distribution networks in and outside of Europe, (ii) underground natural gas storage in Europe, and (iii) regasification infrastructure in France and Chile.

Apart from the historical infrastructure management activities, its asset portfolio also contributes to the challenges of the energy transition and network greening (biomethane, hydrogen, etc.).

At December 31, 2022, goodwill amounted to €5,302 million, intangible assets to €1,093 million and property, plant and equipment to €29,942 million. Regulated infrastructure assets in France amounted to €940 million for intangible assets and €26,369 million for property, plant and equipment.

The valuation of activities in France is mainly based on cash flow projections determined on the basis of tariffs negotiated with the French energy regulator (CRE) and terminal values corresponding to the expected value of the Regulated Asset Base (RAB). The RAB is the value assigned by the CRE to the assets operated by distributors. It is the sum of the future pre-tax cash flows, discounted at the pre-tax rate of return guaranteed by the regulator.

In respect of the valuation of activities in France, the energy mix scenario for 2050, adopted by the Group and detailed in Note 17.3.1 "Dismantling obligations arising on non-nuclear plant and equipment", will not lead to any significant change in RAB. Given the vital role of gas, a reliable energy source able to supplement renewable energy sources that are intermittent by nature, non-controllable and difficult to store, the Group is planning to maintain or convert its gas network infrastructures to allow for the transport of green gases (biomethane, hydrogen, etc.), wich will progressively replace natural gas.

To achieve this, the Group plans to maintain its current level of investment. This approach is largely supported by a rapidly developing legal framework supporting the rise in the use of hydrogen (and to a certain extent, biomethane) in the European Union, which will result in concrete European targets, for hydrogen at least. This legal framework should be in place within the next two years.

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France's political and social strategy concerning the energy transition aims to achieve carbon neutrality by 2050. The priorities of the French climate and energy policy are being updated with France's future roadmap *Stratégie Française sur l'Énergie et le Climat* (SFEC) (*see Note 17.3.1 "Dismantling obligations arising on non-nuclear plant and equipment"*). This future policy could have an impact on the role and scope of gas infrastructures in France.

In 2022, the discount rates applied to all these activities ranged between 4.7% and 8.5%. In 2021, they ranged between 4.5% and 8.5%.

Results of the impairment tests

At December 31, 2022, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

However, impairment losses totaling €65 million were recognized during the year on property, plant and equipment, notably in Germany.

Sensitivity analysis

Given the regulated nature of the Networks business in France, as well as the progressive transition from natural gas to green gas, a reasonable change in any of the valuation inputs (discount rate, inflation rate and rate of return on assets) would not result in any impairment losses. A very substantial change in the regulatory framework could have a significant impact on the valuation of gas infrastructure assets in France. In this respect, the 2022 RAB of Networks assets in France, as well as the related depreciation and amortization charges, are as follows:

In millions of euros	2022 RAB	Depreciation and amortization
GRDF	16,137	(990)
GRTgaz	9,047	(540)
Storengy	3,958	(147)
Elengy	900	(56)

13.4.4 Energy Solutions

At December 31, 2022, goodwill amounted to €1,316 million, intangible assets to €2,302 million and property, plant and equipment to €2,496 million.

Energy Solutions encompasses the construction and management of decentralized energy networks to produce low-carbon energy (heating and cooling networks, distributed power generation plants, distributed solar power parks, low-carbon mobility, low-carbon cities and public lighting, etc.) and related services (energy efficiency, technical maintenance, sustainable development consulting).

The terminal value used to calculate the value in use of the services and energy sales businesses in France was determined by extrapolating the cash flows beyond the medium-term business plan period using a long-term growth rate of 2% per year.

The main assumptions and key estimates relate primarily to discount rates and changes in price beyond the liquidity period.

In 2022, the discount rates applied to these activities ranged between 4.9% and 8.9%. In 2021, they ranged between 4.5% and 8.6%

Results of the impairment tests

At December 31, 2022, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

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However, impairment losses totaling €132 million were recognized during the year on property, plant and equipment, mainly in connection with renegotiations of contracts due to expire shortly in France.

Sensitivity analyses

Given the essentially contractual nature of Energy Solutions activities, a reasonable change in any of the valuation inputs would not result in impairment losses on goodwill.

13.4.5 Thermal

At December 31, 2022, goodwill amounted to €1,152 million, intangible assets to €237 million and property, plant and equipment to €5,525 million.

Thermal encompasses all the Group's centralized power generation activities using thermal assets, whether contracted or not. It includes the operation of power plants fueled mainly by gas or coal, as well as pump-operated storage plants. The energy produced is fed into the grid and sold either on the open or regulated market or to third parties through electricity sale agreements. It also includes the financing, construction and operation of desalination plants, whether or not connected to power plants.

The value in use of these activities was calculated using the cash flow projections drawn up on the basis of the 2023 budget and the 2024-2025 medium-term business plan. Beyond this three-year period, cash flows were projected over the useful lives of the assets based on the reference scenario adopted by the Group.

The main assumptions and key estimates relate primarily to discount rates, estimated demand for electricity and changes in the price of CO_2, fuel and electricity beyond the liquidity period. These assumptions also concern the duration of tax measures involving inframarginal rent caps in France and Italy.

In 2022, the discount rates applied to these activities ranged between 6% and 10.3%. In 2021, they ranged between 6% and 10%.

Results of the impairment tests

At December 31, 2022, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

However, impairment losses totaling €744 million were recognized during the year on property, plant and equipment, mainly in connection with the ongoing coal exit program which is scheduled to be completed by 2027 at the latest.

Sensitivity analyses

An increase of 50 basis points in the discount rates used would have a negative 1% impact on the excess of the recoverable amount of thermal power plants in France, Belgium, the Netherlands and Spain over their carrying amount. However, the recoverable amount of goodwill would remain above the carrying amount. A reduction of 50 basis points in the discount rates used would have a positive 1% impact on the calculation.

A 10% decrease in the margin captured by thermal power plants in France, Belgium, the Netherlands and Spain would have a negative impact of 5% on the excess of the recoverable amount of goodwill over the carrying amount. An increase of 10% in the margin captured would have a positive 5% impact on this calculation.

13.4.6 Supply

At December 31, 2022, goodwill amounted to €1,830 million, intangible assets to €682 million and property, plant and equipment to €119 million.

Supply encompasses all the Group's activities relating to the sale of gas and electricity to end customers. It also includes all the Group's activities in services for residential clients.

The terminal value used to calculate the value in use of the main services and energy sales businesses in Europe was determined by extrapolating cash flows beyond the medium-term business plan period using a long-term growth rate of approximately 2% per year.

In 2022, the discount rates applied to these activities ranged between 7.8% and 10%. In 2021, they ranged between 7% and 9%

Results of the impairment tests

At December 31, 2022, no impairment losses were recognized on goodwill in consideration of the recoverable amount of the cash generating unit to which it belongs.

However, impairment losses totaling €53 million were recognized during the year on property, plant and equipment in connection with the geographic refocusing decided by the Group.

Sensitivity analyses

Given the capital-light nature of Supply activities, a reasonable change in any of the valuation inputs would not result in impairment losses on goodwill.

13.4.7 Nuclear

At December 31, 2022, goodwill amounted to €797 million, intangible assets to €1,075 million and property, plant and equipment to €1,719 million.

Nuclear encompasses the power generation activities from the Group's nuclear power plants in Belgium and drawing rights on the Chooz B and Tricastin power plants in France.

Key assumptions used for the impairment test

The cash flow projections for these activities are based on a large number of key assumptions, such as prices of fuel and CO_2, expected trends in electricity demand and prices, availability of power plants, the market outlook, and changes in the regulatory environment (especially concerning nuclear capacities in Belgium, the extension of drawing rights agreements for French nuclear plants and the tax measures involving inframarginal rent caps). Lastly, the key assumptions also include the discount rate used to calculate the value in use of these activities, which amounted to 7% for 2022, unchanged from 2021.

Cash flow projections for the period beyond the medium-term business plan were determined as described below:

Activities	Assumptions applied beyond the term of the business plan
Drawing rights on Chooz B and Tricastin power plants	Cash flow projection over the remaining term of existing contract plus the assumption that drawing rights will be extended for a further 10 years.

As regards second-generation reactors, the principle of a gradual phase-out of nuclear power and the schedule for this phase-out, with the shutdown of Doel 3 in 2022, Tihange 2 in 2023 and Tihange 3 and Doel 4 in 2025, after 40 years of operation, were first set out in the law of January 31, 2003 on the gradual phase-out of nuclear power for industrial electrical generation, and were reaffirmed in the Belgian government's general policy memorandum of November 4, 2020. However, this principle remained subject to analysis mechanisms enabling this decision to be reassessed based on its impacts on the security of supply, the climate, energy prices and the security of power plants subject to a monitoring process.

In March 2022, the Belgian government announced that it was considering extending the operation of certain nuclear plants beyond 2025. On July 21, 2022, the Group signed a non-binding letter of intent to assess the feasibility and conditions regarding an extension of the operating lives of the Doel 4 and Tihange 3 reactors.

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Under the terms of the non-binding agreement signed on January 9, 2023, the Belgian government and ENGIE have committed to making best efforts to extend the operating life of the second-generation nuclear reactors Doel 4 and Tihange 3, and to restart these units in November 2026 with a total production capacity of 2 GW.

Given the stage of negotiations and the lack of precise information on the economic conditions of this extension to date, the period of extension beyond 2025 was not considered in the impairment tests performed at December 31, 2022.

In France, the Nuclear Safety Authority authorized the start-up of Tricastin 1 on December 20, 2019 after its shutdown for its fourth 10-yearly inspection and, on December 3, 2020, published a draft decision setting out the conditions for the 900 MW reactors to continue operating beyond 40 years. Confirmation of a 10-year extension of the operating life of the 900 MW series reactors is therefore expected to be formalized in the next few years, once the conditions for continued operation have been determined by the Nuclear Safety Authority and a public inquiry has been held. The Group has therefore considered the 10-year extension of the nuclear units, and the corresponding drawing rights, beyond their fourth 10-yearly outage. The last ten-yearly outage at Tricastin (VD4) has taken place in 2021, and in 2019 for Chooz B (VD3). The assumption of an extension was already considered in previous years.

Results of the impairment test

Taking into account the effects of the triennial review of nuclear provisions on assets to be recognized against decommissioning provisions of nuclear power plants, the Group recognized an impairment loss of €1,219 million relating to decommissioning assets for the year.

The recoverable amount of the Nuclear assets remains above the value of goodwill, particularly due to the excess value attached to the plants in France.

Sensitivity analyses

A decrease of €10/MWh in electricity prices for nuclear power generation beyond the forward period would lead to a decrease of €0.4 billion in the recoverable amount, but without any impairment of goodwill.

An increase of 50 basis points in the discount rates would lead to a decrease of €0.1 billion in the recoverable amount with non-material impairment losses on the Belgian plants.

A 5% decrease in availability of all Belgian nuclear power plants would lead to an impairment loss of around €0.3 billion on the Belgian plants. A similar decrease for the French plants would lead to a decrease of €0.2 billion in the recoverable amount, but without any impairment.

13.4.8 Other

The goodwill allocated to the Other segment amounted to €350 million at December 31, 2022. The Other segment encompasses energy management and optimization activities, the BtoB supply activities in France of *Entreprises & Collectivités* (E&C), and the Corporate and holding activities.

For the Other segment, a significant headroom exists between the recoverable amount and the carrying amount for operating activities to which goodwill is allocated at December 31, 2022.

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NOTE 13 FIXED ASSETS

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NOTE 14 FINANCIAL INSTRUMENTS

14.1 Financial assets

Accounting standards

In accordance with the principles of IFRS 9 – *Financial Instruments*, financial assets are recognized and measured either at amortized cost, at fair value through equity or at fair value through profit or loss based on the following two criteria:

- a first criterion relating to the contractual cash flow characteristics of the financial asset. The analysis of contractual cash flow characteristics makes it possible to determine whether these cash flows are “only payments of principal and interest on the outstanding amounts” (known as the “SPPI” test or Solely Payments of Principal and Interest);
- a second criterion relating to the business model used by the Group to manage its financial assets. IFRS 9 defines three different business models: a first business model whose objective is to hold assets in order to collect contractual cash flows (hold to collect), a second model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold to collect and sell), and other business models.

The identification of the business model and the analysis of the contractual cash flow characteristics require judgment to ensure that the financial assets are classified in the appropriate category.

Where the financial asset is an investment in an equity instrument and is not held for trading, the Group may irrevocably elect to present the gains and losses on that investment in other comprehensive income.

Except for trade receivables, which are measured at their transaction price in accordance with IFRS 15, financial assets are measured, on initial recognition, at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to their acquisition.

At the end of each reporting period, financial assets measured using the amortized cost method or at fair value through other comprehensive income (with a recycling mechanism) are subject to an impairment test based on the expected credit losses method.

Financial assets also include derivatives that are measured at fair value in accordance with IFRS 9.

In accordance with IAS 1, the Group presents current and non-current assets and current and non-current liabilities separately in the statement of financial position. In view of the majority of the Group's activities, it was considered that the criterion to be used to classify assets is the expected time to realize the asset or settle the liability: the asset is classified as current if this period is less than 12 months and as non-current if it is more than 12 months after the reporting period.

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The following table presents the Group's different categories of financial assets, broken down into current and non-current items:

		Dec. 31, 2022			Dec. 31, 2021		
In millions of euros	Notes	Non-current	Current	Total	Non-current	Current	Total
Other financial assets	14.1	10,599	2,394	12,992	10,949	2,495	13,444
Equity instruments at fair value through other comprehensive income		*1,217*	*-*	*1,217*	*2,344*	*-*	*2,344*
Equity instruments at fair value through income		*278*	*-*	*278*	*483*	*-*	*483*
Debt instruments at fair value through other comprehensive income		*2,128*	*290*	*2,418*	*2,157*	*104*	*2,261*
Debt instruments at fair value through income		*1,178*	*568*	*1,745*	*1,794*	*395*	*2,189*
Loans and receivables at amortized cost		*5,798*	*1,537*	*7,334*	*4,171*	*1,996*	*6,167*
Trade and other receivables	7.2	-	31,310	31,310	-	32,555	32,555
Assets from contracts with customers	7.2	9	12,575	12,584	34	8,344	8,377
Cash and cash equivalents		-	15,570	15,570	-	13,890	13,890
Derivative instruments	14.4	33,134	15,252	48,386	25,616	19,373	44,989
TOTAL		**43,741**	**77,102**	**120,843**	**36,599**	**76,657**	**113,256**

14.1.1 Other financial assets

14.1.1.1 Equity instruments at fair value

Accounting standards

Equity instruments at fair value through other comprehensive income (OCI)

Under IFRS 9 an irrevocable election can be made to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income. This choice is made on an instrument by instrument basis. Amounts presented in other comprehensive income should not be transferred to profit or loss including proceeds of disposals. However, IFRS 9 authorizes the transfer of the accumulated profits and losses to another component of equity. Dividends from such investments are recognized in profit or loss unless the dividend clearly represents the recovery of a portion of the cost of the investment.

The equity instruments recognized under this line item mainly concern investments in companies that are not controlled by the Group and for which OCI measurement has been selected given their strategic and long-term nature.

Upon initial recognition, these equity instruments are recognized at fair value, which is generally their acquisition cost, plus transaction costs.

At each reporting date, for listed securities, fair value is determined based on the quoted market price at the reporting date. For unlisted securities, fair value is measured using valuation models based primarily on the latest market transactions, the discounting of dividends or cash flows and the net asset value.

Equity instruments at fair value through profit or loss

Equity instruments that are held for trading or for which the Group has not elected for measurement at fair value through other comprehensive income are measured at fair value through profit or loss.

This category mainly includes investments in companies not controlled by the Group.

Upon initial recognition, these equity instruments are recognized at fair value, which is generally their acquisition cost.

At each reporting date, for listed and unlisted securities, the same measurement method as described above should be applied.

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In millions of euros	Equity instruments at fair value through other comprehensive income	Equity instruments at fair value through income	Total
AT DECEMBER 31, 2021	**2,344**	**483**	**2,827**
Increase	213	93	306
Decrease	(647)	(263)	(910)
Changes in fair value	(686)	(15)	(701)
Changes in scope of consolidation, translation adjustments and other	(7)	(20)	(27)
AT DECEMBER 31, 2022	**1,217**	**278**	**1,495**
Dividends	12	3	**15**

Equity instruments break down as €875 million of listed equity instruments (€1,750 million at December 31, 2021) and €620 million of unlisted equity instruments (€1,077 million at December 31, 2021). This amount includes in particular the minority interest held by the Group in Nord Stream AG, now valued at €90 million, down €474 million compared to December 31, 2021. This decrease is a result of damage to the pipeline and due to the heightened risk profile of Nord Stream's single customer, Gazprom. This change in fair value does not affect the income statement, as it is recorded as a reduction in other items of the statement of comprehensive income. The decrease notably includes the disposal of the remaining 1.8% interest in SUEZ for a negative €227 million.

14.1.1.2 Debt instruments at fair value

Accounting standards

Debt instruments at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and for which the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding amount (SPPI), are measured at fair value through OCI (with a recycling mechanism). This involves a measurement through profit or loss for interest (at amortized cost using the effective interest method), impairment and foreign exchange gains and losses, and through OCI (with a recycling mechanism) for other gains or losses.

This category mainly includes bonds.

Fair value gains and losses on these instruments are recognized in other comprehensive income, except for the following items which are recognized in profit or loss:

- expected credit losses and reversals;
- foreign exchange gains and losses.

When the financial asset is derecognized, the cumulative gain or loss that was previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Debt instruments at fair value through profit or loss

Financial assets whose contractual cash flows do not consist solely of payments of principal and interest on the amount outstanding (SPPI) or that are held in view of an "other" business model are measured at fair value through profit or loss.

The Group's investments in UCITS are accounted for in this caption. They are considered as debt instruments, according to IAS 32 – *Financial Instruments*: *Presentation*, given the existence of an obligation for the issuer to redeem units, at the request of the holder. They are measured at fair value through profit or loss because the contractual cash flow characteristics do not meet the SPPI test.

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In millions of euros	Debt instruments at fair value through other comprehensive income	Liquid debt instruments held for cash investment purposes at fair value through other comprehensive income	Debt instruments at fair value through income	Liquid debt instruments held for cash investment purposes at fair value through income	Total
AT DECEMBER 31, 2021	**2,260**	**1**	**1,593**	**595**	**4,449**
Increase	1,751	22	1,704	200	3,677
Decrease	(1,207)	(1)	(2,040)	(20)	(3,269)
Changes in fair value	(386)	-	(280)	(7)	(673)
Changes in scope of consolidation, translation adjustments and other	-	(22)	-	-	(22)
AT DECEMBER 31, 2022	**2,418**	**-**	**977**	**769**	**4,163**

Debt instruments at fair value at December 31, 2022 primarily included bonds and money market funds held by Synatom for €3,350 million (*see Note 17.2.4 "Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material"*) and liquid instruments deducted from net financial debt for €769 million (respectively €3,806 million and €596 million at December 31, 2021).

14.1.1.3 Loans and receivables at amortized cost

Accounting standards

Loans and receivables held by the Group under a business model consisting in holding the instrument in order to collect the contractual cash flows, and whose contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding (SPPI test) are measured at amortized cost. Interest is calculated using the effective interest method.

The following items are recognized in profit or loss:

- interest income using the effective interest method;
- expected credit losses and reversals;
- foreign exchange gains and losses.

The Group has entered into concession agreements with certain public authorities under which the construction, extension or improvement of infrastructure is carried out in return for an unconditional right to receive payment from the concession holder in cash or other financial assets. In this case, the Group recognizes a financial receivable from the concession holders.

The Group has entered into services or take-or-pay contracts that are, or contain, a lease and under which the Group acts as lessor and its customers as lessees. Leases are analyzed in accordance with IFRS 16 in order to determine whether they constitute an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership of the related asset, the contract is classified as a finance lease and a finance receivable is recognized to reflect the financing deemed to be granted by the Group to the customer.

Leasing security deposits are presented in this caption and recognized at their nominal value.

Please refer to Note 15 "Risks arising from financial instruments" regarding the assessment of counterparty risk.

	Dec. 31, 2022			Dec. 31, 2021		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Loans granted to affiliated companies and other debt instruments at amortized cost	3,583	427	4,010	2,267	195	2,462
Other receivables at amortized cost	261	734	995	240	1,537	1,777
Amounts receivable under concession contracts	1,564	187	1,751	1,200	123	1,324
Amounts receivable under finance leases	390	189	579	463	141	604
TOTAL	**5,798**	**1,537**	**7,334**	**4,171**	**1,996**	**6,167**

Loans granted to affiliated companies and other debt instruments at amortized cost include the cash of the debt instruments held by Synatom to be invested for €2,270 million (€167 million at December 31, 2021) (*see Note 17.2.4. "Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material"*).

Amounts receivable under concession contracts amounted to €1,751 million at December 31, 2022. They are related to the Novo Estado and Gralha Azul electric power transmission networks in Brazil.

Impairment and expected credit losses against loans and receivables at amortized cost stood at €1,294 million at December 31, 2022 (versus €228 million at December 31, 2021), and include the impairment of the loan relating to the financing of the Nord Stream 2 pipeline project for €987 million (*see Note 15.2.2.1 "Loans and receivables at amortized cost" and Note 10 "Net financial incole/(loss)"*)

Other net gains and losses recognized in the income statement relating to loans and receivables at amortized cost break down as follows:

		Post-acquisition measurement	
In millions of euros	Interest income	Foreign currency translation	Expected credit loss
At December 31, 2022	211	(64)	(6)
At December 31, 2021	223	(15)	(7)

Amounts receivable under finance leases

These contracts refer to lease contracts in which ENGIE acts as lessor, classified as finance leases in accordance with IFRS 16. They relate to energy purchase and sale contracts where the contract conveys an exclusive right to use a production asset, and certain contracts with industrial customers relating to assets held by the Group.

The Group has recognized finance lease receivables, notably for cogeneration plants for Wapda and NTDC (Uch - Pakistan).

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Undiscounted future minimum lease payments	758	713
Unguaranteed residual value accruing to the lessor	12	11
TOTAL GROSS INVESTMENT IN THE LEASE	**770**	**724**
Unearned financial income	**47**	**56**
NET INVESTMENT IN THE LEASE (STATEMENT OF FINANCIAL POSITION)	**723**	**668**
Of which present value of future minimum lease payments	*718*	*660*
Of which present value of unguaranteed residual value	*5*	*9*

Undiscounted minimum lease payments receivable under finance leases can be analyzed as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Year 1	137	122
Years 2 to 5 inclusive	376	351
Beyond year 5	245	240
TOTAL	**758**	**713**

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14.1.2 Trade and other receivables, assets from contracts with customers

Information on trade and other receivables and assets from contracts with customers are provided in Note 7.2."Trade and other receivables, assets and liabilities from contracts with customers".

14.1.3 Cash and cash equivalents

Accounting standards

This item includes cash equivalents as well as short-term investments that are considered to be readily convertible into a known amount of cash and where the risk of a change in their value is deemed to be negligible based on the criteria set out in IAS 7.

Bank overdrafts are not included in the calculation of cash and cash equivalents and are recorded under "Short-term borrowings".

Cash and cash equivalent items are subject to impairment tests in accordance with the expected credit losses model of IFRS 9.

"Cash and cash equivalents" totaled €15,570 million at December 31, 2022 (€13,890 million at December 31, 2021). This item comprises standard money market funds with daily liquidity (50%), term deposits with a maturity of less than one month (36%), and deposits with a maturity of less than three months and other products (14%).

This amount included funds related to the green bond issues, which remain unallocated to the funding of eligible projects (*see section 5 of the Universal Registration Document*).

At December 31, 2022, this amount also included €12 million in cash and cash equivalents subject to restrictions (€172 million at December 31, 2021).

Gains recognized in respect of "Cash and cash equivalents" amounted to €196 million in 2022 compared to €54 million in 2021.

14.1.4 Transfer of financial assets

The Group carried out disposals without recourse to financial assets as part of transactions leading to full derecognition, for an outstanding amount of €3,733 million at December 31, 2022.

14.1.5 Financial assets and equity instruments pledged as collateral for borrowings and debt

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Financial assets and equity instruments pledged as collateral	**3,532**	3,915

This item mainly includes the carrying amount of equity instruments pledged as collateral for borrowings and debt.

14.2 Financial liabilities

Accounting standards

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate method.

On initial recognition, any issue or redemption premiums and discounts and issuing costs are added to/deducted from the nominal value of the borrowings concerned. These items are taken into account when calculating the effective interest rate and are therefore recorded in the consolidated income statement over the life of the borrowings using the amortized cost method.

As regards structured debt instruments that do not have an equity component, the Group may be required to separate an "embedded" derivative instrument from its host contract. When an embedded derivative is separated from its host contract, the initial carrying amount of the structured instrument is broken down into an embedded derivative component, corresponding to the fair value of the embedded derivative, and a financial liability component, corresponding to the difference between the amount of the issue and the fair value of the embedded derivative. The separation of components upon initial recognition does not give rise to any gains or losses.

The debt is subsequently recorded at amortized cost using the effective interest method while the derivative is measured at fair value, with changes in fair value recognized in profit or loss.

Financial liabilities are recognized either:

- as "Amortized cost liabilities" for borrowings, trade payables and other creditors, and other financial liabilities;
- as "Liabilities measured at fair value through profit or loss" for derivative financial instruments and for financial liabilities designated as such.

The following table presents the Group's different financial liabilities at December 31, 2022, broken down into current and non-current items:

		Dec. 31, 2022			Dec. 31, 2021		
In millions of euros	**Notes**	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Borrowings and debt	14.3	28,083	12,508	40,591	30,458	10,590	41,048
Trade and other payables	14.2	-	39,801	39,801	-	32,822	32,822
Liabilities from contracts with	7.2	121	3,292	3,412	68	2,671	2,739
Derivative instruments	14.4	39,417	11,859	51,276	24,228	22,702	46,931
Other financial liabilities		90	-	90	108	-	108
TOTAL		**67,711**	**67,460**	**135,171**	**54,863**	**68,785**	**123,648**

14.2.1 Trade and other payables

In millions of euros	**Dec. 31, 2022**	**Dec. 31, 2021**
Trade payables	39,165	32,197
Payable on fixed assets	636	625
TOTAL	**39,801**	**32,822**

The carrying amount of these financial liabilities represents a reasonable estimate of their fair value.

The increase in trade payables is mainly due to the rise in commodity prices.

14.2.2 Liabilities from contracts with customers

Information on liabilities from contracts with customers are provided in Note 7.2. “Trade and other receivables, assets and liabilities from contracts with customers”.

14.3 Net financial debt

14.3.1 Net financial debt by type

		Dec. 31, 2022			Dec. 31, 2021		
In millions of euros		Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	Bond issues	21,007	2,550	23,557	24,035	2,205	26,240
	Bank borrowings	4,679	797	5,476	3,829	1,977	5,806
	Negotiable commercial paper	-	7,386	7,386	-	4,962	4,962
	Lease liabilities	2,482	393	2,875	1,709	334	2,043
	Other borrowings [1]	(85)	768	682	885	613	1,498
	Bank overdrafts and current account	-	615	615	-	499	499
	BORROWINGS AND DEBT	**28,083**	**12,508**	**40,591**	**30,458**	**10,590**	**41,048**
Other financial assets	Other financial assets deducted from net financial debt [2]	**(249)**	**(1,133)**	**(1,383)**	**(251)**	**(1,369)**	**(1,621)**
Cash and cash equivalents	Cash and cash equivalents	**-**	**(15,570)**	**(15,570)**	**-**	**(13,890)**	**(13,890)**
Derivative instruments	Derivatives hedging borrowings [3]	**394**	**22**	**416**	**(147)**	**(41)**	**(187)**
NET FINANCIAL DEBT		**28,228**	**(4,174)**	**24,054**	**30,060**	**(4,710)**	**25,350**

(1) This item corresponds to the revaluation of the interest rate component of debt in a qualified fair value hedging relationship for a negative €200 million, margin calls on debt hedging derivatives carried in liabilities for €364 million and the impact of amortized cost for €144 million (compared to, respectively, €227 million, €269 million and €99 million at December 31, 2021).

(2) This item notably corresponds to assets related to financing for €67 million, liquid debt instruments held for cash investment purposes for €769 million and margin calls on derivatives hedging borrowings carried in assets for €547 million (compared to, respectively, €47 million, €596 million and €977 million at December 31, 2021).

(3) This item represents the interest rate component of the fair value of derivatives hedging borrowings in a designated fair value hedging relationship. It also represents the exchange rate and outstanding accrued interest rate components of the fair value of all debt-related derivatives irrespective of whether or not they qualify as hedges.

The fair value of gross borrowings and debt (excluding lease liabilities) amounted to €35,179 million at December 31, 2022, compared with a carrying amount of €37,690 million.

Financial income and expenses related to borrowings and debt are presented in Note 10 “Net financial income/(loss)”.

14.3.2 Reconciliation between net financial debt and cash flow from (used in) financing activities

In millions of euros		Dec. 31, 2021	Cash flow from financing activities	Cash flow from operating and investing activities and change in cash and cash equivalents	Change in fair value	Translation adjustments	Change in scope of consolidation and others	Dec. 31, 2022
Borrowings and debt	Bond issues	26,240	(2,805)	-	-	218	(96)	23,557
	Bank borrowings	5,806	(639)	-	-	277	32	5,476
	Negotiable commercial paper	4,962	2,352	-	-	71	-	7,386
	Lease liabilities[(1)]	2,043	(501)	-	-	38	1,295	2,875
	Other borrowings	1,498	(359)	-	(105)	30	(381)	682
	Bank overdrafts and current account	499	3	-	-	115	(3)	615
	BORROWINGS AND DEBT	**41,048**	**(1,949)**	**-**	**(105)**	**749**	**848**	**40,591**
Other financial	Other financial assets deducted from	**(1,621)**	**187**	**-**	**29**	**(1)**	**22**	**(1,383)**
Cash and cash	Cash and cash equivalents	**(13,890)**	**-**	**(945)**	**-**	**(363)**	**(371)**	**(15,570)**
Derivative	Derivatives hedging borrowings	**(187)**	**(97)**	**-**	**525**	**170**	**5**	**416**
NET FINANCIAL		**25,350**	**(1,859)**	**(945)**	**449**	**556**	**503**	**24,054**

(1) Lease liabilities: the negative amount of a negative €501 million included in the "Cash flow from financing activities" column corresponds to lease payments, excluding interest (total cash outflow for leases amounted to €552 million, of which €51 million relating to interest).

14.3.3 Main events of the period

14.3.3.1 Impact of changes in the scope of consolidation and in exchange rates on net financial debt

In 2022, changes in exchange rates resulted in a €556 million increase in net financial debt, including a €271 million increase in relation to the US dollar and a €307 million increase in relation to the Brazilian real.

The extension of the Compagnie Nationale du Rhône's concession until 2041 resulted in an increase in lease liabilities of €850 million at December 31, 2022.

Changes in the scope of consolidation (including the cash impact of acquisitions and disposals) led to a €7,043 million decrease in net financial debt. This change mainly reflects:

- asset disposals during the period, resulting in a €8,697 million decrease in net financial debt (*see Note 4.1 "Disposals carried out in 2022"*). They mainly include:
  - the disposal to Bouygues of the Group's interest in EQUANS;
  - the additional price related to the sale of part of the stake in SUEZ and the disposal of the 1.8% remaining interest in SUEZ to VEOLIA;
  - the two successive disposals of nearly 9% and then 6% of the Group's interest in Gaztransport & Technigaz SA (GTT) and the conversion of 96% of the bond redeemable for GTT shares (representing nearly 10% of the company's capital);
  - the disposal of the Group's interest in geothermic assets PT SUPREME ENERGY MUARA LABOH and RANTAU DEDAP in Indonesia;
- the change in the classification of entities under "Assets held for sale", resulting in a €297 million decrease in net financial debt. They include the ongoing disposal of a thermal power plant in Brazil and the unfavorable evolution of the planned disposal of some renewable assets in Mexico (*see Note 4.2 "Assets held for sale"*);

- acquisitions carried out in 2022 which increased net financial debt by €1,951 million (*see Note 4.3 "Acquisitions carried out in 2022"*).

14.3.3.2 Financing and refinancing transactions

The Group carried out the following main transactions in 2022:

ENGIE SA

- on March 9, 10 and 11, 2022 ENGIE SA drew on bilateral lines for a total amount of €1,485 million, for a one month period. The redemption took place on April 11, 2022;
- on July 6, 2022 ENGIE SA redeemed at maturity JPY 10 billion (€71 million) worth of bonds (private placement) with a 1.26% coupon;
- on July 20, 2022 ENGIE SA redeemed at maturity €410 million worth of bonds, with a 2.625% coupon;
- on September 27, 2022 ENGIE SA issued €650 million worth of green bonds, maturing in September, 2029, bearing a 3.5% coupon;
- on October 10, 2022 ENGIE SA redeemed at maturity USD 750 million (€773 million) worth of bonds, with a 2.875% coupon;
- on October 18, 2022 ENGIE SA redeemed at maturity €693 million worth of bonds, with a 3.5% coupon;
- on October 24, 2022 ENGIE SA redeemed partially in advance several bonds for an aggregate nominal amount of €1,125 million, including:
  - a €220 million tranche of green bonds, maturing in March 2024, with a 0.875% coupon,
  - a €396 million tranche, maturing in March 2025, with a 1.375% coupon,
  - a €157 million tranche, maturing in September 2025, with a 0.875% coupon,
  - a €54 million tranche, maturing in May 2026, with a 2.375% coupon,
  - a €123 million tranche, maturing in March 2027, with a 0% coupon,
  - a €175 million tranche, maturing in June 2027, with a 0.375% coupon;
- in November and December 2022, 96% of the bond redeemable for GTT shares was converted for €278 million.

Other Group entities

- in June 2022, Compagnie Nationale du Rhône redeemed at maturity a bank loan of €300 million, with a 0.55% coupon;
- in May 2022, ENGIE Brasil Energia redeemed at maturity three bank loans for a total amount of €238 million;
- throughout 2022, ENGIE Energia Chile took out several bank loans for a total amount of USD 797 millions (€748 million);
- in July 2022, ENGIE Energia Perù SA redeemed at maturity two bank loans for a total amount of €142 million, with 1.01% and 1.06% coupons;
- in August 2022, ENGIE Energia Perù SA took out a USD 264 million (€251 million) bank loan, maturing in August 2033;

- in October 2022, Compagnie Nationale du Rhône redeemed at maturity a bank loan of €300 million, with an EURIBOR 6 months plus a 0.9% spread coupon;

- throughout 2022, Compagnie Nationale du Rhône redeemed several bilateral lines for a total amount of €525 million;

  in November 2022, ENGIE Brasil Energia redeemed at maturity a bank loan of USD 200 million (€205 million), with a 3.37% coupon.

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14.4 Derivative instruments

Accounting standards

Derivative financial instruments are measured at fair value. This fair value is determined on the basis of market data, available from external contributors. In the absence of an external benchmark, a valuation based on internal models recognized by market participants and favoring data directly derived from observable data such as OTC quotations is used.

The change in fair value of derivative financial instruments is recorded in the income statement except when they are designated as hedging instruments in a cash flow hedge or net investment hedge. In this case, changes in the value of the hedging instruments are recognized directly in equity, excluding the ineffective portion of the hedges.

The Group uses derivative financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates and commodity prices, mainly for gas and electricity. The use of derivative instruments is governed by a Group policy for managing interest rate, currency and commodity risks (*see Note 15 – Risks arising from financial instruments*).

Derivative financial instruments are contracts (i) whose value changes in response to the change in one or more observable variables, (ii) that do not require any material initial net investment, and (iii) that are settled at a future date.

Derivative instruments include swaps, options, futures and swaptions, as well as forward commitments to purchase or sell listed and unlisted securities, and firm commitments or options to purchase or sell non-financial assets that involve physical delivery of the underlying.

For purchases and sales of electricity and natural gas, the Group systematically analyzes whether the contract was entered into in the “normal” course of operations and therefore falls outside the scope of IFRS 9. This analysis consists firstly in demonstrating that the contract is entered into and continues to be held for the purpose of physical delivery or receipt of the commodity in accordance with the Group’s expected purchase, sale or usage requirements for volumes intended to be used or sold by the Group within a reasonable time frame, as part of its operations.

The second step is to demonstrate that the Group has no practice of settling similar contracts on a net basis and that these contracts are not equivalent to written options. In particular, in the case of electricity and gas sales allowing the buyer a certain degree of flexibility concerning the volumes delivered, the Group distinguishes between contracts that are equivalent to capacity sales considered as transactions falling within the scope of ordinary operations and those that are equivalent to written financial options, which are accounted for as derivative financial instruments.

Only contracts that meet all of the above conditions are considered as falling outside the scope of IFRS 9. Adequate specific documentation is compiled to support this analysis.

Embedded derivatives

The main Group contracts that may contain embedded derivatives are contracts with clauses or options potentially affecting the contract price, volume or maturity. This is the case primarily with contracts for the purchase or sale of non-financial assets, whose price is revised based on an index, the exchange rate of a foreign currency or the price of an asset other than the contract’s underlying.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If a hybrid contract contains a host that is an asset within the scope of IFRS 9, the Group applies the presentation and measurements requirements described in Note 18.1 to the entire hybrid contract.

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Conversely, when a hybrid contract contains a host that is not an asset within the scope of IFRS 9, an embedded derivative shall be separated from the host and accounted for as a derivative if, and only if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss (i.e., a derivative that is embedded in a financial liability at fair value through profit or loss is not separated).

Where an embedded derivative is separate from the host contract, it is measured at fair value and fair value changes are recognized in profit or loss (except if the embedded derivative is documented in a hedge relationship).

Hedging instruments: recognition and presentation

Derivative instruments qualifying as hedging instruments are recognized in the consolidated statement of financial position and measured at fair value. However, their accounting treatment varies according to whether they are classified as (i) a fair value hedge of an asset or liability; (ii) a cash flow hedge, or (iii) a hedge of a net investment in a foreign operation.

Fair value hedges

A fair value hedge is defined as a hedge of the exposure to changes in fair value of a recognized asset or liability such as a fixed-rate loan or borrowing, or of assets, liabilities or an unrecognized firm commitment denominated in a foreign currency.

The gain or loss from remeasuring the hedging instrument at fair value is recognized in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in profit or loss even if the hedged item is in a category in respect of which changes in fair value are recognized through other comprehensive income. These two adjustments are presented net in the consolidated income statement, with the net effect corresponding to the ineffective portion of the hedge.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that could affect the Group's income. The hedged cash flows may be attributable to a particular risk associated with a recognized financial or non-financial asset or a highly probable forecast transaction.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income, net of tax, while the ineffective portion is recognized in profit or loss. The gains or losses accumulated in equity are reclassified to the consolidated income statement under the same caption as the loss or gain on the hedged item – i.e., current operating income for operating cash flows and financial income or expenses for other cash flows – in the same periods in which the hedged cash flows affect income.

If the hedging relationship is discontinued, in particular because the hedge is no longer considered effective, the cumulative gain or loss on the hedging instrument remains recognized in equity until the forecast transaction occurs. However, if a forecast transaction is no longer expected to occur, the cumulative gain or loss on the hedging instrument is immediately recognized in profit or loss.

Hedge of a net investment in a foreign operation

In the same way as for a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge of the currency risk is recognized directly in other comprehensive income, net of tax, while the

ineffective portion is recognized in profit or loss. The gains or losses accumulated in other comprehensive income are transferred to the consolidated income statement when the investment is liquidated or sold.

Hedging instruments: identification and documentation of hedging relationships

The hedging instruments and hedged items are designated at the inception of the hedging relationship. The hedging relationship is formally documented in each case, specifying the hedging strategy, the hedged risk and the method used to assess hedge effectiveness. Only derivative contracts entered into with external counterparties are considered as being eligible for hedge accounting

Hedge effectiveness is assessed and documented at the inception of the hedging relationship and on an ongoing basis throughout the periods for which the hedge was designated.

Hedge effectiveness is demonstrated both prospectively and retrospectively using various methods, based mainly on a comparison between changes in fair value or cash flows between the hedging instrument and the hedged item. Methods based on an analysis of statistical correlations between historical price data are also used.

Derivative instruments not qualifying for hedge accounting: recognition and presentation

These items mainly concern derivative financial instruments used in economic hedges that have not been – or are no longer – documented as hedging relationships for accounting purposes.

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, changes in fair value are recognized directly in profit or loss under (i) current operating income for derivative instruments with non-financial assets as the underlying, and (ii) financial income or expenses for currency, interest rate and equity derivatives.

Derivative instruments not qualifying for hedge accounting used by the Group in connection with proprietary commodity trading activities and other derivatives expiring in less than 12 months are recognized in the consolidated statement of financial position in current assets and liabilities, while derivatives expiring after this period are classified as non-current items.

Fair value measurement

The fair value of instruments listed on an active market is determined by reference to the market price. In this case, these instruments are presented in level 1 of the fair value hierarchy.

The fair value of unlisted financial instruments for which there is no active market and for which observable market data exist is determined based on valuation techniques such as option pricing models or the discounted cash flow method.

The models used to evaluate these instruments take into account assumptions based on market inputs:

- the fair value of interest rate swaps is calculated based on the present value of future cash flows;
- the fair value of forward foreign exchange contracts and currency swaps is calculated by reference to current prices for contracts with similar maturities by discounting the future cash flow spread (difference between the forward exchange rate under the contract and the forward exchange rate recalculated in line with the new market conditions applicable to the nominal amount);
- the fair value of currency and interest rate options is calculated using option pricing models;
- commodity derivatives are valued by reference to listed market prices based on the present value of future cash flows (commodity swaps or commodity forwards) and option pricing models (options), for which market price volatility may be a factor. Contracts with maturities exceeding the depth of transactions for which prices are observable, or which are particularly complex, may be valued based on internal assumptions;
- exceptionally, for complex contracts negotiated with independent financial institutions, the Group uses the values established by its counterparties.

These instruments are presented in level 2 of the fair value hierarchy except when the evaluation is based mainly on data that are not observable, in which case they are presented in level 3 of the fair value hierarchy. Most often, this is

the case for derivatives with a maturity that falls outside the observability period for market data relating to the underlying or when certain inputs such as the volatility of the underlying are not observable.

Except in case of enforceable master netting arrangements or similar agreements, counterparty risk is included in the fair value of financial derivative instrument assets and liabilities. It is calculated according to the "expected loss" method and takes into account the exposure at default, the probability of default and the loss given default. The probability of default is determined on the basis of credit ratings assigned to each counterparty ("historical probability of default" approach).

Offsetting of financial assets and liabilities in the statement of financial position

Financial assets and liabilities are presented net in the statement of financial position when the offsetting criteria of IAS 32 are met. Offsetting relates to instruments entered into with counterparties for which the contractual terms provide for a net settlement of transactions and a collateralization agreement (margin calls). In particular, commodity derivative assets and liabilities are offset for transactions with the same counterparty, in the same currency, by type of commodity and delivery point and with identical maturities.

Derivative instruments recognized in assets and liabilities are measured at fair value and broken down as follows:

	Dec. 31, 2022						Dec. 31, 2021					
	Assets			Liabilities			Assets			Liabilities		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	226	92	319	620	114	735	370	130	501	224	89	313
Derivatives hedging commodities	30,932	15,076	46,008	37,210	11,698	48,907	24,474	19,190	43,664	22,335	22,507	44,842
Derivatives hedging other items [(1)]	1,975	84	2,059	1,587	47	1,634	772	52	824	1,670	106	1,775
TOTAL	**33,134**	**15,252**	**48,386**	**39,417**	**11,859**	**51,276**	**25,616**	**19,373**	**44,989**	**24,228**	**22,702**	**46,931**

(1) Derivatives hedging other items mainly include the interest rate component of interest rate derivatives (not qualifying as hedges or qualifying as cash flow hedges) that are excluded from net financial debt, as well as net investment hedge derivatives.

The increase in the balance of derivatives hedging commodities is due to the extreme volatility of commodity prices in 2022. Most of these derivatives mature in 2023 and 2024. This fair value also incorporates market parameters at December 31,2022, in particular the "bid ask" reserve, which have been updated to reflect the higher volatility of commodity prices and the reduced liquidity in the European natural gas and electricity markets in the second half of 2022. In the main markets where the Group operates (Europe, United States, Singapore) a 10% increase or decrease in these market parameters (including the "bid ask" spread) would impact the fair value of the derivates concerned by a negative €143 million (increase) and a positive €143 million (decrease).

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14.4.1 Offsetting of derivative instrument assets and liabilities

The net amount of derivative instruments after taking into account enforceable master netting arrangements or similar agreements, whether or not they are offset in accordance with paragraph 42 of IAS 32, are presented in the table below:

		Dec. 31, 2022				Dec. 31, 2021			
In millions of euros		Gross amount	**Net amount recognized in the statement of financial position (1)**	Other offsetting agreements (2)	**Total net amount**	Gross amount	**Net amount recognized in the statement of financial position (1)**	Other offsetting agreements (2)	**Total net amount**
Assets	Derivatives hedging commodities	72,322	**46,008**	(8,866)	**37,142**	75,043	**43,664**	(9,281)	**34,383**
	Derivatives hedging borrowings and other items	2,378	**2,378**	(364)	**2,014**	1,325	**1,325**	(269)	**1,056**
Liabilities	Derivatives hedging commodities	(75,221)	**(48,907)**	5,094	**(43,813)**	(76,220)	**(44,842)**	4,987	**(39,855)**
	Derivatives hedging borrowings and other items	(2,369)	**(2,369)**	547	**(1,822)**	(2,089)	**(2,089)**	977	**(1,111)**

(1) Net amount recognized in the statement of financial position after taking into account offsetting agreements that meet the criteria set out in paragraph 42 of IAS 32. Due to the extreme volatility of commodity prices, this offsetting had a significant impact on the statement of financial position at December 31, 2022 and mainly concerns OTC derivatives concluded with counterparties for which the contractual terms provide for a net settlement of the transactions as well as a collateralization agreement (margin calls).

(2) Other offsetting agreements include collateral and other guarantee instruments, as well as offsetting agreements that do not meet the criteria set out in paragraph 42 of IAS 32.

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14.5 Fair value of financial instruments by level in the fair value hierarchy

14.5.1 Financial assets

The table below shows the allocation of financial instruments carried in assets to the different levels in the fair value hierarchy:

	Dec. 31, 2022				Dec. 31, 2021			
In millions of euros	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Other financial assets (excluding loans and receivables at	5,658	4,225	-	1,433	7,276	5,556	-	1,720
Equity instruments at fair value through other comprehensive	*1,217*	*875*	*-*	*342*	*2,344*	*1,524*	*-*	*820*
Equity instruments at fair value through income	*278*	*-*	*-*	*278*	*483*	*227*	*-*	*256*
Debt instruments at fair value through other comprehensive	*2,418*	*2,418*	*-*	*-*	*2,261*	*2,254*	*-*	*7*
Debt instruments at fair value through income	*1,745*	*933*	*-*	*813*	*2,189*	*1,552*	*-*	*637*
Derivative instruments	48,386	138	44,730	3,518	44,989	177	41,606	3,206
Derivatives hedging borrowings	*319*	*-*	*319*	*-*	*501*	*-*	*501*	*-*
Derivatives hedging commodities - relating to portfolio management activities [(1)]	*40,992*	*-*	*40,825*	*168*	*35,381*	*-*	*35,306*	*75*
Derivatives hedging commodities - relating to trading	*5,016*	*138*	*1,528*	*3,350*	*8,284*	*177*	*4,975*	*3,131*
Derivatives hedging other items	*2,059*	*-*	*2,059*	*-*	*824*	*-*	*824*	*-*
TOTAL	54,044	4,363	44,730	4,951	52,266	5,734	41,606	4,926

(1) Derivative financial instruments relating to commodities classified in level 3 mainly include long-term gas supply contracts and electricity contracts measured at fair value through profit or loss. Due to geopolitical uncertainties, the fair value of contracts with Russian suppliers takes into account contingencies related to natural gas supply cuts.

A definition of these three levels is presented in Note 14.4 “Derivative instruments”.

Other financial assets (excluding loans and receivables at amortized cost)

Changes in level 3 equity and debt instruments at fair value can be analyzed as follows:

In millions of euros	Equity instruments at fair value through other comprehensive income	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through income	Debt instruments at fair value through income	Other financial assets (excluding loans and receivables
AT DECEMBER 31, 2021	**821**	**7**	**256**	**637**	**1,721**
Acquisitions	30	16	93	205	344
Disposals	(2)	(1)	(36)	(21)	(60)
Changes in fair value [(1)]	(499)	-	(15)	(8)	(521)
Changes in scope of consolidation, foreign currency translation	(8)	(23)	(20)	-	(51)
AT DECEMBER 31, 2022	342	-	278	813	1,433
Gains/(losses) recorded in income relating to instruments held at the end of the period					(4)

(1) Changes in fair value comprises the €474 million decrease in the value of the Group's minority interest in Nord Stream AG (see note 14.1.1.1 "Equity instruments at fair value").

Derivative instruments

Changes in level 3 commodity derivatives can be analyzed as follows:

In millions of euros	Net Asset/(Liability)
AT DECEMBER 31, 2021	**(210)**
Changes in fair value recorded in income	3,271
Settlements	(1,336)
Transfer from level 3 to levels 1 and 2	34
Net fair value recorded in income	**1,759**
Deferred Day-One gains/(losses)	78
AT DECEMBER 31, 2022	1,837

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14.5.2 Financial liabilities

The table below shows the allocation of financial instruments carried in liabilities to the different levels in the fair value hierarchy:

	Dec. 31, 2022				Dec. 31, 2021			
In millions of euros	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Borrowings used in designated fair value hedges	3,679	-	3,679	-	4,255	-	4,255	-
Borrowings not used in designated fair value hedges	31,500	17,093	14,407	-	36,875	24,262	12,613	-
Derivative instruments	51,276	-	49,595	1,681	46,931	-	43,515	3,415
Derivatives hedging borrowings	*735*	-	*735*	-	*313*	-	*313*	-
Derivatives hedging commodities - relating to portfolio management activities[(1)]	*48,907*	-	*47,227*	*1,681*	*35,458*	-	*34,374*	*1,084*
Derivatives hedging commodities - relating to trading activities[(1)]	-	-	-	-	*9,384*	-	*7,053*	*2,331*
Derivatives hedging other items	*1,634*	-	*1,634*	-	*1,775*	-	*1,775*	-
TOTAL	**86,455**	**17,093**	**67,682**	**1,681**	**88,061**	**24,262**	**60,383**	**3,415**

(1) Derivative financial instruments relating to commodities classified in level 3 mainly include long-term gas supply contracts and electricity contracts measured at fair value through profit and loss. Due to geopolitical uncertainties, the fair value of contracts with Russian suppliers takes into account a risk of supply cuts.

A definition of these three levels is presented in Note 14.4 “Derivative instruments”.

Borrowings used in designated fair value hedges

This caption includes bonds in a designated fair value hedging relationship, which are presented in level 2 in the above table. Only the interest rate component of the bonds is remeasured, with fair value determined by reference to observable inputs.

Borrowings not used in designated fair value hedges

Listed bond issues are included in level 1.

Other borrowings not used in a designated hedging relationship, are presented in level 2 in the above table. The fair value of these borrowings is determined on the basis of future discounted cash flows and relies on directly or indirectly observable data.

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NOTE 15 RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group mainly uses derivative instruments to manage its exposure to market risks. Financial risk management procedures are set out in Chapter 2 “Risk factors” of the Universal Registration Document.

15.1 Market risks

15.1.1 Commodity risk

Commodity risk arises primarily from the following activities:

- portfolio management; and
- trading.

The Group has primarily identified two types of commodity risks: price risk resulting from fluctuations in market prices, and volume risk inherent to the business.

In the ordinary course of its operations, the Group is exposed to commodity risks on natural gas, electricity, coal, oil and oil products, other fuels, CO_2 and other “green” products. The Group is active on these energy markets either for supply purposes, or to optimize and secure its energy production chain and its energy sales. The Group also uses derivatives to offer hedging instruments to its clients and to hedge its own positions.

15.1.1.1 Portfolio management activities

Portfolio management seeks to optimize the market value of assets (power plants, gas and coal supply contracts, energy sales and gas storage and transportation) over various timeframes (short-, medium- and long-term). Market value is optimized by:

- guaranteeing supply and ensuring the balance between physical needs and resources;
- managing market risks (price, volume) to unlock optimum value from portfolios within a specific risk framework.

The risk framework aims to safeguard the Group’s financial resources over the budget period and smooth out medium-term earnings (over three or five years, depending on the maturity of each market). It encourages portfolio managers to take out economic hedges on their portfolio.

Sensitivities of the commodity-related derivatives portfolio used as part of the portfolio management activities at December 31, 2022 are detailed in the table below. Due to the significant increase and volatility of commodity prices on the markets, particularly over the past several months in the European zone, the price assumptions for natural gas and electricity in Europe have been revised upwards for 2022. These sensitivities have been established in the current uncertain context.

These new assumptions do not constitute an estimate of future market prices and are not representative of future changes in consolidated earnings and equity, insofar as they do not include the sensitivities relating to the purchase and sale contracts for the underlying commodities, which are not recognized at fair value.

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Sensitivity analysis (1)

		Dec. 31, 2022		Dec. 31, 2021	
In millions of euros	**Changes in price**	**Pre-tax impact on income**	**Pre-tax impact on equity**	**Pre-tax impact on income**	**Pre-tax impact on equity**
Oil-based products	+USD 10/bbl	-	81	19	159
Natural gas - Europe (2)	-€10/MWh	(700)	(1,237)	N/A	N/A
Natural gas - Europe (2)	+€10/MWh	700	1,237	246	588
Natural gas - Rest of the world (2)	+€3/MWh	29	206	52	35
Electricity - Europe (2)	-€20/MWh	(51)	245	N/A	N/A
Electricity - Europe (2)	+€20/MWh	51	(245)	(73)	(49)
Electricity - Rest of the world (2)	+€5/MWh	(122)	-	(37)	-
Greenhouse gas emission rights	+€2/ton	24	1	(134)	-
EUR/USD	+10%	36	(186)	16	83
EUR/GBP	+10%	(17)	(34)	(49)	(6)

(1) The sensitivities shown above apply solely to financial commodity derivatives used for hedging purposes as part of the portfolio management activities.

(2) In 2021, the impact corresponded to a sensitivity of +€3/MWh for gas and +€5/MWh for electricity. For December 2022 and in relation to the sensitivities shown, more drastic upward and downward price changes, although difficult to quantify, could occur depending how the economic or political situation evolves. For example, an increase (decrease) of €50/MWh for natural gas and €100/MWh for electricity would impact sensitivities by a positive €9.7 billion (a negative €9.7 billion) and a negative €1 billion (a positive €0.9 billion), respectively for natural gas and electricity.

The significant increase in commodity prices in 2022 contributed to substantial changes in the fair value of financial instruments, impacting the income statement (*see Note 8 "Operating expenses"*) as well as the other comprehensive income for the Group (*see "Statement of comprehensive income"*).

15.1.1.2 Trading activities

Revenues from trading activities totaled €4,499 million in 2022 (€1,011 million in 2021).

The Group's trading activities are primarily conducted within:

- ENGIE Global Markets and ENGIE Energy Management. The purpose of these wholly-owned companies is to (i) assist Group entities in optimizing their asset portfolios; and (ii) create and implement energy price risk management solutions for internal and external customers;
- ENGIE SA for the optimization of part of its long-term gas supply contracts, of a power exchange contract and of part of its gas sales contracts with retail entities in France and Benelux and with power generation facilities in France and Belgium.

These entities operate on organized or OTC markets in derivative instruments such as futures, forwards, swaps, or options. Exposure to trading activities is strictly controlled by daily monitoring of compliance with Value at Risk (VaR) limits.

The use of VaR to quantify market risk arising from trading activities provides a transversal measure of risk, taking all markets and products into account. VaR represents the maximum potential loss on a portfolio over a specified holding period based on a given confidence interval. It is not an indication of expected results but is back-tested on a regular basis.

The Group uses a one-day holding period and a 99% confidence interval to calculate VaR, as well as stress tests, in accordance with banking regulatory requirements.

The VaR shown below corresponds to the global VaR of the Group's entities with trading activities. The increase in VaR reflects the exceptional increase and significant volatility in commodity market prices in 2022.

Value at Risk

In millions of euros	Dec. 31, 2022	2022 average(1)	2022 maximum(2)	2022 minimum(2)	2021 average(1)
Trading activities	28	33	143	6	10

(1) Average daily VaR.

(2) Maximum and minimum daily VaR observed in 2022.

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VaR limits are set within the framework of Group governance, which was strengthened during the year to take account of the extremely volatile market environment. These limits have been revised upwards and any excesses have been reported in accordance with the market risk control process, which may have led to the closure or reduction of certain positions, the limitation of new positions or the revision of the portfolio allocation.

The continuous monitoring of market risks and the strict application of these measures have enabled the Group to perform its trading activities in a supervised environment during the year. At December 31, 2022, VaR had fallen below its limit. The increasing average VaR in 2022 reflects extreme market conditions applied to lower positions than in 2021.

15.1.2 Hedges of commodity risks

Hedging instruments and sources of hedge ineffectiveness

The Group enters into cash flow hedges, using derivative instruments (firm or option contracts) contracted over the counter or on organized markets, to reduce its commodity risks, which relate mainly to future cash flows from contracted or expected sales and purchases of commodities. These instruments may be settled net or involve physical delivery of the underlying.

Sources of hedge ineffectiveness are mainly related to uncertainty regarding the timing and potential mismatches in settlement dates, in a context of highly volatile commodity market prices; and indices between the derivative instruments and the associated underlying exposures.

The fair values of commodity derivatives are indicated in the table below:

	Dec. 31, 2022				Dec. 31, 2021			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Derivative instruments relating to portfolio management activities	30,932	10,060	(37,210)	(11,698)	24,474	10,906	(22,335)	(13,123)
Cash flow hedges	*3,538*	*4,400*	*(2,483)*	*(4,140)*	*2,643*	*5,141*	*(1,533)*	*(3,796)*
Other derivative instruments	*27,394*	*5,660*	*(34,726)*	*(7,558)*	*21,831*	*5,765*	*(20,802)*	*(9,327)*
Derivative instruments relating to trading activities	-	5,016	-	-	-	8,284	-	(9,384)
TOTAL	**30,932**	**15,076**	**(37,210)**	**(11,698)**	**24,474**	**19,190**	**(22,335)**	**(22,507)**

The fair values shown in the table above reflect the amounts for which assets could be exchanged, or liabilities settled, at the end of the reporting period. They are not representative of expected future cash flows insofar as positions (i) are sensitive to changes in prices; (ii) can be modified by subsequent transactions; and (iii) can be offset by future cash flows arising on the underlying transactions.

15.1.2.1 Cash flow hedges

The fair values of cash flow hedges by type of commodity are as follows:

	Dec. 31, 2022				Dec. 31, 2021			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Natural gas	3,204	3,825	(1,825)	(3,149)	2,194	4,792	(1,044)	(2,971)
Electricity	114	324	(208)	(521)	195	171	(215)	(439)
Oil	219	248	(449)	(470)	246	176	(274)	(386)
Other [(1)]	1	3	(1)	1	9	2	-	-
TOTAL	**3,538**	**4,400**	**(2,483)**	**(4,140)**	**2,643**	**5,141**	**(1,533)**	**(3,796)**

(1) Mainly includes foreign currency hedges on commodities.

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Notional amounts (net) (1)

Notional amounts and maturities of cash flow hedges are as follows:

	Unit	2023	2024	2025	2026	2027	Beyond 5 years	Total at Dec. 31, 2022
Natural gas	*GWh*	158,983	68,913	19,053	(412)	6,002	-	**252,539**
Electricity	*GWh*	(7,447)	(3,226)	(835)	(465)	(457)	(649)	**(13,079)**
Oil-based products	*Thousands of barrels*	(11,913)	(11,768)	-	-	-	-	**(23,681)**
Forex	*Millions of euros*	2	-	-	-	-	-	**2**
Greenhouse gas emission rights	*Thousands of tons*	105	80	86	20	-	-	**291**

(1) Long/(short) position.

Effects of hedge accounting on the Group's financial position and performance

	Dec. 31, 2022				Dec. 31, 2021	
	Fair Value			Nominal	Fair value	Nominal
In millions of euros	Assets	Liabilities	Total	Total	Total	Total
Cash flow hedges	7,939	(6,623)	1,315	39,983	2,455	15,590
TOTAL	**7,939**	**(6,623)**	**1,315**	**39,983**	**2,455**	**15,590**

The fair values represented above are positive for assets and negative for liabilities.

In millions of euros		Nominal amount	Fair Value	Change in fair value used for calculating hedge effectiveness	Change in the value of the hedging instrument recognized in equity (1)	Ineffective portion recognized in profit or loss (1)	Amount reclassified from the hedge reserve to profit or loss (1)	Line item of profit or loss
Cash flow hedges	Hedging instruments	39,983	1,315		(1,747)	189	(3,003)	Current operating income
	Hedged items			(4,067)				

(1) Gains/(losses).

Hedge inefficiency, the amount of wich in 2022 is affected by the extreme volatility of commodity prices during the year and the partial decorrelation of the various markets particularly in Europe, is calculated based on the change in the fair value of the hedging instrument compared to the change in the fair value of the hedged items since inception of the hedge. The fair value of the hedging instruments at December 31, 2022 reflects the cumulative change in the fair value of the hedging instruments since inception of the hedges.

Maturity of commodity derivatives designated as cash flow hedges

In millions of euros	2023	2024	2025	2026	2027	Beyond 5 years	Dec. 31, 2022	Dec. 31, 2021
Fair Value of derivatives by maturity	503	645	224	(37)	(11)	(9)	**1,315**	**2,455**

Amounts presented in the statement of changes in equity and the statement of comprehensive income

The following table provides a reconciliation of each component of equity and an analysis of other comprehensive income:

	Cash flow hedge
In millions of euros	Derivatives hedging commodities
AT DECEMBER 31, 2021	**4,094**
Effective portion recognized in equity	(1,770)
Amount reclassified from hedge reserve to profit or loss	(3,023)
Translation differences	-
Changes in scope of consolidation and other	-
AT DECEMBER 31, 2022	**(699)**

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15.1.2.2 Other commodity derivatives

Other commodity derivatives include:

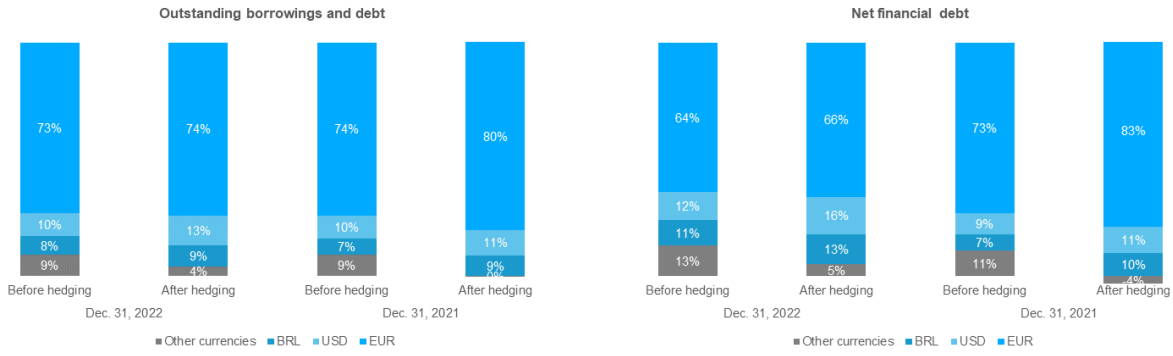
- commodity purchase and sale contracts that were not entered into or are no longer held for the purpose of the receipt or delivery of commodities in accordance with the Group's expected purchase, sale or usage requirements;
- embedded derivatives; and
- derivative financial instruments that are not eligible for hedge accounting in accordance with IFRS 9 or for which the Group has elected not to apply hedge accounting.

15.1.3 Currency risk

The Group is exposed to currency risk, defined as the impact on its statement of financial position and income statement of fluctuations in exchange rates affecting its operating and financing activities. Currency risk comprises (i) transaction risk arising in the ordinary course of business, (ii) specific transaction risk related to investments, mergers and acquisitions or disposal projects, and (iii) translation risk arising from the conversion into euros of income statement and statement of financial position items from subsidiaries with a functional currency other than the euro. The main translation risk exposures correspond, to assets in US dollars, Brazilian real and pounds sterling.

15.1.3.1 Financial instruments by currency

The following tables present a breakdown by currency of outstanding borrowings and debt and net financial debt, before and after hedging:



15.1.3.2 Currency risk sensitivity analysis

A sensitivity analysis to currency risk on financial income/(loss) – excluding the income statement translation impact of foreign subsidiaries – was performed based on all financial instruments managed by the treasury department and representing a currency risk (including derivative financial instruments).

A sensitivity analysis to currency risk on equity was performed based on all financial instruments qualified as net investment hedges at the reporting date.

For currency risk, sensitivity corresponds to a 10% rise or fall in exchange rates of foreign currencies against the euro compared to closing rates.

	Dec. 31, 2022			
	Impact on income		Impact on equity	
In millions of euros	+10%[1]	-10%[1]	+10%[1]	-10%[1]
Exposures denominated in a currency other than the functional currency of companies carrying the liabilities on their statements of financial position[2]	(19)	19	NA	NA
Financial instruments (debt and derivatives) qualified as net investment hedges[3]	NA	NA	426	(426)

(1) +(-)10%: depreciation (appreciation) of 10% of all foreign currencies against the euro.
(2) Excluding derivatives qualified as net investment hedges.
(3) This impact is countered by the offsetting change in the net investment hedged.

15.1.4 Interest rate risk

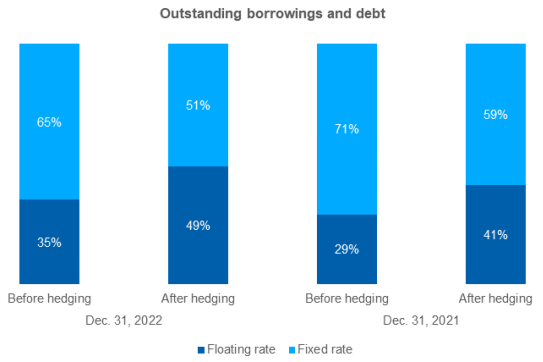
The Group seeks to manage its borrowing costs by limiting the impact of interest rate fluctuations on its income statement. The Group's policy is therefore to arbitrate between fixed rates, floating rates and capped floating rates for its net debt. The interest rate mix may shift within a range defined by Group Management in line with market trends.

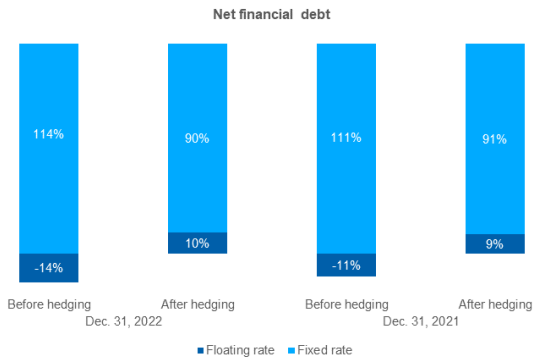
In order to manage the interest rate structure for its net debt, the Group uses hedging instruments, particularly interest rate swaps and options.

The Group has a forward interest rate pre-hedges portfolio on 2027 and 2028, with a 20-year maturity on each of the volumes initiated, to protect the refinancing interest rate on a portion of its debt.

15.1.4.1 Analysis of financial instruments by type of interest rate

The following tables present a breakdown by type of interest rate of outstanding borrowings and debt and net financial debt before and after hedging:





15.1.4.2 Interest rate risk sensitivity analysis

Sensitivity was analyzed based on the Group's net debt position (including the impact of interest rate and foreign currency derivatives relating to net debt) at the reporting date.

For interest rate risk, sensitivity corresponds to a 100-basis-point rise or fall in the yield curve compared to year-end interest rates.

	Dec. 31, 2022			
	Impact on income		Impact on equity	
In millions of euros	+100 basis points	-100 basis points	+100 basis points	-100 basis points
Net interest expense on floating-rate net debt (nominal amount) and on floating-rate leg of derivatives	(16)	16	NA	NA
Change in fair value of derivatives not qualifying as	(123)	135	NA	NA
Change in fair value of derivatives qualifying as cash flow hedges	NA	NA	198	(323)

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15.1.5 Currency and interest rate hedges

15.1.5.1 Currency risk management

Foreign currency exchange risk (or "FX" risk) is reported and managed based on a Group-wide approach, reflected in a policy approved by Group Management. The policy distinguishes between the three following main sources of currency risk:

- **Regular transaction risk**

  Regular transaction risk corresponds to the potential negative financial impact of currency fluctuations on business and financial operations denominated in a currency other than the functional currency.

  The management of regular transaction risk is fully delegated to the subsidiaries for their scope of activities, while the risks related to central activities are managed at corporate level.

  FX risks related to operational activities are systematically hedged when the related cash flows are certain, with a hedging horizon that corresponds at least to the medium-term plan horizon. For cash flows that are not certain, in their entirety, the hedge is initially based on a "no regret" volume. Exposures are monitored and managed based on the sum of nominal cash flows in FX, including highly probable amounts and related hedges.

  For FX risks related to financial activities, all significant exposures related to cash, financial debt, etc. are systematically hedged. Exposures are monitored based on the net sum of balance sheet items in FX.

- **Project transaction risk**

  Specific project transaction risk corresponds to the potential negative financial impact of FX fluctuations on specific major operations such as investment projects, acquisitions, disposals and restructuring projects, involving multiple currencies.

  The management of these FX risks includes the definition and implementation of hedging transactions, taking into account the likelihood of the risk (including probability of project completion) and its evolution, the availability of hedging instruments and their associated cost. Management's aim is to ensure the viability and the profitability of the transactions.

- **Translation risk**

  Translation risk corresponds to the potential negative financial impact of FX fluctuations concerning consolidated entities with a functional currency other than the euro. It relates to the translation of their income and expenses and their net assets.

  Translation risk is managed centrally, with a focus on securing the net asset value.

  The pertinence of hedging this translation risk is assessed regularly for each currency (as a minimum) or set of assets in the same currency, taking into account notably the value of the assets and the hedging costs.

Hedging instruments and sources of hedge ineffectiveness

The Group principally uses the following risk management levers for mitigating currency risk:

- derivative instruments: these mostly correspond to over-the-counter contracts and include FX forward transactions, FX swaps, currency swaps, cross currency swaps, plain vanilla FX options or combinations (calls, puts or collars);
- monetary items such as debt, cash and loans.

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Sources of hedge ineffectiveness are mainly related to uncertainty regarding the timing and in some cases the amount of the future cash flows in foreign currency that are being hedged.

15.1.5.2 Interest rate risk management

The Group is exposed to interest rate risk through its financing and investing activities. Interest rate risk is defined as a financial risk resulting from fluctuations in base interest rates that may increase the cost of debt and affect the viability of investments. Base interest rates are market interest rates, such as EURIBOR, US LIBOR, etc., that do not include the borrower's credit spread.

Reform of interbank benchmark rates

As part of the interest rate benchmark reform, the Group benchmarked all USD denominated new financing contracts to the SOFR index. ENGIE also plans to align its derivative contracts with the same index. However, the transition of existing financing and derivative contracts indexed on US Libor towards SOFR will be completed by June 2023, when the publication of US Libor is expected to end.

The Group does not expect the transition to have any impact.

The two main sources of interest rate risk are as follows:

- **Interest rate risk relating to Group net debt**

  Interest rate risk relating to Group net debt designates the financial impact of base rate movements on the debt and cash portfolio from recurring financing activities. This risk is mainly managed centrally.

  Risk management objectives are, by order of importance:

  - to protect the long-term viability of assets;
  - to optimize financing costs and ensure competitiveness; and
  - to minimize uncertainty on the cost of debt.

  Interest rate risk is actively managed by monitoring changes in market rates and their impact on the Group's gross and net debt.

- **Project interest rate risk**

  Specific project interest rate risk corresponds to the potential negative financial impact of base rate movements on specific major operations such as investment projects, acquisitions, disposals and restructuring projects. Interest rate risk after the closing of an operation is considered as regular (see "Interest rate risk" above).

  Interest rate risk is managed for specific project transactions in order to protect the economic viability of projects, acquisitions, disposals and restructuring initiatives against adverse changes in interest rates. It may include the implementation of hedging transactions, depending on a number of factors including the likelihood of completion, the availability of hedging instruments and their associated cost.

Hedging instruments and sources of hedge ineffectiveness

The Group principally uses the following risk management levers for mitigating interest rate risk:

- derivative instruments: these mostly correspond to over-the-counter contracts that are used to manage base interest rates. Such instruments include:

  - swaps, to change the nature of interest payments on debts, typically from fixed to floating rates or vice versa,
  - plain vanilla interest rate options;

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- caps, floors and collars that allow the impact of interest rate fluctuations to be limited by setting minimum and/or maximum limits on floating interest rates.

Sources of hedge ineffectiveness are mainly related to changes in the credit quality of the counterparties and related charges, as well as potential gaps in settlement dates and in indices between the derivative instruments and the related underlying exposures.

15.1.5.3 Currency and interest rate hedges

The Group has elected to apply hedge accounting whenever possible and suitable for currency risk and interest rate risk management purposes and also manages a portfolio of undesignated derivative instruments, corresponding to economic hedges relating to net debt and foreign currency exposures.

The Group uses the three hedge accounting methods: cash flow hedging, fair value hedging and net investment hedging.

In general, the Group does not frequently reset hedging relationships, designate specific risk components as a hedged item or designate credit exposures as measured at fair value through income.

The Group qualifies interest rate or cross currency swaps transforming fixed-rate debt into floating-rate debt as fair value hedges.

Cash flow hedges are mainly used to hedge future cash flows in foreign currency, floating-rate debt as well as future refinancing requirements.

Net investment hedging instruments are mainly FX swaps and forwards.

The fair values of derivatives (excluding commodity instruments) are indicated in the table below:

	Dec. 31, 2022				Dec. 31, 2021			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Derivatives hedging borrowings	226	92	(620)	(114)	370	130	(224)	(89)
Fair value hedges	*167*	*4*	*(394)*	*(38)*	*261*	*97*	*(24)*	*(35)*
Cash flow hedges	*30*	*5*	*(195)*	*(11)*	*36*	*1*	*(121)*	*(4)*
Derivative instruments not qualifying for hedge accounting	*30*	*84*	*(32)*	*(65)*	*73*	*33*	*(79)*	*(51)*
Derivatives hedging other items	1,975	84	(1,587)	(47)	772	52	(1,670)	(50)
Cash flow hedges	*509*	*41*	*(222)*	*(7)*	*110*	*9*	*(264)*	*-*
Net investment hedges	*156*	*-*	*(1)*	*-*	*6*	*-*	*(20)*	*-*
Derivative instruments not qualifying for hedge accounting	*1,310*	*43*	*(1,364)*	*(40)*	*656*	*44*	*(1,385)*	*(51)*
TOTAL	**2,201**	**176**	**(2,208)**	**(161)**	**1,142**	**183**	**(1,894)**	**(140)**

The fair values shown in the table above reflect the amounts relating to the price that would be received for the sale of an asset or paid for the transfer of a liability between market participants in the normal course of business. They are not representative of expected future cash flows insofar as the positions (i) are sensitive to changes in prices or to changes in credit ratings, (ii) can be modified by subsequent transactions, and (iii) can be offset by future cash flows arising on the underlying transactions.

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Amount, timing and uncertainty of future cash flows

The following tables provide a profile of the timing at December 31, 2022 of the nominal amount of hedging instruments:

In millions of euros

Buy/Sell	Interest rate type	Derivative instrument type	Currency	Total	2023	2024	2025	2026	2027	Beyond 5 years
Buy	Fixed	CCS	USD	(443)	(94)	(117)	(89)	(96)	-	(47)
			GBP	(1,804)	-	-	-	-	-	(1,804)
			HKD	(277)	-	-	-	-	(108)	(168)
			PEN	(239)	(40)	(19)	-	(61)	(62)	(57)
			Other	(602)	(107)	(367)	(73)	-	-	(54)
Sell	Fixed	CCS	EUR	2,568	-	216	75	-	98	2,179
			USD	279	47	23	-	72	72	66
	Floating	CCS	EUR	273	129	144	-	-	-	-
		CCS	BRL	392	93	114	90	95	-	-

In millions of euros

Buy/Sell	Interest rate type	Derivative instrument type	Currency	Total	2023	2024	2025	2026	2027	Beyond 5 years
Sell	Fixed	CAP	EUR	10	6	5	-	-	-	-
		IRS	EUR	8,089	(1,205)	(480)	249	1,253	389	7,883
			USD	1,963	725	12	12	725	283	205
			Other	72	3	3	3	4	4	54
	Floating	SWAPTION	EUR	1,000	-	-	-	-	-	1,000
	Floating	IRS	EUR	15,376	1,398	2,000	1,415	1,950	800	7,813
			BRL	141	141	-	-	-	-	-

The tables presented above exclude currency derivatives (except for cross currency swaps - CCS). Their maturity dates are aligned with those of the hedged items.

Pursuant to the FX and interest rate risk management policy, FX sensitivity is presented in Note 15.1.3.2 “Currency risk sensitivity analysis” and the average cost of debt is 2.73% as presented in Note 10 “Net financial income/(loss)”.

Effects of hedge accounting on the Group’s financial position and performance

Currency derivatives

	Dec. 31, 2022				Dec. 31, 2021	
	Fair value			Nominal amount	Fair value	Nominal amount
In millions of euros	Assets	Liabilities	Total	Total	Total	Total
Cash flow hedges	28	(366)	(338)	3,139	(253)	3,201
Net investment hedges	156	(1)	155	5,939	(14)	2,794
Derivative instruments not qualifying for hedge accounting	217	(94)	123	12,007	(39)	10,166
TOTAL	**401**	**(461)**	**(60)**	**21,085**	**(306)**	**16,161**

Interest rate derivatives

	Dec. 31, 2022				Dec. 31, 2021	
	Fair value			Nominal amount	Fair value	Nominal amount
In millions of euros	Assets	Liabilities	Total	Total	Total	Total
Fair value hedges	171	(432)	(261)	5,148	299	4,203
Cash flow hedges	552	(67)	485	5,260	17	2,110
Derivative instruments not qualifying for hedge accounting	1,247	(1,433)	(186)	25,885	(710)	18,933
TOTAL	**1,970**	**(1,932)**	**38**	**36,293**	**(394)**	**25,246**

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The fair values presented in the above table are positive for an assets and negative for a liabilities.

In millions of euros		Nominal and outstanding amount	Fair value [1]	Change in fair value used for calculating hedge ineffectiveness	Change in the value of the hedging instrument recognized in equity [2]	Ineffective portion recognized in profit or loss [2]	Amount reclassified from the hedge reserve to profit or loss [2]	Line item of the income statement
Fair value hedges	Hedging instruments	5,148	(261)	(261)	(21)	7	NA	Cost of net debt
	Hedged items [3] [4]	3,821	(200)	(576)	NA		NA	
Cash flow hedges	Hedging instruments	8,399	147	259	(446)	9	(507)	Other financial income and expenses / Current operating income including operating MtM
	Hedged items			(253)				
Net investment hedges	Hedging instruments	5,939	155	194	82	NA	(25)	Other financial income and expenses / Current operating income including operating MtM
	Hedged items			(194)				

(1) The adjustment of the fair value of hedged items is presented as long term and short-term borrowings and debt for a negative amount of €200 million.

(2) Gains/(losses).

(3) The difference between the fair value used to determine the ineffective portion relating to hedging instruments and that relating to the hedged items corresponds to the amortized cost of borrowings and debt that are part of a fair value hedge relationship.

(4) Of which €57 million relating to hedging items that are no longer adjusted as a result of disqualification as a fair value hedge.

Hedge inefficiency is calculated based on the change in the fair value of the hedging instrument compared to the change in the fair value of the hedged items since inception of the hedge. The fair value of the hedging instruments at December 31, 2022 reflects the cumulative change in the fair value of the hedging instruments since inception of the hedges. For fair value hedges, the same principle applies to the hedged items.

No significant impact in terms of ineffectiveness or disqualification of certain hedges was recognized at December 31,2022.

Foreign currency and interest rate derivatives designated as cash flow hedges can be analyzed as follows by maturity

In millions of euros	2023	2024	2025	2026	2027	Beyond 5 years	Total at Dec. 31, 2022	Total at Dec. 31, 2021
Fair value of derivatives by maturity	43	13	18	12	42	19	147	**(235)**

Amounts presented in the statement of changes in equity and the statement of comprehensive income

The following table provides a reconciliation of each component of equity and an analysis of other comprehensive income:

	Cash flow hedge			Net investment hedge
In millions of euros	Derivatives hedging borrowings - currency risk hedging (1) (3)	Derivatives hedging other items - interest rate risk hedging (1) (3)	Derivatives hedging other items - currency risk hedging (2) (3)	Derivatives hedging other items - currency risk hedging (2) (4)
AT DECEMBER 31, 2021	**45**	**(751)**	**27**	**(371)**
Effective portion recognized in equity	424		23	(82)
Amount reclassified from the hedge reserve to profit or loss	507		-	25
Translation differences	-	-	-	-
Changes in scope of consolidation and other	-	2	(15)	42
AT DECEMBER 31, 2022	**46**	**181**	**35**	**(386)**

(1) Cash flow hedges for given periods.
(2) Cash flow hedges for given transactions.
(3) Of which a negative €86 million of cash flow hedge reserves for which hedge accounting is no longer applied.
(4) All of the reserves relate to continuing hedging relationships.

15.2 Counterparty risk

Due to its financial and operational activities, the Group is exposed to the risk of default of its counterparties (customers, suppliers, EPC contractors, partners, intermediaries, and banks). Default could affect payments, delivery of goods and/or asset performance.

The principles of counterparty risk management are set out in the Group counterparty risk policy, which:

- assigns roles and responsibilities for managing and controlling counterparty risk at different levels (Corporate, BU or entity), and ensures operational procedures are in place and consistent across the Group;
- characterizes counterparty risk and the mechanisms by which it impacts the economic performance and financial statements of the Group;
- defines indicators, reporting and control mechanisms to ensure visibility and to provide tools for financial performance management; and
- provides guidelines on the use of mitigating mechanisms such as collateral and guarantees, which are widely used by some businesses.

Depending on the nature of the business, the Group is exposed to different types of counterparty risk. As a result some businesses use collateral instruments – particularly the Energy Management business, where the use of margin calls and other types of financial collateral (standardized legal framework) is a market standard. In addition, other businesses may request guarantees from their counterparties in certain cases (parent company guarantees, bank guarantees, etc.).

Under the new IFRS 9 standard, the Group has defined and applied a Group-wide methodology, which includes two different approaches:

- a portfolio approach, whereby the Group determines that:
  - coherent customer portfolios and sub-portfolios have to be considered (i.e., portfolios that have comparable credit risk and/or comparable payment behavior), taking into account the following aspects:
    - public or private counterparties,
    - residential or BtoB counterparties,
    - geography,
    - type of activity,
    - size of the counterparty, and
    - any other aspects the Group may consider relevant,
  - impairment rates must be determined based on historical aging balances and, when correlation is proven and documentation possible, historical data must be adjusted by forward-looking elements; and

- an individualized approach for significant counterparties, for which the Group has set rules for defining the stage of the concerned asset for Expected Credit Loss (ECL) calculations:

  - stage 1 covers financial assets that have not deteriorated significantly since initial recognition. The ECL for stage 1 is calculated on a 12-month basis,
  - stage 2 covers financial assets for which the credit risk has significantly increased. The ECL for stage 2 is calculated on a lifetime basis. The decision to move an asset from stage 1 to stage 2 is based on certain criteria such as:
    - a significant downgrade in the creditworthiness of a counterparty and/or its parent company and/or its guarantor (if any),
    - significant adverse change in the regulatory environment,
    - changes in political or country-related risk, and
    - any other aspect the Group may consider relevant.

  Regarding financial assets that are more than 30 days past due, the move to stage 2 is not systematically applied as long as the Group has reasonable and verifiable information that demonstrates that, even if payments become more than 30 days past due, this does not represent a significant increase in the credit risk since initial recognition.

  - stage 3 covers assets for which default has already been observed, such as:
    - when there is evidence of significant and ongoing financial difficulty of the counterparty,
    - when there is evidence of failure in credit support from a parent company to its subsidiary (in this case the subsidiary is the Group's at risk counterparty),
    - when a Group entity has initiated legal proceedings against the counterparty for non-payment.

  Regarding financial assets that are more than 90 days past due, the presumption can be rebutted if the Group has reasonable and supportable information that demonstrates that even if payments become more than 90 days past due, this does not indicate counterparty default.

The ECL formula applicable in stages 1 and 2 is ECL = EAD x PD x LGD, where:

- for 12-month ECL, Exposure At Default (EAD) equals the carrying amount of the financial asset, to which the relevant Probability of Default (PD) and the Loss Given Default (LGD) are applied;

- for lifetime ECL, the calculation method consists in identifying changes in exposure for each year, especially the expected timing and amount of the contractual repayments, and then applying to each repayment the relevant PD and the LGD, and discounting the figures obtained. ECL is then the sum of the discounted figures; and

- probability of default is the likelihood of default over a particular time horizon (in stage 1, this time horizon is 12 months after the reporting period; in stage 2 this time horizon is the entire lifetime of the financial asset). This information is based on external data from a well-known rating agency. The PD depends on the time horizon and of the rating of the counterparty. The Group uses external ratings if they are available; ENGIE's credit risk experts determine an internal rating for major counterparties with no external rating.

LGD levels are notably based on Basel standards:

- 75% for subordinated assets; and
- 45% for standard assets.

For assets considered to be of strategic importance for the counterparty, such as essential public services or goods, LGD is set at 30%.

The Group has decided that write-offs apply in the following situations:

- assets for which a legal recovery procedure is pending: these should not be written off as long as the procedure is ongoing; and

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- assets for which no legal recovery procedure is pending: should be written off once the trade receivable is 3 years overdue (5 years overdue for public counterparties).

Against the backdrop of a deteriorating global economic environment, historically high energy prices and the ongoing war in Ukraine, the Group continued to monitor cash receipts throughout the year and strengthened its monitoring of default risk in its BtoB, BtoC and Energy Management activities.

In the context of its market activities (mainly on BtoB clients), the Group has taken into account, in the assessment of its expected credit losses, prospective information that best reflects the situation of a series of economic sectors considered to be the most critical. In particular, a specific adjustment of the provisioning rate for expected credit losses was made as at December 31, 2022 on certain customers in business sectors with high energy consumption, and therefore particularly exposed to a significant increase in commodity prices.

In addition, the risk of default on the Group's BtoC energy supply activities has so far been relatively limited, given the introduction of government measures in some countries to limit price increases (tariff shields, energy vouchers, payment deferral plans, etc.), as well as the existence in the Group's portfolio of customers who still have a contract with a fixed price that was signed before the crisis.

15.2.1 Counterparty risk arising on operating activities

Counterparty risk arising on operating activities is managed via standard mechanisms such as third-party guarantees, netting agreements and margin calls, using dedicated hedging instruments or special prepayment and debt recovery procedures, particularly for retail customers.

Under the Group's policy, each global business unit is responsible for managing counterparty risk, although the Group continues to manage the biggest counterparty exposures centrally.

The credit rating of large- and mid-sized counterparties with which the Group has exposures above a certain threshold is measured based on a specific rating process, while a simplified credit scoring process is used for commercial customers with which the Group has fairly low exposures. These processes are based on formally documented, consistent methods across the Group. Consolidated exposures are monitored by counterparty and by segment (credit rating, sector, etc.) using standard indicators (payment risk, mark-to-market exposure).

GEMS' large exposures to trading counterparties and large commercial clients are regularly monitored by the Group's governance committees.

15.2.1.1 Trade and other receivables, assets from contracts with customers

Total outstanding exposures presented in the tables below do not include impacts relating to VAT or to any other item not subject to credit risk, which amounted to €6,084 million at December 31, 2022 (compared to €14,438 million at December 31, 2021).

Individual approach

		Dec. 31, 2022							
In millions of euros		Individual approach	Level 1: low credit risk	Level 2: increased credit risk	Level 3: impaired assets	Total by risk level	Investment Grade [1]	Other	Total by counterparty type
Trade and other receivables, net	Gross	**22,754**	21,321	1,316	118	**22,754**	20,668	2,086	**22,754**
	Expected credit losses	**(737)**	(533)	(75)	(129)	**(737)**	(452)	(285)	**(737)**
TOTAL		**22,017**	**20,787**	**1,241**	**(11)**	**22,017**	**20,216**	**1,801**	**22,017**
Assets from contracts with customers	Gross	**5,277**	5,245	29	3	**5,277**	4,100	1,177	**5,277**
	Expected credit losses	**(20)**	(16)	-	(4)	**(20)**	(13)	(7)	**(20)**
TOTAL		**5,256**	**5,229**	**29**	**(1)**	**5,256**	**4,087**	**1,169**	**5,256**

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		Dec. 31, 2021							
In millions of euros		**Individual approach**	**Level 1: low credit risk**	**Level 2: increased credit risk**	**Level 3: impaired assets**	**Total by risk level**	**Investment Grade (1)**	**Other**	**Total by counterparty type**
Trade and other receivables, net	Gross	**15,997**	15,023	830	144	**15,997**	14,063	1,933	**15,997**
	Expected credit losses	**(377)**	(237)	(23)	(116)	**(377)**	(174)	(203)	**(377)**
TOTAL		**15,620**	**14,786**	**806**	**28**	**15,620**	**13,890**	**1,730**	**15,620**
Assets from contracts with customers	Gross	**3,366**	3,327	37	3	**3,366**	2,434	933	**3,366**
	Expected credit losses	**(12)**	(10)	-	(2)	**(12)**	(8)	(4)	**(12)**
TOTAL		**3,354**	**3,316**	**37**	**1**	**3,354**	**2,425**	**929**	**3,354**

(1) Investment Grade corresponds to counterparties that are rated at least BBB- by Standard & Poor's.

Collective approach

		Dec. 31, 2022				
In millions of euros		**Collective approach**	**0 to 6 months**	**6 to 12 months**	**beyond**	**Total past due assets at Dec. 31, 2022**
Trade and other receivables, net	Gross	4,459	300	101	272	673
	Expected credit losses	(1,151)	(19)	(47)	(172)	(238)
TOTAL		**3,308**	**281**	**54**	**100**	**435**
Assets from contracts with customers	Gross	7,370	8	-	1	10
	Expected credit losses	(27)	-	(8)	-	(8)
TOTAL		**7,343**	**8**	**(8)**	**1**	**2**

		Dec. 31, 2021				
In millions of euros		**Collective approach**	**0 to 6 months**	**6 to 12 months**	**beyond**	**Total past due assets at Dec. 31, 2021**
Trade and other receivables, net	Gross	3,529	544	152	267	964
	Expected credit losses	(971)	(21)	(21)	(221)	(263)
TOTAL		**2,558**	**523**	**132**	**46**	**701**
Assets from contracts with customers	Gross	5,042	584	5	16	604
	Expected credit losses	(4)	-	-	(1)	(1)
TOTAL		**5,038**	**584**	**5**	**15**	**603**

15.2.1.2 Commodity derivatives

In the case of commodity derivatives, counterparty risk arises from positive fair value. Counterparty risk (CVA), which is taken into account when calculating the fair value of these derivative instruments, is based on default probabilities whose parameters have been updated, in a context of uncertainty, to take account of an increased risk of default.

The extreme volatility of commodity prices has not significantly changed the Group's exposure thanks to the credit quality of its counterparties.

	Dec. 31, 2022		Dec. 31, 2021	
In millions of euros	**Investment Grade(1)**	**Total**	**Investment Grade(1)**	**Total**
Gross exposure (2)	36,371	46,012	35,386	43,660
Net exposure (3)	12,434	16,124	15,796	19,089
% of credit exposure to "Investment Grade" counterparties	77.1%		82.7%	

(1) Investment Grade corresponds to transactions with counterparties that are rated at least BBB- by Standard & Poor's, Baa3 by Moody's, or equivalent by Dun & Bradstreet. "Investment Grade" is also determined based on an internal rating tool that has been rolled out within the Group, and covers its main counterparties.

(2) Corresponds to the maximum exposure, i.e., the value of the derivatives shown under assets (positive fair value).

(3) After taking into account the liability positions with the same counterparties (negative fair value), collateral, netting agreements and other credit enhancement techniques.

15.2.2 Counterparty risk arising on financing activities

For its financing activities, the Group has put in place procedures for managing and monitoring risk based on (i) the accreditation of counterparties according to external credit ratings, objective market data (credit default swaps, market capitalization) and financial structure, and (ii) counterparty risk exposure limits.

To reduce its counterparty risk exposure, the Group has drawn increasingly on a structured legal framework based on master agreements (including netting clauses) and collateralization contracts (margin calls).

The oversight procedure for managing counterparty risk arising from financing activities is managed by a Middle Office that operates independently of the Group's Treasury department and reports to the Finance division.

15.2.2.1 Loans and receivables at amortized cost

The total outstanding exposures presented in the tables below do not include impacts relating to VAT or to any other item not subject to credit risk, which amounted to €547 million at December 31, 2022 (compared to €977 million at December 31, 2021).

	Dec. 31, 2022						
In millions of euros	**Level 1: low credit risk**	**Level 2: increased credit risk**	**Level 3: impaired assets**	**Total by risk level**	**Investment Grade (1)**	**Other**	**Total by counterparty type**
Gross	6,596	274	720	**7,591**	3,490	4,101	**7,591**
Expected credit losses	(99)	(38)	(1,154)	**(1,291)**	(158)	(1,133)	**(1,291)**
TOTAL	**6,497**	**236**	**(434)**	**6,300**	**3,332**	**2,967**	**6,300**

	Dec. 31, 2021						
In millions of euros	**Level 1: low credit risk**	**Level 2: increased credit risk**	**Level 3: impaired assets**	**Total by risk level**	**Investment Grade (1)**	**Other**	**Total by counterparty type**
Gross	4,643	302	26	**4,971**	1,906	3,065	**4,971**
Expected credit losses	(76)	(36)	(113)	**(226)**	(147)	(79)	**(226)**
TOTAL	**4,567**	**265**	**(87)**	**4,745**	**1,759**	**2,986**	**4,745**

(1) Investment Grade corresponds to counterparties that are rated at least BBB- by Standard & Poor's.

In 2022, the Group impaired the loan related to the financing of the Nord Stream 2 pipeline project for a total amount of €987 million (including capitalized interest).

15.2.2.2 Counterparty risk arising on investing activities and the use of derivative financial instruments

The Group is exposed to counterparty risk arising on investments of surplus cash and from the use of derivative financial instruments. In the case of financial instruments at fair value through income, counterparty risk arises on instruments with a positive fair value. Counterparty risk is taken into account when calculating the fair value of these derivative instruments.

	Dec. 31, 2022				Dec. 31, 2021			
In millions of euros	**Total**	**Investment Grade (1)**	**Unrated (2)**	**Non Investment-Grade (2)**	**Total**	**Investment Grade (1)**	**Unrated (2)**	**Non-Investment Grade (2)**
Exposure	15,738	92.3%	4.5%	3.2%	14,194	85.9%	8.2%	5.9%

(1) Investment Grade corresponds to counterparties that are rated at least BBB- by Standard & Poor's or Baa3 by Moody's.

(2) Most of these two exposures is carried by consolidated companies that include non-controlling interests, or by Group companies that operate in emerging countries, where cash cannot be pooled and is therefore invested locally.

Furthermore, at December 31, 2022, Crédit Agricole Corporate and Investment Bank (CACIB) is the main Group counterparty and represents 30% of cash surpluses. This relates mainly to a depositary risk.

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15.3 Liquidity risk

In the context of its operating activities, the Group is exposed to a risk of having insufficient liquidity to meet its contractual obligations. As well as the risks inherent in managing working capital requirements (WCR), margin calls are required in certain market activities, which are a way of mitigating counterparty risk on hedging instruments through the use of collateral.

The Group has set up a committee that meets weekly and is tasked with managing and monitoring liquidity risk throughout the Group, by maintaining a broad range of investments and sources of financing, preparing forecasts of cash investments and divestments. ENGIE has set up a comprehensive framework to monitor and streamline cash movements related to OTC margin calls and margin calls via clearing houses, based on the use of liquidity swaps with its key counterparties, as well as the issuing of letters of credit. Given the current high volatility of the markets, these margin calls may have a significant timing impact on the Group's cash position, and the use of the two abovementionned levers has therefore been reinforced in order to monitor the impact on its cash position. Quartely stress-tests are also performed on the margin calls put in place when commodity, interest rate and currency derivatives are negotiated to assess the Group's resilience in terms of liquidity.

The Group centralizes virtually all the financing needs and cash flow surpluses of the companies it controls, as well as most of their medium- and long-term external financing requirements. Centralization is provided by financing vehicles (long-term and short-term) and by dedicated Group cash pooling vehicles based in France, Belgium and Luxembourg.

Surpluses held by these structures are managed in accordance with a uniform policy. In accordance with this policy, unpooled cash surpluses are invested in instruments selected on a case-by-case basis in light of local financial market imperatives and the financial strength of the counterparties concerned.

The succession of financial crises since 2008 and the ensuing rise in counterparty risk prompted the Group to tighten its investment policy with the aim of keeping an extremely high level of liquidity and protecting invested capital and a daily monitoring of performance and counterparty, allowing the Group to take immediate action where required in response to market developments. Consequently, 81% of the cash pooled at December 31, 2022 was invested in overnight bank deposits and standard money market funds with daily liquidity.

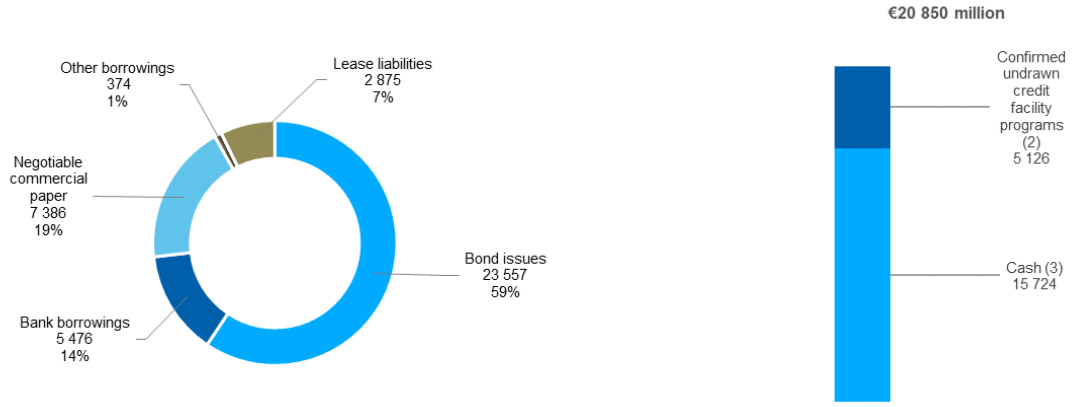
The Group's financing policy is based on:

- centralizing external financing;
- diversifying sources of financing between credit institutions and capital markets;
- achieving a balanced debt repayment profile.

The Group seeks to diversify its sources of financing by carrying out public or private bond issues within the scope of its Euro Medium Term Notes program. It also issues negotiable commercial paper in France (Negotiable European Commercial Paper) and in the United States (U.S. Commercial Paper) as well as the issuance of deeply-subordinated perpetual notes. As negotiable commercial paper is relatively inexpensive and highly liquid, it is used by the Group in a cyclical or structural manner to finance its short-term cash requirements. However, the refinancing of all outstanding negotiable commercial paper remains secured by confirmed bank lines of credit – mainly centralized – allowing the Group to continue to finance its activities if access to this financing source were to dry up. These facilities are appropriate for the scale of its operations and for the timing of contractual debt repayments.

The various actions carried out by the Group ensure a high and reinforced level of liquidity.

Diversifying sources of financing and liquidity (1)
In millions of euros



(1) These sources of financing and liquidity do not include the deeply-subordinated perpetual notes recognized in equity (see Note 16.2.1 "Issuance of deeply-subordinated perpetual notes").
(2) Net amount of negotiable commercial paper.
(3) Cash corresponds to cash and cash equivalents for €15,570 million, other financial assets deducted from net financial debt for €769 million, net of bank overdrafts and current accounts for €615 million, of which 78% was invested in the Eurozone.

At December 31, 2022, all Group entities whose debt is consolidated complied with the covenants and declarations included in their financial documentation, except for some non-significant entities for which compliance actions are being implemented. None of the available centralized credit lines contain a default clause linked to financial ratios or rating level.

15.3.1 Undiscounted contractual payments relating to financial activities

Undiscounted contractual payments on outstanding borrowings and debt by maturity

In millions of euros	2023	2024	2025	2026	2027	Beyond 5 years	Total at Dec. 31, 2022	Total at Dec. 31, 2021
Bond issues	2,550	930	1,518	2,316	2,493	13,751	23,557	26,240
Bank borrowings	797	381	447	247	464	3,141	5,476	5,806
Negotiable commercial paper	7,386	-	-	-	-	-	7,386	4,962
Lease liabilities	403	398	304	275	251	1,624	2,875	2,043
Other borrowings	140	4	2	1	2	225	374	903
Bank overdrafts and current accounts	615	-	-	-	-	-	615	499

Other financial assets and cash and cash equivalents deducted from net financial debt have a liquidity of less than one year.

Undiscounted contractual interest payments on outstanding borrowings and debt by maturity

In millions of euros	2023	2024	2025	2026	2027	Beyond 5 years	Total at Dec. 31, 2022	Total at Dec. 31, 2021
Undiscounted contractual interest flows on outstanding borrowings and debt	916	796	757	701	602	7,358	11,131	10,676

Undiscounted contractual payments on outstanding derivatives (excluding commodity instruments) by maturity

In millions of euros	2023	2024	2025	2026	2027	Beyond 5 years	Total at Dec. 31, 2022	Total at Dec. 31, 2021
Derivatives (excluding commodity instruments)	(15)	(127)	(20)	(12)	(10)	423	239	126

To better reflect the economic substance of these transactions, the cash flows linked to the derivatives recognized in assets and liabilities shown in the table above relate to net positions.

Undiscounted contractual payments related to leases

At December 31, 2022, the Group, as lessee, was potentially exposed to future cash outflows not reflected in the measurement of lease liabilities for €1,407 million (of which approximately 72% relate to potential cash outflows beyond 2027). Those potential future cash outflows relate to leases not yet commenced to which the Group is committed (real estate and LNG vessels).

In addition, the Group is also exposed to future cash outflows in the form of variable lease payments in connection with the extension of the Rhone concession. These variable lease payments are dependent on revenue from electricity sales.

Undrawn credit facility programs

In millions of euros	2023	2024	2025	2026	2027	Beyond 5 years	Total at Dec. 31, 2022	Total at Dec. 31, 2021
Confirmed undrawn credit facility programs	1,339	854	5,670	-	4,004	644	12,511	11,961

Of these undrawn programs, an amount of €7,386 million is allocated to covering commercial paper issues.

At December 31, 2022, no single counterparty represented more than 10% of the Group's confirmed undrawn credit lines.

15.3.2 Undiscounted contractual payments relating to operating activities

The table below provides an analysis of undiscounted fair values due and receivable in respect of commodity derivatives recorded in assets and liabilities at the reporting date.

The Group provides an analysis of residual contractual maturities for commodity derivative instruments included in its portfolio management activities. Derivative instruments relating to trading activities are considered to be liquid in less than one year, and are presented under current items in the statement of financial position.

In millions of euros	2023	2024	2025	2026	2027	Beyond 5 years	Total at Dec. 31, 2022	Total at Dec. 31, 2021
Derivative instruments carried in								
relating to portfolio management	*(11,693)*	*(24,661)*	*(7,271)*	*(2,458)*	*(1,075)*	*(2,102)*	*(49,260)*	*(35,541)*
relating to trading activities	-	-	-	-	-	-	-	*(9,365)*
Derivative instruments carried in assets								
relating to portfolio management	*10,035*	*18,122*	*7,860*	*4,323*	*432*	*202*	*40,975*	*35,368*
relating to trading activities	*5,098*	-	-	-	-	-	*5,098*	*8,304*
TOTAL	**3,441**	**(6,538)**	**589**	**1,866**	**(644)**	**(1,900)**	**(3,187)**	**(1,234)**

15.3.3 Commitments relating to commodity purchase and sale contracts entered into in the ordinary course of business

Some Group operating companies have entered into long-term contracts, some of which include "take-or-pay" clauses. These consist of firm commitments to purchase or sell specified quantities of gas, electricity or steam as well as related services, in exchange for a firm commitment from the other party to deliver or purchase said quantities and services. These contracts were documented as falling outside the scope of IFRS 9. The table below shows the main future commitments arising from contracts entered into by GBU Renewables and GEMS (expressed in TWh).

In TWh	2023	2024-2027	Beyond 5 years	Total at Dec. 31, 2022	Total at Dec. 31, 2021
Firm purchases	(423)	(762)	(700)	(1,884)	(1,922)
Firm sales	435	552	256	1,243	1,421

NOTE 16 EQUITY

16.1 Share capital

	Number of shares			Value (in millions of euros)		
	Total	Treasury stock	Outstanding	Share capital	Additional paid-in capital	Treasury stock
AT DECEMBER 31, 2021	**2,435,285,011**	**(15,083,149)**	**2,420,201,862**	**2,435**	**26,058**	**(199)**
Dividend paid in cash	-	-	-	-	(394)	-
Link 2022 worldwide employee	-	13,079,518	13,079,518	-	-	171
Capital increase Link	3,081,774	-	3,081,774	3	29	-
Capital decrease Link	(3,081,774)	3,081,774	-	(3)	(27)	40
Purchase/disposal of treasury stock	-	(19,054,771)	(19,054,771)	-	-	(245)
Delivery of treasury stock (bonus)	-	3,446,201	3,446,201	-	-	43
Revaluation	-	-	-	-	-	-
AT DECEMBER 31, 2022	**2,435,285,011**	**(14,530,427)**	**2,420,754,584**	**2,435**	**25,667**	**(189)**

Changes in the number of shares during 2022 resulted from:

- employee share issues as part of the “Link 2022” worldwide employee share plan. All in all, 16.2 million shares were subscribed. At December 22, 2022 the transaction resulted in the sale to employees of 13.1 million shares purchased on the market in the fourth quarter of 2022 for €171 million and a capital increase of €32.4 million. The latter amount is divided into a capital increase of €3.1 million and additional paid-in capital of €29.3 million;
- a capital decrease of €40.4 million by the cancellation of 3.1 million shares in the form of a capital decrease, €10.7 million charged to consolidated reserves and €26.6 million charged to additional paid-in capital;
- the delivery of 3.4 million treasury shares as part of bonus share plans; and
- the purchase of 2.9 million of treasury shares on the market.

16.1.1 Potential share capital and instruments providing a right to subscribe for new ENGIE SA shares

Since 2017, the Group no longer has any stock purchase or subscription option plans.

Shares to be allocated under the performance share award plans described in Note 19 “Share-based payments” are covered by existing ENGIE SA shares.

16.1.2 Treasury stock

Accounting standards

Treasury shares are recognized at acquisition cost and deducted from equity. Gains and losses on disposals of treasury shares are recorded directly in equity and do not, therefore, impact income for the period.

The Group has a stock repurchase program as a result of the authorization granted to the Board of Directors by the Ordinary and Extraordinary Shareholders’ Meeting of April 21, 2022. This program provides for the repurchase of up to 10% of the shares comprising the share capital of ENGIE SA at the date of the said Shareholders’ Meeting. The aggregate amount of acquisitions net of expenses under the program may not exceed €7.3 billion, and the purchase price must be less than €30 per share excluding acquisition costs.

At December 31, 2022, the Group held 14.5 million treasury shares. To date, all the shares have been allocated to cover the Group's share commitments to employees and corporate officers.

The liquidity agreement signed with an investment service provider assigns to the latter the role of operating on the market on a daily basis, to buy or sell ENGIE SA shares, in order to ensure liquidity and an active market for the shares on the Paris and Brussels stock exchanges. To date, the resources allocated to the implementation of this agreement amount to €50 million.

16.2 Other disclosures concerning additional paid-in capital, consolidated reserves and issuance of deeply-subordinated perpetual notes (Group share)

Total additional paid-in capital, consolidated reserves and issuance of deeply subordinated perpetual notes (including net income for the year), amounted to €34,097 million at December 31, 2022, including €25,667 million in additional paid-in capital. Additional paid-in capital includes a portion of the cash dividend payment for 2021 in an amount of €394 million.

Consolidated reserves include the cumulative income of the Group, the legal and statutory reserves of ENGIE SA, cumulative actuarial gains and losses, net of tax and the change in fair value of equity instruments at fair value through OCI.

Under French law, 5% of the net income of French companies must be allocated to the legal reserve until the latter reaches 10% of share capital. This reserve can only be distributed to shareholders in the event of liquidation. The ENGIE SA legal reserve amounts to €244 million.

16.2.1 Issuance of deeply-subordinated perpetual notes

In October 2022, ENGIE SA carried out an early redemption of deeply subordinated perpetual notes for a total amount of €374 million, resulting in:

- A €244 million early redemption of green deeply subordinated perpetual notes (PERP NC 04/2023, a 1.375% coupon, ISIN code: FR0013310505), out of a residual nominal amount of €274 million. Following the redemption, the Group, having redeemed more than 80% of this deeply subordinated perpetual debt, carried out a squeeze-out for the remaining €30 million, paid on December 5, 2022;
- The partial early redemption of two other tranches of deeply-subordinated perpetual notes for a total amount of €100 million, i.e. :
  - €55 million (PERP NC 06/2024, a 3.875% coupon, ISIN code: FR0011942283), out of a residual nominal amount of green deeply subordinated perpetual notes of €393 million;
  - €45 million (PERP NC 07/2031, a 1.875% coupon, ISIN code: FR00140046Y4), out of a nominal amount of €750 million.

In accordance with IAS 32 - Financial Instruments - Presentation, and given their characteristics, these instruments are recognized in equity in the Group's consolidated financial statements.

At December 31, 2022, the outstanding nominal value of deeply subordinated perpetual notes amounted to €3,393 million (against €3,767 million at December 31, 2021).

In 2022, the Group paid €77 million to the holders of these notes, i.e., €90 million coupons, net of €13 million early redemption allowances received. This amount is accounted for as a deduction from equity in the Group's consolidated financial statements; the related tax saving is accounted for in the income statement.

16.2.2 Distributable capacity of ENGIE SA

ENGIE SA's distributable capacity totaled €27,365 million at December 31, 2022 (compared with €27,758 million at December 31, 2021), including €25,667 million of additional paid-in capital.

16.2.3 Dividends

It was proposed, at the Shareholders' Meeting convened to approve the ENGIE Group financial statements for the year ended December 31, 2021, to pay a dividend of €0.85 per share, representing a total payout of €2,060 million based on the number of shares outstanding at December 31, 2021. It was increased by 10% for all shares held for at least two years on December 31, 2021 and up to the 2021 dividend payment date. Based on the number of outstanding shares on December 31, 2021, this increase is valued at €22 million.

Proposed dividend in respect of 2022

At the Shareholders' Meeting convened to approve the ENGIE Group financial statements for the year ended December 31, 2022, the shareholders will be asked to approve a dividend of €1.40 per share, representing a total payout of €3 389 million based on the number of shares outstanding at December 31, 2022. It will be increased by 10% for all shares held for at least two years at December 31, 2022 and up to the 2022 dividend payment date. Based on the number of outstanding shares at December 31, 2022, this increase is valued at €40 million.

Subject to approval by the Shareholders' Meeting of Wednesday April 26, 2023, this dividend will be detached on Friday 28 April, 2023 and paid on Wednesday May 3, 2023. It is not recognized as a liability in the financial statements at December 31, 2022, since the financial statements at the end of 2022 were presented before the appropriation of earnings.

16.2.4 Other transactions

On March 31, 2022, the Group signed an agreement to sell a 49% interest, without loss of control, in a portfolio of two wind and one solar projects for 665 MW of renewable energy in the United States to the American group InfraRed Capital Partners. ENGIE continues to fully consolidate these assets and to operate and maintain them. This transaction resulted in an inflow of €224 million and a similar increase in equity.

16.3 Recyclable gains and losses recognized in equity (Group share)

All items shown in the table below correspond to cumulative gains and losses (Group share) at December 31, 2022 and December 31, 2021, which are recyclable to income in subsequent periods.

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Debt instruments	(369)	9
Net investment hedges [1]	(386)	(371)
Cash flow hedges (excl. commodity instruments) [1]	218	(699)
Commodity cash flow hedges [1]	(318)	4,383
Deferred taxes on the items above	(112)	(1,064)
Share of equity method entities accounted in recyclable items, net of tax [2]	300	(546)
Recyclable items relating to discontinued operations, net of tax	-	118
TOTAL RECYCLABLE ITEMS BEFORE TRANSLATION ADJUSTMENTS	**(668)**	**1,831**
Translation adjustments	(1,422)	(2,136)
TOTAL RECYCLABLE ITEMS	**(2,090)**	**(306)**

(1) See Note 15 "Risks arising from financial instruments".
(2) See Note 3 "Investments in equity method entities".

16.4 Capital management

ENGIE SA seeks to optimize its financial structure at all times by pursuing an optimal balance between its economic net debt and its EBITDA. The Group's key objective in managing its financial structure is to maximize value for shareholders

and reduce the cost of capital, while ensuring that the Group has the financial flexibility required to continue its expansion. The Group manages its financial structure and makes any necessary adjustments in light of prevailing economic conditions. In this context, it may choose to adjust the amount of dividends paid to shareholders, reimburse a portion of capital, carry out share buybacks *(see Note 16.1.2 "Treasury stock")*, issue new shares, launch share-based payment plans, recalibrate its investment budget, or sell assets in order to scale back its net debt.

The Group's policy is to maintain an "strong investment grade" rating from the rating agencies. To achieve this, it manages its financial structure in line with the indicators usually monitored by these agencies, namely the Group's operating profile, financial policy and a series of financial ratios. One of the most commonly used ratios is the ratio where the numerator includes operating cash flows less cost of debt and taxes paid, and the denominator includes adjusted net financial debt. Net financial debt is mainly adjusted for nuclear provisions and provisions for pensions, as well as for 50% of hybrid debt (deeply-subordinated notes). In addition, the Group has issued a guidance targeting an "economic net debt to EBITDA" ratio less than or equal 4x.

The Group's objectives and processes for managing capital have remained unchanged over the past few years.

ENGIE SA is not obliged to comply with any external minimum capital requirements except those provided for by law.

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NOTE 17 PROVISIONS

Accounting standards

General principles related to the recognition of a provision

The Group recognizes a provision where it has a present obligation (legal or constructive) towards a third party arising from past events and where it is probable that an outflow of resources will be necessary to settle the obligation with no expected consideration in return.

A provision for restructuring costs is recognized when the general criteria for setting up a provision are met, i.e., when the Group has a detailed formal plan relating to the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Provisions with a maturity of over 12 months are discounted when the effect of discounting is material. The Group's main long-term provisions are provisions for the back-end of the nuclear fuel cycle, provisions for dismantling facilities, provisions for site restoration costs, and provisions for post-employment and other long-term benefits. The discount rates used reflect current market assessments of the time value of money and the risks specific to the liability concerned. Expenses with respect to unwinding the discount on the provision are recognized as other financial income and expenses.

Estimates of provisions

Factors having a significant influence on the amount of provisions, and particularly, but not solely, those relating to the back-end of the nuclear fuel cycle, to the dismantling of nuclear facilities and of gas infrastructures in France, include:

- cost estimates (notably the retained scenario for managing radioactive nuclear fuel consumed) (*see Note 17.2*);
- the timing of expenditure (notably, for nuclear power generation activities, the timetable for reprocessing radioactive nuclear fuel consumed and for dismantling facilities as well as the timetable for the end of gas operations regarding the main gas infrastructure businesses in France) (*see Notes 17.2 and 17.3*); and
- the discount rate applied to cash flows.

These factors are based on information and estimates deemed by the Group to be the most appropriate as of today.

Modifications to certain factors could lead to a significant adjustment in these provisions.

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In millions of euros	Post-employment and other long-term benefits	Back-end of the nuclear fuel cycle and dismantling of nuclear facilities	Dismantling of non-nuclear facilities	Other contingencies	Total
AT DECEMBER 31, 2021	**7,000**	**15,119**	**1,172**	**2,169**	**25,459**
Additions	279	1,028	6	669	1,981
Utilizations	(379)	(163)	(62)	(630)	(1,235)
Reversals	(1)	-	-	(41)	(42)
Changes in scope of consolidation	29	-	(3)	46	72
Impact of unwinding discount adjustments	89	454	28	5	576
Translation adjustments	13	-	14	4	32
Other	(2,558)	2,579	175	(13)	184
AT DECEMBER 31, 2022	**4,471**	**19,017**	**1,330**	**2,209**	**27,027**
Non-current	4,393	18,594	1,329	346	**24,663**
Current	78	423	1	1,863	**2,365**

The impact of unwinding discount adjustments in respect of post-employment and other long-term benefits relates to the interest expense on the benefit obligation, net of interest income on plan assets.

The “Other” line mainly comprises actuarial gains and losses arising on post-employment benefit obligations in 2022, which are recorded in “Other comprehensive income” as well as provisions recorded against a dismantling or site rehabilitation asset.

Additions, utilizations, reversals and the impact of unwinding discount adjustments are presented as follows in the consolidated income statement:

In millions of euros	Dec. 31, 2022
Income/(loss) from operating activities	(738)
Other financial income and expenses	(577)
TOTAL	**(1,315)**

The different types of provisions and the calculation principles applied are described below.

17.1 Post-employment benefits and other long-term benefits

See Note 18 “Post-employment benefits and other long-term benefits”.

17.2 Obligations relating to nuclear power generation activities

In the context of its nuclear power generation activities, the Group assumes obligations related to the management of the back-end of the nuclear fuel cycle and the dismantling of nuclear facilities.

17.2.1 Legal framework

The Belgian law of April 11, 2003, partially repealed and amended by the law of July 12, 2022, granted Group subsidiary Synatom responsibility for managing provisions set aside to cover the costs of dismantling nuclear power plants and managing spent fuel. The tasks of the Commission for Nuclear Provisions (CNP) set up pursuant to the above-mentioned law is to oversee the process of computing and managing these provisions.

In accordance with the law, every three years the CNP conducts an audit of the application and adequacy of the calculation methods used to compute nuclear provisions.

To this end, Synatom submitted its triennial report on the revaluation of nuclear provisions to the CNP on September 2, 2022, which issued a set of remarks on December 16, 2022, confirming the reference scenarios, adding additional costs and adjusting the discount rates. The provisions recorded as of December 31, 2022 take full account of the comments and assumptions made by the CNP.

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However, contesting some of the CNP's remarks as being overly conservative or technically unsuitable, the Group submitted a new adapted proposal on February 14, 2023, in accordance with the law, explaining the reasons why it considered that these remarks could not be implemented. The CNP will then give its final opinion, if necessary, under the jurisdiction of the Belgian Market Court in Brussels.

In addition, with a view to a possible extension of the Doel 4 and Tihange 3 nuclear reactors, the ENGIE Group has entered into discussions with the Belgian government on the capping of nuclear waste processing costs for ENGIE, which represent approximately 58% of the total provisions recorded at December 31, 2022. A letter of intent between the parties was signed on July 22, 2022, then reiterated and supplemented by a non-binding agreement in principle dated January 9, 2023. These documents provide for broad agreements in principle by March 15 and a binding agreement by June 2023. Assuming that the parties reach an agreement, the difference between the amount of the cap and the amount of the provisions recognized at December 31, 2022 would constitute a liability to be recognized.

In the absence of an overarching agreement to date, the provisions recognized at December 31, 2022 do not take into account any additional commitments or adjustments to the Group's liabilities that may result from these discussions and remain based on the current contractual and legal framework, which sets the operating life of the nuclear units at 50 years for Tihange 1 and Doel 1 and 2, and at 40 years for the other units.

The provisions include in their assumptions all existing or planned environmental regulatory requirements on a European, national and regional level. If new legislation were to be introduced in the future, the cost estimates used as a basis for the calculations could vary.

The estimated provision amounts include margins for contingencies and other risks that may arise in connection with dismantling and radioactive spent fuel management procedures. Contingency margins relating to the disposal of waste are determined by the Belgian Agency for Radioactive Waste and Enriched Fissile Material (ONDRAF) and built into its fees. The Group also estimates appropriate margins for each cost category.

The CNP's remarks and the obligations related to projects to dispose of nuclear waste have resulted in a €3.3 billion increase in the ENGIE Group's nuclear liabilities, in addition to the net recurring annual expense for the year due mainly to a decrease in the discount rate used for the provision for managing spent fuel and an increase in certain costs used to estimate the provision for dismantling nuclear power plants.

Lastly, the amount recorded for these provisions may also be revised in the event of an agreement yet to be signed with the Belgian government.

The breakdown of dismantling provisions between Synatom and Electrabel is shown below:

In millions of euros	Current	Non-current	Dec. 31, 2022
Provisions for dismantling nuclear facilities – Synatom	305	8,464	**8,769**
Provisions for the back-end of the nuclear fuel cycle – Synatom	118	8,970	**9,088**
Provisions for dismantling nuclear facilities – Electrabel	-	1,160	**1,160**
TOTAL	**423**	**18,594**	**19,017**

17.2.2 Provisions for the back-end of the nuclear fuel cycle

Accounting standards

Allocations to provisions for the management of spent fuel are computed based on the average unit cost of the quantities expected to be used up to the end of the operating life of the plants, applied to quantities used at the closing date. An annual allocation is also recognized with respect to unwinding the discount on the provisions.

When spent fuel is removed from a reactor and temporarily stored on-site, it requires conditioning, before being consigned to long-term storage.

The long-term disposal assumption in the scenario adopted by the CNP is based on the assumption that the waste will be buried in a deep geological repository at a site yet to be identified and classified in Belgium. This scenario has not yet been confirmed, as Belgium has not yet adopted a national program that complies with Article 12 of Directive 2011/70/EURATOM. On November 27, 2019, the European Commission sent a reasoned opinion to Belgium under the breach procedure provided for in Article 258 of the Treaty on the Functioning of the European Union. A Royal Decree issued on October 28, 2022 has since introduced "the first part of the National Policy for the Long-Term Management of High-Level and/or Long-Lived Radioactive Waste and specifying the process for the introduction in phases of the other parts of this National Policy". This Royal Decree confirms that "the disposal deep underground of this waste on Belgian territory on one or more sites" is "the preliminary draft concept for the long-term management of the radioactive waste referred to in Article 3, pending the outcome of the decision-making process (...)". It also sets out "the reversibility of the National Policy, which implies that, following reconsideration, one or more parts of this Policy may be reversed". It is therefore not possible to guarantee that Belgium will retain the disposal deep underground of category B waste – i.e., low- or medium-activity long-lived waste from dismantling - and category C waste – i.e., high-activity and/or long-lived waste – as its technical solution of choice.

If this assumption were to be challenged, the costs of downstream management may need to be adjusted. The ENGIE Group has also sent a formal notice to the Belgian State requesting that it put an end to the uncertainty created by this state of affairs and to the damage caused by having postponed the various projects necessary for the management of nuclear waste in Belgium, and reserves its right to seek compensation if necessary.

In view of a series of developments in the nuclear fuel market, Synatom has proposed, and the CNP has confirmed, that the scenario of reprocessing a portion of fuel in order to allow for the processing of MOX fuel historically used in Belgian power plants, in particular, could no longer be the reference scenario. Contrary to previous assessments, the reference scenario no longer includes the cost of a reprocessing contract or the associated margins for contingencies, but includes an assumption that MOX will be directly disposed of deep underground. Should circumstances change, the costing may be revised.

The provisions booked by the Group for managing spent fuel cover all of the costs linked to this scenario, including on-site storage, transportation, conditioning, storage and geological disposal. They are calculated based on the following principles and inputs:

- storage costs primarily comprise the costs of building and operating additional dry storage facilities and operating existing facilities, along with the costs of purchasing containers;
- radioactive spent fuel that has not been reprocessed is to be conditioned, which requires conditioning facilities to be built according to ONDRAF’s approved criteria. ONDRAF’s recommendations as regards the cost of these facilities have been fully taken into account;
- the cost of burying fuel in deep geological repositories is estimated using the fee rate established by ONDRAF based on a total disposal facility cost of €12 billion;
- the long-term obligation is calculated using estimated internal costs and external costs assessed based on offers received from third parties;
- the baseline scenario includes ONDRAF’s latest scenario, with geological storage starting in around 2070 and ending in around 2135;
- the discount rate used by the CNP is 3.0% (including inflation of 2.0%).

The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment. Certain ONDRAF recommendations that have not yet been quantified will be discussed by the CNP, which will issue an additional opinion in 2023 if necessary.

Sensitivity

Provisions for the back-end of the nuclear fuel cycle remain sensitive to assumptions regarding costs, the timing of operations and expenditure, as well as to discount rates:

- on the basis of an analysis carried out by ENGIE Group experts, certain remarks made by the CNP as part of the triennial review procedure described above are considered as unjustified and have been the subject of a reasoned

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opinion sent to the CNP. The impact of taking this opinion into account (at a discount rate of 3.0% as recommended by the CNP) would represent a decrease in provisions of €0.5 billion.

- ENGIE is also contesting the 25 basis points reduction from the previous rate and the 50 basis points reduction from Synatom's initial proposal. Maintaining the 3.25% rate used since 2019 would represent a decrease in provisions of €0.7 billion.
- These various elements were the subject of a reasoned opinion sent by the ENGIE Group to the CNP on February 14, 2023, as provided for by the law of July 12, 2022.
- A 10% increase in ONDRAF's fees above the fee for the removal of category C waste would lead to an increase in provisions of approximately €0.3 billion based on unchanged contingency margins

17.2.3 Provisions for dismantling nuclear facilities

Accounting standards

A provision is recognized when the Group has a present legal or constructive obligation to dismantle facilities or to restore a site. The present value of the obligation at the time of commissioning represents the initial amount of the provision for dismantling with, as the counterpart, an asset for the same amount, which is included in the carrying amount of the facilities concerned. This asset is depreciated over the operating life of the facilities and is included in the scope of assets subject to impairment tests. Adjustments to the provision due to subsequent changes in (i) the expected outflow of resources, (ii) the timing of dismantling expenses or (iii) the discount rate, are deducted from or subject to specific conditions, added to the cost of the corresponding asset. The impacts of unwinding the discount are recognized in expenses for the period.

A provision is also recorded for nuclear units for which the Group holds a capacity right up to its share of the expected dismantling costs to be borne by the Group.

Nuclear power plants have to be dismantled at the end of their operating life. Provisions are set aside in the Group's financial statements to cover all costs relating to (i) the shutdown phase, which involves removing radioactive spent fuel from the site and (ii) the dismantling phase, which consists of decommissioning and cleaning up the site.

The dismantling strategy is based on the facilities being dismantled (i) immediately after the reactor is shut down, (ii) on a mass basis rather than on a site-by-site basis, and (iii) completely, the land being subsequently returned to greenfield status.

Provisions for dismantling nuclear facilities are calculated based on the following principles and inputs:

- the start of the technical shutdown procedures depends on the facility concerned and on the timing of operations for the nuclear reactor as a whole. The shutdown procedures are immediately followed by dismantling operations;
- the scenario adopted is based on a dismantling program and on timetables that have to be approved by the nuclear safety authorities. A dialogue on the safety conditions for the shutdown and dismantling phases of the power plants has been initiated with the Belgian Federal Agency for Nuclear Control (AFCN). The costs may change depending on the outcome of these discussions and the detailed schedule for the implementation of these phases which is currently being defined;
- costs payable over the long term are calculated by reference to the estimated costs for each nuclear facility, based on a study conducted by independent experts under the assumption that the facilities will be dismantled on a mass basis. The costs effectively incurred in the future may differ from the estimates in terms of their nature and timing of payment.
- fees for handling Class A - low or medium activity and short-lived - and B - low or medium activity and long-lived dismantling waste are determined using the fee rate established by ONDRAF and include the margins recommended by ONDRAF for waste reclassification risk given the uncertainty over the definition of the criteria for classification in those classes; the difficulty in obtaining operating permits for class A waste storage led ONDRAF to redefine a technical solution for storage and set a new assessment in 2022;

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- for the various phases, margins for contingencies, reviewed by ONDRAF and the Commission for Nuclear Provisions, are included;
- an inflation rate of 2.0% is applied until the dismantling obligations expire in order to determine the value of the future obligation;
- the discount rate used by the CNP is 2.5% (including inflation of 2.0%).

In addition, the liabilities for the disposal of operational waste at Electrabel include the tariff update approved by the Board of Directors of ONDRAF in May 2022.

Lastly, the Group has also set aside provisions, based on provisions for the Belgian assets most closely related to these plants, to cover the costs relating to the final shutdown phase of its drawing rights in Tricastin and Chooz B, as well as for the dismantling period leading to the decommissioning and clean-up of the Chooz B site, in accordance with the respective agreements with EDF.

Sensitivity

- On the basis of an analysis carried out by ENGIE Group experts, certain remarks made by the CNP as part of the triennial review procedure described above are considered as unjustified and have been the subject of a reasoned opinion sent to the CNP. The impact of taking this opinion into account (at a discount rate of 2.50% as recommended by the CNP) would represent a decrease in provisions of €0.6 billion.

- Based on currently applied inputs for estimating costs and the timing of payments, a change of 10 basis points in the discount rate used could lead to an adjustment of approximately €85 million in dismantling provisions. A fall in discount rates would lead to an increase in outstanding provisions, while a rise in discount rates would reduce the provision amount.

17.2.4 Financial assets set aside to cover the future costs of dismantling nuclear facilities and managing radioactive fissile material

17.2.4.1 Principles, objectives and governance

As indicated above, the Belgian law of July 12, 2022, partially repealing and amending the law of April 11, 2003, granted the Group's wholly-owned subsidiary Synatom responsibility for managing and investing funds received from operators of nuclear power plants in Belgium and intended to cover the costs of dismantling nuclear power plants and managing spent fuel. Pursuant to the law of April 11, 2003, Synatom could lend up to 75% of these funds to nuclear power plant operators provided that certain credit quality criteria are met.

In accordance with the law of July 12, 2022, the amount of the outstanding loans between Synatom and the nuclear operators representing the countervalue of the provisions for managing spent fuel will be repaid by December 31, 2025 to Synatom according to a schedule provided for in the law. The amount of the outstanding loans between Synatom and Electrabel representing the countervalue of the dismantling provisions will be repaid to Synatom by December 31, 2030 according to a schedule provided for in the law.

The percentage of the provisions not subject to loans to nuclear operators is invested by Synatom either in external financial assets or in loans to legal entities meeting the "credit quality" criteria imposed by law.

Accordingly, in 2022, Synatom invested nearly €1.9 billion in such assets.

Synatom's objective in terms of investment in these assets is to offer, in the long term and for an acceptable level of risk, a sufficient return, in order to cover dismantling costs and the management of radioactive fissile material, under the constraints of diversification, risk minimization and availability as defined by the law of July 12, 2022.

The Synatom Board of Directors and its Investment Committee are responsible for defining Synatom's investment policy after consultation with the CNP, in accordance with the law of July 12, 2022. Based on a rigorous risk control policy, the Investment Committee oversees investment decisions, which are managed by a team headed by an investment director.

17.2.4.2 Strategic allocation and composition of financial assets

The strategic allocation of financial assets is determined on the basis of a periodic asset-liability analysis, which consists of determining the asset categories and their respective weighting in order to meet the return objective while respecting the risk framework identified for each type of liability.

This allocation varies according to the type of liability and the different investment horizons and discount rates. Separate risk profiles are considered for:

- assets in relation to provisions for dismantling nuclear power plants,
- assets in relation to provisions for managing spent fuel.

The target allocation of plan assets based on the two aforementioned risk profiles is as follows:

In %	Management of radioactive fissile material	Dismantling
Shares	40%	35%
Bonds	40%	55%
Unlisted assets	20%	10%
TOTAL	**100%**	**100%**

Listed equities consist of international securities. Listed bonds consist of international sovereign bonds and international corporate bonds. Unlisted assets consist of securities representing funds or real estate, private equity, infrastructure or private debt investment vehicles. Investments are managed by specialized asset management companies.

Synatom believes that the inclusion of Environmental, Social and Governance (ESG) principles in investment decisions allows for better management of non-financial risks in order to generate long-term sustainable returns. The integration of ESG principles implies a broader consideration of the risks and opportunities that can influence financial performance. The selection process for external managers also incorporates ESG principles.

To implement this investment policy, Synatom has an investment company with variable share capital (SICAV) under Luxembourg law, the Nuclear Investment Fund (“NIF”), and an investment company with variable share capital under Belgian law, the Belgian Nuclear Liabilities Fund ("BNLF").

17.2.4.3 Changes in financial assets in 2022

The value of financial assets dedicated to covering nuclear provisions amounted to €6,626 million at December 31, 2022, and their return was -13.56% for the year. 2022 was marked by unprecedented events that greatly increased the volatility of global equity and bond markets. The inflationary pressures that followed the Covid crisis prompted the various central banks to carry out a series of interest rate hikes. Mixed published macroeconomic data and the war in Ukraine have particularly impacted the equity markets, especially in Europe. All asset classes, except monetary assets, had negative returns in 2022.

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17.2.4.4 Valuation of financial assets in 2022

Loans to entities outside the Group and other cash investments are shown in the table below:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Loans to third parties	**5**	**8**
Loan to Sibelga	5	8
Other loans and receivables at amortized cost	**2,270**	**167**
Debt instruments - restricted cash UCITS	2,270	167
Total loans and receivables at amortized cost	**2,276**	**175**
Equity and debt instruments at fair value	863	1,509
Equity instruments at fair value through other comprehensive income	24	11
Equity instruments at fair value through income	**887**	**1,520**
Debt instruments at fair value through other comprehensive income	2,418	2,254
Debt instruments at fair value through income	933	1,552
Debt instruments at fair value	**3,350**	**3,806**
Total equity and debt instruments at fair value	**4,237**	**5,326**
Derivative instruments	**113**	**4**
TOTAL (1)	**6,626**	**5,505**

(1) Not including €308 million in uranium inventories at December 31,2022 (€414 million at December 31, 2021).

Loans to legal entities outside the Group and the cash held by the Undertaking for Collective Investment in Transferable Securities (UCITS) are presented in the statement of financial position under "Loans and receivables at amortized cost". Bonds and associated hedging instruments held by Synatom through the UCITS are presented under equity or debt instruments (*see Note 14.1 "Financial assets"*).

The breakdown in the change in the cumulative fair value of Synatom's assets is presented as follows:

	Cumulative change in the fair value of dedicated financial assets	
In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Equity instruments at fair value through other comprehensive income	(157)	116
Debt instruments at fair value through other comprehensive income	(282)	51
Debt instruments at fair value through income	(52)	154
TOTAL	**(491)**	**321**

Net loss for the period generated by these assets amounted to €210 million in 2022 (gain of €228 million in 2021).

	Effects on the result of the return on dedicated financial assets	
In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Disposal proceeds	14	50
Dividends received	66	45
Interest received	7	7
Change in fair value of derivatives not designated as hedges	(15)	(115)
Change in fair value of dedicated assets through income	(282)	241
TOTAL	**(210)**	**228**

17.3 Dismantling of non-nuclear plant and equipment and site rehabilitation

17.3.1 Dismantling obligations arising on non-nuclear plant and equipment

Certain items of plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities and LNG terminals, have to be dismantled at the end of their operational lives or at least safely shut down. These obligations are the result of prevailing environmental regulations in the countries concerned, contractual

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agreements, or an implicit Group commitment. The most important issue for the Group concerns gas infrastructures in France.

France's political and societal guidelines for the energy transition aim to achieve carbon neutrality by 2050, by reducing greenhouse gas emissions and promoting renewable or so-called "green" energies, particularly biomethane and hydrogen. The various scenarios that make it possible to achieve carbon neutrality, in particular the National Low Carbon Strategy in France, the French Environment and Energy Management Agency (ADEME) scenarios, and the "Energy Futures" study by the electricity transmission system operator, RTE, all lead to a significant decrease in the quantities of gas consumed, while maintaining a high number of gas connection points to manage peak electricity demand. The Group is closely analyzing this prospect, particularly for the purpose of defining its strategy and assessing the useful life of assets and evaluating provisions for their possible dismantling.

The future French Strategy for Energy and Climate (SFEC) will set out France's updated roadmap to achieve carbon neutrality by 2050 and ensure that France can adapt to the impacts of climate change. It will encompass the first five-year programming law on energy and the climate (LPEC), which must be adopted before the end of first-half 2023 and set out in the *National Low-Carbon Strategy* (SNBC, 3rd issue), the *National Climate Change and Adaptation Plan* (PNACC, 3rd issue) and the *Long Term Energy Schedule* (PPE 2024-2033), which must be adopted in the first half of 2024. Consequently, the next five-year review of the PPE and the SNBC will be preceded for the first time by the adoption of a programming law on energy and the climate, which will set the French policy for energy and climate's priorities for action.

In line with the objective of carbon neutrality by 2050, the long-term scenario adopted by the Group, which governs the implementation of its strategy, is one that combines reasonable electrification, i.e. just under 50% of final demand in 2050, with the development of a diversified range of green gases (biomethane, synthesized e-CH_4, natural gas with the Carbon-Capture and Storage process, pure hydrogen). The scenario used by the Group is close to the ADEME's S3 scenario.

Due to the importance of green gases in the French energy mix scheduled for 2050 and beyond, gas infrastructures will remain largely necessary and will be essential to provide flexibility to the energy system. The adaptation and conversion of these infrastructures to green gas mean that they can be used in the very distant future, which means that the present value of provisions for their dismantling is almost zero, except in the specific cases of LNG terminals and reduced operation and non-regulated storage sites, for which provisions for dismantling amounted to €382 million at December 31, 2022 and €402 million at December 31, 2021.

Given its time horizon and the many underlying inputs (in particular, better knowledge of the compatibility of gas infrastructures with hydrogen, and changes in French and European public policies), the Group will continue to assess the long-term scenario that will enable it to achieve carbon neutrality by 2050 on a regular basis. These assessments will be accompanied by a review of the valuation of dismantling provisions.

17.3.2 Hazelwood Power Station & Mine (Australia)

The Group and its partner Mitsui announced in November 2016 their decision to close the coal-fired Hazelwood Power Station, and cease coal extraction operations from the adjoining mine from late March 2017. The Group holds a 72% interest in the former 1,600 MW power station and adjoining coal mine, which has been consolidated as a joint operation.

At December 31, 2022, the Group's share (72%) of the provision covering the obligation to dismantle and rehabilitate the mine amounted to €220 million, versus €251 million at December 31, 2021.

Dismantling and site rehabilitation work commenced in 2017 and focused on: managing site contamination; planning site wide environmental clean-up; the demolition and dismantling of all of the site's industrial facilities, including the former power station; and ongoing aquifer pumping and designated earthworks within the mine to ensure mine floor and batter stability with a view to long-term rehabilitation into a pit lake.

Several policies and laws that have a direct or indirect impact on mine rehabilitation and on the agencies that administer them have recently been reformed. Consequently, the ultimate regulatory obligations are likely to be revised during the life of the project and could therefore have an impact on provisions.

The average discount rate used to determine the amount of the provisions is 4%.

The amount of the provision recognized is based on the Group's best current estimate of the demolition and rehabilitation costs that Hazelwood is expected to incur. However, the amount of this provision may be adjusted in the future to take into account any changes in the key inputs.

17.4 Other contingencies

This caption essentially includes provisions for commercial litigation, tax claims and disputes (except income tax, pursuant to IFRIC 23) as well as provisions for onerous contracts relating to storage and transport capacity reservation contracts.

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NOTE 18 POST-EMPLOYMENT BENEFITS AND OTHER LONG-TERM BENEFITS

Accounting standards

Depending on the laws and practices in force in the countries where the Group operates, Group companies have obligations in terms of pensions, early retirement payments, retirement bonuses and other benefit plans. Such obligations generally apply to all employees within the companies concerned.

The Group's obligations in relation to pensions and other employee benefits are recognized and measured in compliance with IAS 19. Accordingly:

- the cost of defined contribution plans is expensed based on the amount of contributions payable in the period;
- the Group's obligations concerning pensions and other employee benefits payable under defined benefit plans are assessed on an actuarial basis using the projected unit credit method. These calculations are based on assumptions relating to mortality, staff turnover and estimated future salary increases, as well as the economic conditions specific to each country or entity of the Group. Discount rates are determined by reference to the yield, at the measurement date, on investment grade corporate bonds in the related geographical area (or on government bonds in countries where no representative market for such corporate bonds exists).

Pension commitments are measured on the basis of actuarial assumptions. The Group considers that the assumptions used to measure its obligations are relevant and documented. However, any change in these assumptions could have a significant impact on the resulting calculations.

Provisions are recorded when commitments under these plans exceed the fair value of plan assets. Where the value of plan assets (capped where appropriate) is greater than the related commitments, the surplus is recorded as an asset under "Other assets" (current or non-current).

As regards post-employment benefit obligations, actuarial gains and losses are recognized in other comprehensive income. Where appropriate, adjustments resulting from applying the asset ceiling to net assets relating to overfunded plans are treated in a similar way. However, actuarial gains and losses on other long-term benefits such as long-service awards, are recognized immediately in profit or loss.

Net interest on the net defined benefit liability (asset) is presented in net financial income/(loss).

18.1 Description of the main pension plans

18.1.1 Companies belonging to the Electricity and Gas Industries sector in France

Since January 1, 2005, the CNIEG (*Caisse Nationale des Industries Électriques et Gazières*) has operated the pension, disability, death, occupational accident and occupational illness benefit plans for electricity and gas industry (hereinafter "EGI") companies in France. The CNIEG is a social security legal entity under private law placed under the joint responsibility of the ministries in charge of social security and the budget.

Employees and retirees of EGI sector companies have been fully affiliated to the CNIEG since January 1, 2005. The main affiliated Group entities are ENGIE SA, GRDF, GRTgaz, Elengy, Storengy, ENGIE Thermique France, CPCU, CNR and SHEM.

Following the funding reform of the special EGI pension plan introduced by Law No. 2004-803 of August 9, 2004 and its implementing decrees, specific benefits (pension benefits on top of the standard benefits payable under ordinary law) already vested at December 31, 2004 ("past specific benefits") were allocated between the various EGI entities. Past

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specific benefits (benefits vested at December 31, 2004) relating to regulated transmission and distribution businesses ("regulated past specific benefits") are funded by the levy on gas and electricity transmission and distribution services (*Contribution Tarifaire d'Acheminement*) and therefore no longer represent an obligation for the ENGIE Group. Unregulated past specific benefits (benefits vested at December 31, 2004) are funded by EGI sector companies to the extent defined by Decree No. 2005-322 of April 5, 2005.

The special EGI pension plan is a legal pension plan available to new entrants.

The specific benefits vested under the plan since January 1, 2005 are wholly financed by EGI sector companies in proportion to their respective weight in terms of payroll costs within the EGI sector.

As this plan is a defined benefit plan, the Group has set aside a pension provision in respect of specific benefits payable to employees of unregulated activities and specific benefits vested by employees of regulated activities since January 1, 2005. This provision also covers the Group's early retirement obligations. The provision amount may be subject to fluctuations based on the weight of the Group's companies within the EGI sector.

Pension benefit obligations and other "mutualized" obligations are assessed by the CNIEG.

At December 31, 2022, the projected benefit obligation in respect of the special pension plan for EGI sector companies amounted to €2.6 billion.

The duration of the pension benefit obligation of the EGI pension plan is 20 years.

18.1.2 Companies belonging to the electricity and gas sector in Belgium

In Belgium, the rights of employees in electricity and gas sector companies, principally Electrabel, Laborelec and some ENGIE Energy Management Trading and ENGIE CC employee categories, are governed by collective bargaining agreements.

These agreements, applicable to "wage-rated" employees recruited prior to June 1, 2002 and managerial staff recruited prior to May 1, 1999, specify the benefits entitling employees to a supplementary pension equivalent to 75% of their most recent annual income, for a full career and in addition to the statutory pension. These top-up pension payments provided under defined benefit plans are partly reversionary. In practice, the benefits are paid in the form of a lump sum for the majority of plan participants. Most of the obligations resulting from these pension plans are financed through pension funds set up for the electricity and gas sector and by certain insurance companies. Pre-funded pension plans are financed by employer and employee contributions. Employer contributions are calculated annually based on actuarial assessments.

The projected benefit obligation relating to these plans represented around 23% of total pension obligations and related liabilities at December 31, 2022. The average duration is nine years.

"Wage-rated" employees recruited after June 1, 2002 and managerial staff (i) recruited after May 1, 1999 or (ii) having opted for the transfer through defined contribution plans, are covered under defined contribution plans. Prior to January 1, 2017, the law specified a minimum average annual return (3.75% on wage contributions and 3.25% on employer contributions) when savings are liquidated.

The law on supplementary pensions, approved on December 18, 2016 and enforced on January 1, 2017 henceforth specifies a minimum rate of return, depending on the actual rate of return of Belgian government bonds, within a range of 1.75%-3.25% (the rates are now identical for employee and employer contributions). In 2022, the minimum rate of return stood at 1.75%.

An expense of €38 million was recognized in 2021 and 2022 in respect of these defined contribution plans.

18.1.3 Other pension plans

Most other Group companies also grant their employees retirement benefits. In terms of financing, pension plans within the Group are almost equally split between defined benefit and defined contribution plans.

The Group's main pension plans outside France, Belgium and the Netherlands concern:

- the United Kingdom: the large majority of defined benefit pension plans is now closed to new entrants and future benefits no longer vest under these plans. All entities run a defined contribution scheme. The pension obligations of International Power's subsidiaries in the United Kingdom are covered by the special Electricity Supply Pension Scheme (ESPS). The assets of this defined benefit scheme are invested in separate funds. Since June 1, 2008, the scheme has been closed and a defined contribution plan has been set up for new entrants;
- Germany: the Group's German subsidiaries have closed their defined benefit plans to new entrants and now offer defined contribution plans;
- Brazil: ENGIE Brasil Energia operates its own pension scheme. This scheme has been split into two parts, one for the (closed) defined benefit plan, and the other for the defined contribution plan that has been available to new entrants since the beginning of 2005.

18.2 Description of other post-employment benefit obligations and other long-term benefits

18.2.1 Other benefits granted to current and former EGI sector employees

Other benefits granted to EGI sector employees are:

- Post-employment benefits:
  - reduced energy prices;
  - end-of-career indemnities;
  - bonus leave;
  - death capital benefits.
- Long-term benefits:
  - allowances for occupational accidents and illnesses;
  - temporary and permanent disability allowances;
  - long-service awards.

The Group's main obligations are described below.

18.2.1.1 Reduced energy prices

Under Article 28 of the national statute for electricity and gas industry personnel, all employees (current and former employees, provided they meet certain length-of-service conditions) are entitled to benefits in kind, which take the form of reduced energy prices known as "employee rates".

This benefit entitles employees to electricity and gas supplies at a reduced price. For retired employees, this provision represents a post-employment defined benefit. Retired employees are only entitled to the reduced rate if they have completed at least 15 years' service within EGI sector companies.

In accordance with the agreements signed with EDF in 1951, ENGIE provides gas to all current and former employees of ENGIE and EDF, while EDF supplies electricity to these same beneficiaries. ENGIE pays (or benefits from) the balancing contribution payable in respect of its employees as a result of energy exchanges between the two utilities.

The obligation to provide energy at a reduced price to current and former employees during their retirement is measured as the difference between the energy sale price and the preferential rate granted (including, in 2022, the impacts of the tariff shield for electricity) and the preferential rate granted.

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The provision set aside in respect of reduced energy prices stood at €2.8 billion at December 31, 2022. The duration of the obligation is 20 years.

18.2.1.2 End-of-career indemnities

Retiring employees (or their dependents in the event of death during active service) are entitled to end-of-career indemnities, which increase in line with the length of service within the EGI sector.

18.2.1.3 Compensation for occupational accidents and illnesses

EGI sector employees are entitled to compensation for accidents at work and occupational illnesses. These benefits cover all employees or the dependents of employees who die as a result of occupational accidents or illnesses, or injuries undergone on the way to work.

The amount of the obligation corresponds to the likely present value of the benefits to be paid to current beneficiaries, taking into account any reversionary annuities.

18.2.2 Other benefits granted to employees of the gas and electricity sector in Belgium

Electricity and gas sector companies also grant other post-employee benefits such as the reimbursement of medical expenses, electricity and gas price reductions, as well as length-of-service awards and early retirement schemes. These benefits are not prefunded, with the exception of the special "*allocation transitoire*" termination indemnity, considered as an
end-of-career indemnity.

18.2.3 Other collective agreements

Most other Group companies also grant their staff post-employment benefits (early retirement plans, medical coverage, benefits in kind, etc.) and other long-term benefits such as jubilee and length-of-service awards.

18.3 Defined benefit plans

18.3.1 Amounts presented in the statement of financial position and statement of comprehensive income

In accordance with IAS 19, the information presented in the statement of financial position relating to post-employment benefit obligations and other long-term benefits results from the difference between the gross projected benefit obligation and the fair value of plan assets. A provision is recognized if this difference is positive (net obligation), while a prepaid benefit cost is recorded in the statement of financial position when the difference is negative, provided that the conditions for recognizing the prepaid benefit cost are met.

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Changes in provisions for pension plans, post-employment benefits and other long-term benefits, plan assets and reimbursement rights recognized in the statement of financial position are as follows:

In millions of euros	**Provisions**	**Plan assets**	**Reimbursement rights**
AT DECEMBER 31, 2021	**(6,999)**	**72**	**229**
Exchange rate differences	(22)	(2)	-
Changes in scope of consolidation and other	109	(94)	(29)
Actuarial gains and losses	2,466	308	-
Periodic pension cost	(331)	(23)	2
Contributions/benefits paid	306	55	6
AT DECEMBER 31, 2022	**(4,471)**	**316**	**208**

Plan assets and reimbursement rights are presented in the statement of financial position under “Other non-current assets” or “Other current assets”.

The cost recognized for the period amounted to €354 million in 2022 (€547 million in 2021). The components of this defined benefit cost in the period are set out in Note 18.3.3 “Components of the net periodic pension cost”.

The Eurozone represented 98% of the Group’s net obligation at December 31, 2022, (98% at December 31, 2021).

Cumulative actuarial gains and losses recognized in equity amounted to €1,400 million at December 31, 2022, compared to €4,232 million at December 31, 2021.

Net actuarial differences arising in the period and presented on a separate line in the statement of comprehensive income represented a net actuarial gain of €2,774 million in 2022 and a gain of €1,803 million in 2021.

18.3.2 Change in benefit obligations and plan assets

The table below shows the amount of the Group's projected benefit obligations and plan assets, changes in these items during the periods presented, and their reconciliation with the amounts reported in the statement of financial position:

		Dec. 31, 2022				Dec. 31, 2021			
In millions of euros		Pension benefit obligations (1)	Other post-employment benefit obligations (2)	Long-term benefit obligations (3)	Total	Pension benefit obligations (1)	Other post-employment benefit obligations (2)	Long-term benefit obligations (3)	Total
A - CHANGE IN PROJECTED BENEFIT OBLIGATION									
Projected benefit obligation at January 1		**(7,566)**	**(4,649)**	**(499)**	**(12,715)**	**(9,186)**	**(5,167)**	**(565)**	**(14,919)**
Service cost		(229)	(97)	(45)	(372)	(353)	(88)	(80)	(521)
Interest expense		(124)	(60)	(6)	(190)	(85)	(39)	(3)	(126)
Contributions paid		(8)	-	-	(8)	(13)	-	-	(13)
Amendments		-	-	-	-	(2)	-	-	(2)
Changes in scope of consolidation		10	2	-	12	1,108	4	58	1,170
Curtailments/settlements		(87)	-	-	(87)	13	1	-	13
Financial actuarial gains and losses		2,118	1,390	81	3,590	869	533	32	1,434
Demographic actuarial gains and losses		8	(4)	34	39	(230)	2	11	(217)
Benefits paid		346	110	39	495	389	107	47	543
Other (of which translation adjustments)		(33)	-	(1)	(34)	(78)	-	(1)	(78)
Projected benefit obligation at December 31	**A**	**(5,565)**	**(3,308)**	**(395)**	**(9,268)**	**(7,566)**	**(4,649)**	**(499)**	**(12,715)**
B - CHANGE IN FAIR VALUE OF PLAN ASSETS									
Fair value of plan assets at January 1		**5,843**	**-**	**-**	**5,843**	**6,034**	**-**	**-**	**6,034**
Interest income on plan assets		97	-	-	97	58	-	-	58
Financial actuarial gains and losses		(739)	-	-	(739)	629	-	-	629
Contributions received		133	-	-	133	198	-	-	198
Changes in scope of consolidation		3	-	-	3	(862)	-	-	(862)
Settlements		81	-	-	81	(11)	-	-	(11)
Benefits paid		(260)	-	-	(260)	(283)	-	-	(283)
Other (of which translation adjustments)		22	-	-	22	81	-	-	81
Fair value of plan assets at December 31	**B**	**5,181**	**-**	**-**	**5,181**	**5,843**	**-**	**-**	**5,843**
C - FUNDED STATUS	**A+B**	**(384)**	**(3,308)**	**(395)**	**(4,087)**	**(1,723)**	**(4,649)**	**(499)**	**(6,872)**
Asset ceiling		(68)	-	-	(68)	(55)	-	-	(55)
NET BENEFIT OBLIGATION		**(452)**	**(3,308)**	**(395)**	**(4,155)**	**(1,779)**	**(4,649)**	**(499)**	**(6,927)**
ACCRUED BENEFIT LIABILITY		**(768)**	**(3,308)**	**(395)**	**(4,471)**	**(1,850)**	**(4,649)**	**(499)**	**(6,999)**
PREPAID BENEFIT		**316**	**-**	**-**	**316**	**72**	**-**	**-**	**72**

(1) Pensions and retirement bonuses.

(2) Reduced energy prices, healthcare, gratuities and other post-employment benefits.

(3) Length-of-service awards and other long-term benefits.

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18.3.3 Components of the net periodic pension cost

The net periodic cost recognized in respect of defined benefit obligations for the years ended December 31, 2022 and 2021 breaks down as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Current service cost	372	521
Actuarial gains and losses [1]	(116)	(43)
Gains or losses on pension plan curtailments, terminations and settlements	6	-
Total accounted for under current operating income including operating MtM and share in net income of equity method entities	**261**	**479**
Net interest expense	93	68
Total accounted for under net financial income/(loss)	**93**	**68**
TOTAL	**354**	**547**

(1) On the long-term benefit obligation.

18.3.4 Funding policy and strategy

When defined benefit plans are funded, the related plan assets are invested in pension funds and/or with insurance companies, depending on the investment practices specific to the country concerned. The investment strategies underlying these defined benefit plans are aimed at striking the right balance between return on investment and acceptable levels of risk.

The objectives of these strategies can be summarized as follows: to maintain sufficient liquidity to cover pension and other benefit payments; and as part of risk management, to achieve a long-term rate of return higher than the discount rate or, where appropriate, at least equal to future required returns.

When plan assets are invested in pension funds, investment decisions are the responsibility of the fund management concerned. For French companies, where plan assets are invested with an insurance company, the latter manages the investment portfolio for unit-linked policies or euro-denominated policies, in a manner adapted to the risk and long-term profile of the liabilities.

The funding of these obligations for each of the periods presented can be analyzed as follows:

In millions of euros	Projected benefit obligation	Fair value of plan assets	Asset ceiling	Total net obligation
Underfunded plans	(3,886)	3,391	(63)	(558)
Overfunded plans	(1,360)	1,788	(4)	424
Unfunded plans	(4,021)	-	-	(4,021)
AT DECEMBER 31, 2022	**(9,267)**	**5,180**	**(68)**	**(4,156)**
Underfunded plans	(5,891)	4,671	(50)	(1,271)
Overfunded plans	(1,116)	1,172	(5)	51
Unfunded plans	(5,708)	-	-	(5,708)
AT DECEMBER 31, 2021	**(12,715)**	**5,843**	**(55)**	**(6,927)**

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The allocation of plan assets by principal asset category can be analyzed as follows:

In %	Dec. 31, 2022	Dec. 31, 2021
Equity investments	27	29
Sovereign bond investments	25	21
Corporate bond investments	35	27
Money market securities	4	3
Real estate	2	2
Other assets	8	18
TOTAL	**100**	**100**

All plan assets were quoted on an active market at December 31, 2022.

The actual return on assets of EGI sector companies stood at a negative 12.2% in 2022.

In 2022, the actual return on plan assets of Belgian entities amounted to approximately 2.6% in Group insurance and a negative 14.2% in pension funds.

The allocation of plan asset categories by geographic area of investment can be analyzed as follows:

In %	Europe	North America	Latin America	Asia - Oceania	Rest of the World	Total
Equity investments	53	33	-	12	2	100
Sovereign bond investments	76	1	19	-	3	100
Corporate bond investments	61	29	1	6	3	100
Money market securities	85	4	3	1	7	100
Real estate	92	2	6	-	1	100
Other assets	13	-	-	-	87	100

18.3.5 Actuarial assumptions

Actuarial assumptions are determined individually by country and company in conjunction with independent actuaries. Weighted discount rates for the main actuarial assumptions are presented below:

		Pension benefit obligations		Other post-employment benefit obligations		Long-term benefit obligations		Total benefit obligations	
		2022	2021	2022	2021	2022	2021	2022	2021
Discount rate	Eurozone	3.8%	1.2%	3.8%	1.2%	3.8%	1.2%	3.8%	1.2%
	UK Zone	2.1%	1.6%	-	-	-	-	-	-
Inflation rate	Eurozone	4.2%	1.8%	4.2%	1.8%	4.2%	1.8%	4.2%	1.8%
	UK Zone	3.9%	3.6%	-	-	-	-	-	-

18.3.5.1 Discount and inflation rates

The discount rate applied is determined based on the yield, at the date of the calculation, of investment grade corporate bonds with maturities mirroring the term of the plan.

The rates were determined for each monetary area based on data for AA corporate bond yields. For the Eurozone, data (from Bloomberg) are extrapolated on the basis of government bond yields for long maturities.

According to the Group's estimates, a 100-basis-point increase (decrease) in the discount rate would result in a decrease (increase) of approximately 13% in the projected benefit obligation.

The inflation rates were determined for each monetary area. A 100-basis-point increase (decrease) in the inflation rate (with an unchanged discount rate) would result in an increase (decrease) of approximately 12% in the projected benefit obligation.

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18.3.6 Estimated employer contributions payable in 2023 under defined benefit plans

The Group expects to pay around €172 million in contributions into its defined benefit plans in 2023, including €122 million for EGI sector companies. Annual contributions in respect of EGI sector companies will be made by reference to rights vested during the year, taking into account the funding level for each entity in order to even out contributions over the medium term.

18.4 Defined contribution plans

In 2022, the Group recorded a €91 million expense in respect of amounts paid into Group defined contribution plans of which €9 million concerning multi-employers plans in Netherlands (€196 million in 2021, of which €74 million concerning multi-employers in Netherlands). These contributions are recorded under “Personnel costs” in the consolidated income statement.

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NOTE 19 SHARE-BASED PAYMENTS

Accounting standards

Under IFRS 2, share-based payments made in consideration for services provided are recognized as personnel costs. These services are measured at the fair value of the instruments awarded.

The fair value of bonus share plans is estimated by reference to the share price at the grant date, taking into account the fact that no dividend is payable over the vesting period, and based on the estimated turnover rate for the employees concerned and the probability that the Group will meet its performance targets. The fair value measurement also takes into account the non-transferability period associated with these instruments. The cost of shares granted to employees is expensed over the vesting period of the rights and offset against equity.

A Monte Carlo pricing model is used for performance shares granted on a discretionary basis and subject to external performance criteria.

Expenses recognized in respect of share-based payments break down as follows:

	Expense for the year	
In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Employee share issues [1]	(49)	(1)
Bonus/performance share plans [2] [3]	(40)	(47)
Other Group companies' plans	(3)	-
TOTAL	(92)	(48)

(1) Including Share Appreciation Rights set up within the scope of employee share issues in certain countries.

(2) Of which an additional expense of €4.2 million in 2022 following the review of the performance conditions (a reversal of €0.3 million in 2021).

(3) Of which a reversal of €9.8 million in 2022 for failure to meet the condition of continuing employment within the Group (€4 million in 2021).

19.1 Link 2022

19.1.1 Description of available ENGIE share plans

In 2022, Group employees and former Group employees were entitled to purchase ENGIE shares as part of the “Link 2022” worldwide employee share ownership plan. The offering mainly involved the sale of treasury shares. Employees could subscribe to either:

- the Link Classique Plan: this plan allows employees to subscribe to shares at a discount, either directly or via an employee mutual fund and with an employer top-up contribution;
- the Link Multiple Plan: under this plan, employees may subscribe to shares at a discount, either directly or via an employee mutual fund, and also benefit from any increase in the share price (leverage effect) in addition to the amounts invested. Through a Swap Agreement with the bank that structures the Plan, employees are guaranteed to recover 100% of the invested amount as well as a minimum capitalized return;
- Share Appreciation Rights (SARs): this leveraged plan entitles beneficiaries who purchase shares to receive a cash bonus equal to the increase in the share price after a period of five years. The resulting employee liability is covered by warrants.

The Link Classique Plan featured an employer contribution under the terms and conditions described below:

- participating French employees were entitled to bonus ENGIE shares depending on the amount of their own contribution to the plan:

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  - for an employee contribution of €200, the employer contribution corresponded to 200% of this amount; for an additional employee contribution of €100, the employer contribution represented 50% of the amount. The employer contribution was capped at €450.

- for employees in other countries, ENGIE shares were granted through a bonus share award plan, subject to the still being employed with the Group and depending on their own contribution to the plan:

  - for an employee contribution of €200, the employer contribution corresponded to 200% of this amount; for an additional employee contribution of €100, the employer contribution represented 50% of the amount. The employer contribution was capped at €450;
  - the bonus shares will be awarded to employees on December 22, 2027, provided that they are still employed by the ENGIE Group.

19.1.2 Accounting impacts

The subscription price for the 2022 plan represents the average closing price of the ENGIE share on the Euronext Paris over the 20 trading days between October 18, 2022 and November 14, 2022 inclusive. The reference price is set at €13.14 less 20% for the Link Classique and the Link Multiple plans, i.e. €10.51.

The expense recognized in the consolidated financial statements in respect of the Link Classique, and Link Multiple plans corresponds to the difference between the fair value of the shares subscribed and the subscription price. The fair value takes into account the lock-up period of five years, as provided for by French legislation.

The following assumptions were applied:

	5 years
Risk-free interest rate	2.70%
Spread applicable to the retail banking network	1.00%
Employee financing cost	3.70%
Share lending cost	1.00%
Share price at grant date	14.38

The accounting impacts break down as follows:

	Link Classique	Link Multiple	Link Classique France - additional employer's contribution	Total
Amount subscribed (in millions of euros)	27	135	-	162
Number of shares subscribed (in millions of shares)	2.6	12.8	0.8	16.2
Discount (€/share)	3.9	3.9	14.4	-
Non-transferability restriction (€/share)	(1.4)	(1.4)	(1.4)	-
Cost for the Group (in millions of euros)	**6**	**32**	**10**	**48**

Subscriptions to the Link 2022 worldwide employee share ownership plan totaled €162 million and break down as follows:

- the sale of treasury shares to employees amounted to €130 million;
- a capital increase and additional paid-in capital of €32 million (excluding issuance costs). This amount is broken down into €8 million for Link Classique and €24 million for Link Multiple.

The Group recognized a total expense of €48 million for 2022 in respect of the 15.4 million shares subscribed and the 0.8 million bonus shares awarded under employer contributions.

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The accounting impact of cash-settled Share Appreciation Rights consists in recognizing a payable to the employee over the vesting period, with a corresponding adjustment recorded in profit or loss. At December 31, 2022, the fair value of the liability relating to the 2018 and 2022 awards amounted to €0.2 million.

19.2 Performance shares

19.2.1 New awards in 2022

ENGIE Performance Share plan of December 8, 2022

On December 8, 2022, the Board of Directors approved the award of 4.7 million performance shares to members of the Group's executive and senior management, breaking down into three tranches:

- performance shares vesting on March 14, 2026, subject to a one-year lock-up period;
- performance shares vesting on March 14, 2026, without a lock-up period; and
- performance shares vesting on March 14, 2027, without a lock-up period.

In addition to a condition requiring employees to be employed with the Group at the vesting date, each tranche is made up of instruments subject to four different conditions, excluding the first 500 performance shares granted to beneficiaries (excluding top management), which are exempt from performance conditions. The performance conditions are as follows:

- a market performance condition relating to ENGIE's Total Shareholder Return compared to that of a reference panel of six companies, as assessed between December 2022 and February 2026, which accounts for 25% of the total award;
- an internal performance condition relating to net recurring income Group share compared to that of a reference panel of six companies, as assessed between the second half of 2022 and the first half of 2025, which accounts for 25% of the total award;
- an internal performance condition relating to Return On Capital Employed (ROCE) in 2025 which accounts for 30% of the total award;
- an internal performance condition relating to non-financial criteria in terms of targets for greenhouse gas emissions from energy productions, increasing the share of renewable capacities and increasing the percentage of women in management, as assessed between December 2022 and December 2025, which accounts for 20% of the total award.

Under this plan, performance shares without conditions were also awarded to the winners of the Innovation and Incubation programs (6,450 shares awarded).

ENGIE Bonus Share plan of November 18, 2022

As part of the Link 2022 employee share plan, bonus shares were awarded to subscribers of the Link Classique plan (outside France). A total of 247,163 bonus shares were awarded under this plan (*see Note 19.1.1 Description of available ENGIE share plans*).

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19.2.2 Fair value of bonus share plans with or without performance conditions

The following assumptions were used to calculate the unitary fair value of the new plans awarded by ENGIE in 2022:

Award date	Vesting date	End of the lock-up period	Price at the award date	Expected dividend	Market-related performance condition	Unitary fair value
November 18, 2022	December 22, 2027	December 22, 2027	14.4	1,15	no	9.20
Weighted average fair value of the December 22, 2022 plan						9.20
December 8, 2022	March 14, 2026	March 14, 2027	14.3	1,15	yes	9.91
December 8, 2022	March 14, 2026	March 14, 2026	14.3	1,15	yes	9.91
December 8, 2022	March 14, 2026	March 14, 2026	14.3	1,15	no	11.05
December 8, 2022	March 14, 2027	March 14, 2027	14.3	1,15	yes	8.93
Weighted average fair value of the December 8, 2022 plan						10.24

19.2.3 Review of internal performance conditions applicable to the plans

In addition to the condition of continuing employment within the Group, eligibility for certain bonus share and performance share plans is subject to an internal performance condition. When this condition is not fully met, the number of bonus shares granted to employees is reduced in accordance with the plans' regulations, leading to a decrease in the total expense recognized in relation to the plans in accordance with IFRS 2. Performance conditions are reviewed at each reporting date.

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NOTE 20 RELATED PARTY TRANSACTIONS

This note describes material transactions between the Group and its related parties.

Compensation payable to key management personnel is disclosed in Note 21 “Executive compensation”.

Transactions with joint ventures and associates are described in Note 3 “Investments in equity method entities”.

Only material transactions are described below.

20.1 Relations with the French State and with entities owned or partly owned by the French State

20.1.1 Relations with the French State

The French State’s interest in the Group at December 31, 2022 remained unchanged at 23.64% compared with the previous year. This entitles it to three of the 15 seats on the Board of Directors (one director representing the State appointed by decree, and two directors appointed by the Shareholders’ Meeting at the proposal of the State).

The French State holds 33.56% of the theoretical voting rights (33.71% of exercisable voting rights) compared with 33.20% at end-2021.

On May 22, 2019, the PACTE Law (“Action plan for business growth and transformation”) was enacted, enabling the French State to dispose of its ENGIE shares without restriction.

In addition, the French State holds a golden share aimed at protecting France’s critical interests and ensuring the continuity and safeguarding of supplies in the energy sector. The golden share is granted to the French State indefinitely and entitles it to veto decisions taken by ENGIE if it considers they could harm France’s interests.

Public service engagements in the energy sector are defined by the law of January 3, 2003.

Transmission rates on the GRTgaz transportation network and the gas distribution network in France, as well as rates for accessing the French LNG terminals and revenues from storage capacities, are all regulated.

The Law on Energy and Climate enacted on November 8, 2019 will put an end to regulated gas tariffs and will restrict regulated electricity tariffs for consumers and small businesses. The final date for the discontinuation of regulated gas tariffs is July 1, 2023.

20.1.2 Relations with EDF

Following the creation on July 1, 2004 of the French gas and electricity distribution network operator (EDF Gaz de France Distribution), Gaz de France SA and EDF entered into an agreement on April 18, 2005 setting out their relationship as regards the distribution business. The December 7, 2006 law on the energy sector reorganized the natural gas and electricity distribution networks. Enedis SA, a subsidiary of EDF SA, and GRDF SA, a subsidiary of ENGIE SA, were created on January 1, 2007 and December 31, 2007, respectively, and act in accordance with the agreement previously signed by the two incumbent operators. With the deployment of smart meters for both electricity and gas, the "common" activities operated by the two distributors evolved significantly. The remaining mixed activities are mainly in the areas of inventory management, human resources, medical field, local IT and accountancy. This scope will be further reduced in 2023 to be limited to areas relating to medical field and social activities.

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20.2 Relations with the CNIEG (*Caisse Nationale des Industries Électriques et Gazières*)

The Group's relations with the CNIEG, which manages all old-age, death and disability benefits for active and retired employees of the Group who belong to the special EGI pension plan, employees of EDF and Non-Nationalized Companies (*Entreprises Non Nationalisées* – ENN), are described in Note 18 "Post-employment benefits and other long-term benefits".

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NOTE 21 EXECUTIVE COMPENSATION

The executive compensation presented below includes the compensation of the members of the Group's Executive Committee and Board of Directors.

The Executive Committee had 10 members at December 31, 2022 (compared to 11 members at December 31, 2021).

Their compensation breaks down as follows:

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Short-term benefits	34	22
Post-employment benefits	-	1
Share-based payments	4	3
Termination benefits	-	7
TOTAL	**37**	**33**

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NOTE 22 WORKING CAPITAL REQUIREMENTS, INVENTORIES, OTHER ASSETS AND OTHER LIABILITIES

Accounting standards

In accordance with IAS 1, the Group's current and non-current assets and liabilities are shown separately in the consolidated statement of financial position. For most of the Group's activities, the breakdown into current and non current items is based on when assets are expected to be realized, or liabilities extinguished. Assets expected to be realized or liabilities extinguished within 12 months of the reporting date are classified as current, while all other items are classified as non-current.

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined based on the first-in, first-out method or the weighted average cost formula.

Nuclear fuel purchased is consumed in the process of producing electricity over a number of years. The consumption of this nuclear fuel inventory is recorded based on estimates of the quantity of electricity produced per unit of fuel.

Gas inventories

Gas injected into underground storage facilities includes working gas, which can be extracted without adversely affecting the subsequent operation of the reservoirs, and cushion gas, which is inseparable from the reservoirs and essential for their operation (*see Note 13.3 "Property, plant and equipment"*).

Working gas is classified in inventories and measured at weighted average purchase cost upon entering the transportation network regardless of its source, including any regasification costs.

Group inventory outflows are valued using the weighted average unit cost method.

Certain inventories are used for trading purposes and are recognized at fair value less selling costs, in accordance with IAS 2. Any changes in said fair value are recognized in the consolidated income statement for the year in which they occur.

Greenhouse gas emission rights, energy saving certificates and green certificates

In the absence of specific IFRS standards or IFRIC interpretations on accounting for greenhouse gas emission allowances, energy saving certificates and green certificates, the Group has decided to recognize certificates in inventories at their acquisition or production cost. At the reporting date, a liability is recognized if the certificates held by the Group are insufficient to meet the obligation to return certificates to the French government. When not covered by the certificates held in inventories, the liability is measured at the market value or based on the price of any future contracts that have been entered into, when applicable.

Tax equity

The ENGIE Group finances its renewables projects in the United States through tax equity structures, in which part of the necessary funds is provided by a tax partner. The tax partner obtains, up to a pre-determined level, a preferential right essentially to the project's tax credits, which it can deduct from its own tax base.

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The tax partner's investments meet the definition of a liability under IFRS. Since the tax equity liability corresponding to these tax benefits does not give rise to any cash outflow for the project entity, it does not represent a financial debt and is accounted for in "Other liabilities".

Besides the unwinding effect, the liability changes mainly in line with the tax credits allocated to the tax partner and recognized in profit or loss.

22.1 Composition of change in working capital requirements

In millions of euros	Change in working capital requirements at Dec. 31, 2022	Change in working capital requirements at Dec. 31, 2021
Inventories	(2,115)	(2,349)
Trade and other receivables, net	(11,614)	(11,043)
Trade and other payables, net	8,521	10,676
Tax and employee-related receivables/payables	1,545	364
Margin calls and derivative instruments hedging commodities relating to trading activities	199	(706)
Other	1,040	680
TOTAL	**(2,424)**	**(2,377)**

22.2 Inventories

In millions of euros	Dec. 31, 2022	Dec. 31, 2021
Inventories of natural gas, net	4,628	3,079
Inventories of uranium [(1)]	308	408
CO_2 emissions allowances, green certificates and energy saving certificates, net	1,788	1,526
Inventories of commodities other than gas and other inventories, net	1,420	1,161
TOTAL	**8,145**	**6,175**

(1) Financial hedging instruments are backed by these uranium inventories and represented a negative amount of €229 million at December 31, 2022.

22.3 Other assets and other liabilities

	Dec. 31, 2022				Dec. 31, 2021			
	Assets		Liabilities		Assets		Liabilities	
In millions of euros	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Other assets and liabilities	766	18,294	(3,646)	(23,583)	478	13,202	(2,341)	(16,752)
Tax receivables/payables	*-*	*14,647*	*-*	*(16,863)*	*-*	*10,628*	*-*	*(11,316)*
Employee receivables/payables	*523*	*22*	*(2)*	*(2,479)*	*300*	*18*	*(2)*	*(2,033)*
Dividend receivables/payables	*-*	*12*	*-*	*(23)*	*-*	*15*	*-*	*(9)*
Other	*243*	*3,614*	*(3,644)*	*(4,218)*	*178*	*2,541*	*(2,339)*	*(3,395)*

At December 31, 2022, other non-current assets included a receivable towards EDF Belgium in respect of nuclear provisions amounting to €162 million (€96 million at December 31, 2021).

Other liabilities include €1,981 million in investments made by tax partners as part of the financing of renewable projects in the United States by tax equity (€1,229 million at December 31, 2021).

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NOTE 23 LEGAL AND ANTI-TRUST PROCEEDINGS

The Group is party to a number of legal and anti-trust proceedings with third parties or with legal and/or administrative authorities (including tax authorities) in the normal course of its business.

The main disputes and investigations presented hereafter are recognized as liabilities or give rise to contingent assets or liabilities.

In the normal course of its business, the Group is involved in a number of disputes and investigations before state courts, arbitral tribunals or regulatory authorities. The disputes and investigations that could have a material impact on the Group are presented below.

23.1 Renewables

23.1.1 Mexico – Renewable energy

In 2021, the Mexican government and public authorities took positions and legislative and regulatory measures that directly affect private players in the energy sector (in particular renewable energy producers) and go against the letter and spirit of the latest energy sector reforms introduced in 2013 and 2014. The constitutionality and legality of some of these measures have been contested in legal proceedings launched by non-government bodies and private investors, in particular by ENGIE subsidiaries that develop or implement renewable energy projects in the country. These proceedings are currently ongoing. The Mexican President has also submitted a draft revision of the Constitution that would substantially change the regulatory framework applicable to the electricity sector. The case was put on hold in the first half of 2022.

23.2 Networks

23.2.1 Investigation into the regulatory framework for natural gas storage in France

On February 29, 2020, the European Commission announced that it had launched an in-depth investigation into the regulatory framework for natural gas storage introduced on January 1, 2018 to secure France's natural gas supply. Storengy and Géométhane provided the Commission with all the necessary information to substantiate their analyses. The European Commission closed its investigation and published a press release on June 28, 2021 announcing that it had concluded that the regulatory framework for natural gas storage complies with EU rules on State aid. Nevertheless, the Commission considered that the scheme constituted illegal State aid for the period during which it was implemented without having been approved in advance. This decision was published in the Official Journal on March 18, 2022, marking the start of the two-month period for filing an appeal. To our knowledge, no appeal has been filed.

23.3 Energy Solutions

23.3.1 Spain - Púnica

In the Púnica case (procedure concerning the awarding of contracts), 15 Cofely España employees, as well as the company itself, were placed under investigation by the examining judge in charge of the case. The criminal investigation was closed on July 19, 2021 with the referral of Cofely España and eight (former) employees before the criminal court. Cofely España lodged an appeal against this decision on September 30, 2021. On March 9, 2022, the appeal was dismissed and the referral decision upheld. The hearings are expected to begin in 2023.

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23.3.2 Italy - Competition procedure

On May 9, 2019, a fine of €38 million was jointly and severally imposed on ENGIE Servizi SpA and ENGIE Energy Services International S.A. ("ENGIE ESI") by the Italian Competition Authority (the "Authority") for certain alleged anti-competitive practices relating to the award of the Consip FM4 2014 contract. An appeal was lodged with the Lazio Regional Administrative Court (Lazio RAC). On July 18, 2019, the Lazio RAC suspended the payment of the fine, and on July 27, 2020, it overturned the Authority's decision as regards both ENGIE Servizi SpA and ENGIE ESI. On November 17, 2020, the Authority appealed the Lazio RAC's decision before Italy's highest administrative court. On May 9, 2022, the Italian administrative court rejected the Authority's appeal and upheld the Lazio RAC's reversal of the Authority's decision. Two companies filed a special appeal against the administrative court's decision before the administrative court itself on June 13, 2022, and an appeal challenging the administrative court's rejection of the appeal before the Supreme Court on July 11, 2022. These appeals do not have a suspensive effect. Both proceedings are still pending.

23.3.3 Italy – Manitalidea

In 2012, ENGIE Servizi formed a temporary association ("*associazione temporanea di imprese*" or "ATI) with Manitalidea with the aim of submitting a bid for a public contract launched by CONSIP. ENGIE Servizi had an 85% stake in the ATI, with Manitalidea holding the remaining 15%. The purpose of the contract was to provide energy and maintenance services to hospitals.

In September 2012, three lots of the contract were awarded to the ATI.

On March 11, 2022, Manitalidea filed for damages against ENGIE Servizi with the Rome Civil Court, claiming that (i) ENGIE Servizi had not complied with the provisions of the temporary association agreement relating to the distribution of contracts between the partners, and (ii) as a result, Manitalidea had missed an opportunity to increase its revenue. After Manitalidea filed for bankruptcy, the claim was extended to include the alleged responsibility of ENGIE Servizi for Manitalidea's financial difficulties and bankruptcy.

A hearing is scheduled for the first half of 2023.

23.4 Supply

23.4.1 Canvassing

EDF brought an action against ENGIE before the Nanterre Commercial Court on July 20, 2017, seeking €13.5 million in damages for alleged losses due to unfair competitive practices pursued by ENGIE mainly in its door-to-door canvassing campaigns. In its judgment of December 14, 2017, the court ordered ENGIE to pay EDF the sum of €150,000, concluding that ENGIE was guilty of unfair competition but acknowledging that there had been no disparagement of EDF and that ENGIE had set up training and control arrangements for its partners.

ENGIE appealed the judgment and EDF brought a cross-appeal seeking €94.7 million in damages for its alleged loss. The Versailles Court of Appeal delivered its judgment on March 12, 2019, ordering ENGIE to pay EDF €1 million. It also ordered ENGIE to cease and desist from all parasitic business practices and disparagement to the detriment of EDF, subject to a penalty of €10,000 per infringement for a period of one year.

On July 6, 2020, EDF asked the enforcement judge at the Nanterre Court to assess the penalty ordered by the Versailles Court of Appeal, seeking payment from ENGIE of the sum of €106.89 million and a final penalty of €50,000 per infringement for a period of one year. On December 11, 2020, the enforcement judge ordered ENGIE to pay EDF the sum of €230,000 and ordered a new provisional penalty of €15,000 per new infringement reported by EDF for a period of one year as of notification of the judgment.

On December 22, 2020, EDF appealed the enforcement judge's decision before the Versailles Court of Appeal. The Versailles Court of Appeal handed down its decision on July 1, 2021. It reduced ENGIE's fine to €190,000 and, considering

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that ENGIE had demonstrably implemented measures that were likely to be efficient and that the difficulties encountered stemmed for the most part from the behavior of service providers/partners and door-to-door salespeople, annulled the new provisional penalty and rejected EDF's request to impose a definitive penalty. EDF appealed this decision before the French Court of Cassation on July 29, 2021. The Court of Cassation rejected EDF's appeal in its ruling of October 6, 2022. The case is therefore closed.

23.4.2 Peru – Antamina

In 2012, following a tender for the annual purchase of 170 MW until 2032, ENGIE Energía Perú S.A. entered into a long-term gas purchase agreement with the Peruvian mining company Antamina (the "Agreement").

In 2021, however, Antamina launched another tender for the same annual volume and entered into three purchase agreements with three new suppliers for a six-month period renewable twice. This called into question the exclusivity and "take or pay" clause that ENGIE Energía Perú S.A. believed it had been granted until 2032 under the Agreement. Following the signing of these new agreements, Antamina refused, as of January 2022, to accept delivery of the agreed upon quantity of gas under the Agreement and, consequently, to pay the corresponding penalty.

On April 26, 2022, ENGIE Energía Perú S.A. filed an arbitration procedure against Antamina, seeking recognition of the exclusive nature of the Agreement and Antamina's obligation to only procure gas supplies from ENGIE. The suit also seeks the payment of invoices that have been outstanding since January 2022. The arbitration procedure is governed by the rules of the Arbitration Center of the Lima Chamber of Commerce. On January 4, 2023, ENGIE Energía Perú S.A. filed its pleading. Antamina will have to file its pleading by the end of March at the latest.

23.4.3 GEM – GPE

At the beginning of the fourth quarter of 2022, ENGIE initiated an arbitration procedure against Gazprom Export LLC seeking, in particular to obtain (i) recognition of Gazprom Export LLC's non-performance of its gas delivery obligations towards ENGIE under long-term gas delivery agreements and (ii) payment of contractual penalties as well as compensation for damages resulting from this non-performance from Gazprom Export LLC.

This arbitration procedure is due to the significant delivery shortages by Gazprom Export LLC to ENGIE as of mid-June 2022, followed by Gazprom Export LLC's unilateral decision at the end of summer 2022 to reduce its deliveries to ENGIE due to a disagreement between the parties on the application of the agreements.

23.4.4 Commissioning

Regarding the customer management services carried out on behalf of the grid manager in the electricity sector (in this case ERDF, now ENEDIS), following proceedings brought by ENGIE, in a decision of July 13, 2016, the *Conseil d'État* ruled that the principle whereby the grid manager pays compensation to the supplier should apply. In the same decision, the *Conseil d'État* denied the CRE the right to set a customer threshold beyond which the compensation would not be payable, which hitherto prevented ENGIE from receiving any compensation. In light of this decision, ENGIE brought an action against ENEDIS seeking payment for these customer management services. The legislature has adopted a decision that retroactively validates the agreements entered into with ENEDIS and precludes any request for compensation for unpaid customer management services. In a decision handed down on April 19, 2019, the Constitutional Court ruled that this provision was constitutional. On April 11, 2022, the Paris Commercial Court recorded the termination of the proceedings. The case against ENEDIS is therefore closed.

23.4.5 Chile – TOTAL

On January 3, 2023, ENGIE Energía Chile S.A. initiated international arbitration proceedings against TotalEnergies Gas & Power Limited for breaching its contractual obligations under an LNG supply contract entered into in August 2011.

23.5 Thermal

23.5.1 Italy - Vado Ligure

On March 11, 2014, the Court of Savona seized and closed down the VL3 and VL4 coal-fired production units at the Vado Ligure thermal power plant belonging to Tirreno Power S.p.A. (TP), a company which is 50%-owned by the ENGIE Group. This decision was taken as part of a criminal investigation against the present and former executive managers of TP into environmental infringements and public health risks. The investigation was closed on July 20, 2016. The case was referred to the Savone Court to be tried on the merits. The proceedings before the Court of First Instance began on December 11, 2018 and will continue through 2022 and 2023.

23.5.2 Brazil – Claim against sales tax adjustments

On December 14, 2018, the Brazilian tax authorities sent ENGIE Brasil Energia S.A. tax deficiency notices for the 2014, 2015 and 2016 fiscal years considering that the company was liable for the PIS and COFINS taxes (federal value added taxes) on the reimbursement of certain fuels used in the production of energy by thermoelectric plants. The adjustments amounted to a total of 581 million Brazilian real, including 229 million Brazilian real in taxes plus fines and interest.

ENGIE Brasil Energia disputes these tax deficiency notices and introduced tax claims in 2019, which the tax authorities have rejected, however.

On November 22, 2022, ENGIE Brasil Energia filed a special administrative appeal, which was not recognized by the Administrative Court. On January 9, 2023, the company filed another administrative appeal seeking recognition of the special administrative appeal and an analysis of the merits of the case. If these proceedings are unsuccessful, the case will have to be brought before the ordinary courts and tribunals.

23.5.3 Italy – Tax on excess profits

In December 2022, ENGIE filed an action to obtain the reimbursement of the tax it paid in July and November 2022 for a total amount of more than €308 million, pursuant to two legislative decrees (no. 21 and 50/2022) that introduced an exceptional solidarity contribution to be paid by operators in the energy sector. ENGIE contests the validity of the basis of the tax in relation to the decree's objective, its compatibility with the Italian Constitution as well as its compatibility with Italy's European commitments (European law).

23.5.4 Flémalle – EPC

In November 2021, Electrabel SA entered into an EPC (Engineering, Procurement, Construction) agreement with SEPCO III for the construction of a gas-fired power plant in Flémalle (Belgium), in the context of the CRM (Capacity Remuneration Mechanism).

In August 2022, Electrabel SA terminated the EPC agreement with SEPCO III for non-performance of its contractual obligations and initiated arbitration proceedings in November 2022, to obtain compensation for its damages.

23.6 Nuclear

23.6.1 Extension of operations at the nuclear power plants 2015-2025

Various associations have brought actions before the Constitutional Court, the *Conseil d'État* and the ordinary courts against the laws and administrative decisions authorizing the extension of operations at the Doel 1 and 2 reactors. On June 22, 2017 the Constitutional Court referred the case to the Court of Justice of the European Union (CJEU) for a preliminary ruling. In its judgment of July 29, 2019, the CJEU ruled that the Belgian law extending the operating lives of the Doel 1 and Doel 2 reactors (law extending Doel 1 and Doel 2) was adopted without the required environmental

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assessments being carried out first, but that the effects of the law on extension may provisionally be maintained where there is a genuine and serious threat of an interruption to electricity supply, and then only for the length of time that is strictly necessary to eliminate this threat. In its decision of March 5, 2020, the Constitutional Court overturned the law extending Doel 1 and Doel 2, while maintaining its effects until the legislator adopts a new law after having carried out the required environmental assessment, including a cross-border public consultation process, by December 31, 2022 at the latest.

The environmental assessment and the cross-border public consultation were carried out by the Belgian State in 2021. The draft law incorporating the conclusion of the assessment and the consultation was passed by the Belgian Federal Parliament on October 11, 2022 and published on November 3, 2022.

The appeal before the *Conseil d'État* against the administrative decisions that allowed the extension of operations at the Doel 1 and Doel 2 plants is still pending.

23.6.2 Shutdown of the Doel 3 and Tihange 2 power plants

Various associations have lodged appeals before the Brussels Court of First Instance against Electrabel, the Belgian State, the Nuclear Safety Authority and/or the Elia electricity transmission network to contest the decisions and actions to shut down the Doel 3 (on September 23, 2022) and/or Tihange 2 (on January 31, 2023) power plants. In a first judgment dated November 16, 2022, the Brussels Court of First Instance, ruling in summary proceedings in one of the cases, confirmed the decisions and actions taken in relation to the shutdown. The cases are ongoing with a timetable extending into 2023.

23.7 Other

23.7.1 Withholding tax

In their tax deficiency notice dated December 22, 2008, the French tax authorities questioned the tax treatment of the non recourse sale by SUEZ (now ENGIE) of a withholding tax (*précompte*) receivable in 2005 for an amount of €995 million (receivable relating to the *précompte* paid in respect of the 1999-2003 fiscal years). The Montreuil Administrative Court handed down a judgment in ENGIE's favor in April 2019, which led the French tax authorities to appeal the decision before the Versailles Court of Appeal, which overturned the prior Court's decision on December 22, 2021. While recognizing the fiscal nature of the receivable sold, the Court did not validate the exemption of the sale price because there was no text or principle to that effect, and because the sale was not authorized by the State.

Regarding the dispute over the *précompte* itself, on February 1, 2016, the *Conseil d'État* dismissed the appeal before the Court of Cassation seeking the repayment of the *précompte* in respect of the 1999, 2000 and 2001 fiscal years. On June 23, 2020, the Versailles Administrative Court of Appeal found in favor of ENGIE as regards the cases seeking repayment of the *précompte* in respect of the 2002 and 2003 fiscal years but rejected the case in respect of the 2004 fiscal year. As the *précompte* receivables for 2002/2003 have been assigned, the relevant amounts have been repaid to the assignee banks. The case has been referred to the *Conseil d'État* by the two parties. In parallel, following the decision of the Court of Justice of the European Union of May 12, 2022, interpreting the deduction of the *précompte* on the redistribution by a parent company of dividends received from subsidiaries established in the European Union as incompatible with Directive 90/435/EC of 1990, in June 2022, several groups, including ENGIE, invited the *Conseil d'État* to submit a request for a priority ruling on an issue of constitutionality to the Constitutional Court to rule on the unconstitutionality of the *précompte* legislation. The *Conseil d'État* granted this request. In October 2022, the Constitutional Court rejected the request of ENGIE and the other groups. This decision will have no impact on ENGIE's financial statements and little impact on the other ongoing proceedings.

Furthermore, after ENGIE and several French groups lodged a complaint, on April 28, 2016, the European Commission issued a reasoned opinion to the French State as part of infringement proceedings, setting out its view that the *Conseil d'État* did not comply with European Union law when handing down decisions in disputes regarding the *précompte*, such as those involving ENGIE. On July 10, 2017, the European Commission referred the matter to the Court of Justice of the European Union on the grounds of France's failure to comply. On October 4, 2018, the Court of Justice of the European Union ruled partially in favor of the European Commission. Following this decision, France must revisit its methodology in

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order to determine the *précompte* repayment amounts in closed and pending court cases. No action has been initiated to date due to parallel litigation proceedings on the basis of Directive 90/435/EC.

23.7.2 Luxembourg – State aid investigation

On September 19, 2016, the European Commission announced its decision to open an investigation into whether or not two private rulings granted by the Luxembourg State in 2008 and 2010 covering two similar transactions between several of the Group's Luxembourg subsidiaries constituted State aid. On June 20, 2018, the European Commission adopted a final, unfavorable decision deeming that Luxembourg had provided ENGIE with State aid. On September 4, 2018, ENGIE requested the annulment of the decision before the European Courts, thereby challenging the existence of a selective advantage. As these proceedings did not have a suspensive effect, ENGIE paid a sum of €123 million into an escrow account on October 22, 2018 in respect of one of the two transactions in question, since no aid was actually received for the other. Following the proceedings before the European Courts, this sum will be returned to ENGIE or paid to the Luxembourg State depending on whether or not the Commission's decision is annulled. On May 12, 2021, the Court rejected the appeals of the Luxembourg State and of ENGIE, thereby confirming the European Commission's position on the existence of State aid granted to the Group's Luxembourg subsidiaries. On July 22, 2021, ENGIE referred the matter to the Court of Justice of the European Union seeking the annulment of the Court's decision. The proceedings are currently ongoing. After the parties exchanged their pleadings with the Commission, ENGIE filed an application for a hearing and joinder of appeals on March 21, 2022. The hearing was held in late January 2023

23.7.3 Poland – Competition procedure

On November 7, 2019, a fine of 172 million Polish zloty (€40 million) was imposed on ENGIE Energy Management Holding Switzerland AG (EEMHS) for failing to respond to a request for disclosure of documents from the Polish Competition Authority (UOKiK) in proceedings initiated by the UOKiK which suspected a potential failure to notify by EEMHS and other financial investors involved in the financing of the Nord Stream 2 pipeline (main proceeding). EEMHS filed an appeal with the Competition Protection Court. The appeal proceedings are pending.

In the context of the main proceedings, on October 6, 2020, the UOKiK ordered EEMHS to pay a fine of 55.5 million Polish zlotys (approximately €12.3 million). The UOKiK also ordered the termination of the financing agreements for the Nord Stream 2 project. On November 5, 2020, EEMHS appealed this decision with the Competition Protection Court (the "Court"). The appeal automatically suspends the execution of all of the penalties ordered by the UOKiK. On November 21, 2022, the Court overturned the UOKiK's decision in its entirety. The UOKiK has appealed this decision.

23.7.4 Claim by the Dutch tax authorities related to interest deductibility

Based on a disputable interpretation of a statutory modification that came into force in 2007, the Dutch tax authorities refused the deductibility of a portion (€1.1 billion) of the interest paid on financing contracted for the acquisition of investments made in the Netherlands since 2000. Following the Dutch tax authorities' rejection of the administrative claim against the 2007 tax assessment, action was brought before the Arnhem Court of First Instance in June 2016. On October 4, 2018, the court ruled in favor of the tax authorities. On October 26, 2020, the ruling was confirmed by the Arnhem Court of Appeal. ENGIE Energie Nederland Holding BV considers that the Court committed errors in law and that its decision was not well-founded, either under Dutch or European law. It has therefore appealed the decision before the Court of Cassation. In July 2022, the Court of Cassation decided to refer questions on the compatibility of the Dutch legislation on interest with three of the European fundamental freedoms to the Court of Justice of the European Union for a preliminary ruling.

23.7.5 Transfer price of gas

The Belgian tax authorities' Special Tax Inspectorate has issued two tax deficiency notices in respect of taxable income for fiscal years 2012 and 2013 for an aggregate amount of €706 million, considering that the price applied for the supply of gas by ENGIE (then GDF SUEZ) to Electrabel S.A. was excessive. ENGIE and Electrabel S.A. are challenging this adjustment and have submitted a request for conciliation proceedings, which was accepted by France and Belgium in

May 2018. The proceedings are ongoing between the two States, who have rediscussed their respective positions, with no major progress having made in 2022. No major problems were identified.

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NOTE 24 SUBSEQUENT EVENTS

No significant subsequent events have occurred since the closing of the accounts at December 31, 2022.

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NOTE 25 FEES PAID TO THE STATUTORY AUDITORS AND TO MEMBERS OF THEIR NETWORKS

Pursuant to Article 222-8 of the General Regulations of the French Financial Markets Authority (AMF), the following table presents information on the fees paid by ENGIE SA, its fully consolidated subsidiaries and joint operations to each of the auditors in charge of auditing the annual and consolidated financial statements of the ENGIE Group.

The Shareholders' Meeting of ENGIE SA of May 14, 2020 decided to renew the terms of office of Deloitte and EY as Statutory Auditors for a six-year period from 2020 to 2025.

	Deloitte			EY			
In millions of euros	**Deloitte & Associés**	**Network**	**Total**	**EY & others**	**Network**	**Total**	**Total**
Statutory audit and review of consolidated and parent company financial statements	**4.5**	**5.7**	**10.2**	**5.2**	**10.5**	**15.7**	**25.9**
ENGIE SA	2.4	-	2.4	2.8	-	2.8	5.1
Controlled entities	2.1	5.7	7.8	2.4	10.5	12.9	20.7
Non-audit services	**0.6**	**1.1**	**1.7**	**0.9**	**1.0**	**1.8**	**3.5**
ENGIE SA	**0.5**	**0.5**	**1.0**	**0.7**	**-**	**0.7**	**1.8**
Of which services related to legal and regulatory requirements	*0.4*	*-*	*0.4*	*0.4*	*-*	*0.4*	*0.7*
Of which other audit services	*0.1*	*-*	*0.1*	*0.3*	*-*	*0.3*	*0.5*
Of which reviews of internal control	*-*	*-*	*-*	*0.0*	*-*	*0.0*	*0.0*
Of which due diligence	*-*	*0.5*	*0.5*	*-*	*-*	*-*	*0.5*
Of which tax services	*0.0*	*-*	0.0	*-*	*-*	*-*	0.0
Controlled entities	**0.1**	**0.5**	**0.7**	**0.1**	**1.0**	**1.1**	**1.7**
Of which services related to legal and regulatory requirements	*0.0*	*0.3*	*0.3*	*0.1*	*0.2*	*0.3*	*0.6*
Of which other audit services	*0.1*	*0.0*	*0.1*	*0.0*	*0.2*	*0.2*	*0.3*
Of which reviews of internal control	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Of which due diligence	*0.0*	*-*	*0.0*	*-*	*-*	*-*	*0.0*
Of which tax services	*-*	*0.2*	*0.2*	*-*	*0.5*	*0.5*	*0.8*
Total	**5.1**	**6.8**	**11.9**	**6.1**	**11.4**	**17.5**	**29.4**

NOTE 26 INFORMATION REGARDING LUXEMBOURG AND DUTCH COMPANIES EXEMPTED FROM THE REQUIREMENTS TO PUBLISH ANNUAL FINANCIAL STATEMENTS

Some companies do not publish annual financial statements pursuant to domestic provisions under Luxembourg law (Article 70 of the Law of December 19, 2002) and Dutch law (Article 403 of the Civil Code) relating to the exemption from the requirement to publish audited annual financial statements.

The companies exempted are notably: ENGIE Energie Nederland NV, ENGIE Energie Nederland Holding BV, ENGIE Nederland Retail BV, ENGIE United Consumers Energie BV, Electrabel Invest Luxembourg, ENGIE Treasury Management SARL and ENGIE Invest International SA.

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FY 2022 DATABOOK

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01

ANALYSIS BY ACTIVITY

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REVENUES BREAKDOWN[1]

FY 2022 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	3,485	229	2,161	269	49	23	**6,216**
NETWORKS	5,718	230	1,013				**6,961**
ENERGY SOLUTIONS	6,372	3,104	47	656	471	902	**11,552**
THERMAL		4,114	2,014	15	986		**7,129**
SUPPLY	7,776	7,833	15		1,046	141	**16,810**
NUCLEAR		35					**35**
OTHERS[2]				0		45,163	**45,163**
o/w GEMS						*45,137*	*45,137*
TOTAL	**23,351**	**15,544**	**5,250**	**941**	**2,552**	**46,228**	**93,865**

FY 2021 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	1,614	111	1,694	182	51	2	**3,653**
NETWORKS	5,642	89	941		28		**6,700**
ENERGY SOLUTIONS	5,650	2,587	38	466	380	805	**9,926**
THERMAL		1,551	1,621	12	905		**4,089**
SUPPLY	5,771	3,844	12		677	92	**10,396**
NUCLEAR		56					**56**
OTHERS	0					23,046	**23,046**
o/w GEMS						*22,870*	*22,870*
TOTAL	**18,677**	**8,237**	**4,306**	**661**	**2,041**	**23,945**	**57,866**

1 Unaudited figures throughout Databook **2** Including mainly GEMS (GEM + main Supply B2B activities), Corporate and GTT

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EBITDA BREAKDOWN

FY 2022 (€m)	**France**	**Rest of Europe**	**Latin America**	**Northern America**	**AMEA**	**Others**	**TOTAL**
RENEWABLES	535	370	1,003	313	17	(35)	**2,202**
NETWORKS	3,396	96	731	(3)		(8)	**4,212**
ENERGY SOLUTIONS	605	240	(2)	34	70	(69)	**879**
THERMAL		1,475	295	47	436	(17)	**2,235**
SUPPLY	(8)	199	6		70	(9)	**258**
NUCLEAR		1,510					**1,510**
OTHERS		(16)	1	(1)	(0)	2,433	**2,417**
o/w GEMS						*2,837*	*2,837*
TOTAL	**4,528**	**3,875**	**2,033**	**390**	**592**	**2,295**	**13,713**

FY 2021 (€m)	**France**	**Rest of Europe**	**Latin America**	**Northern America**	**AMEA**	**Others**	**TOTAL**
RENEWABLES	462	172	1,016	86	12	(47)	**1,702**
NETWORKS	3,518	121	470	0	18	(7)	**4,121**
ENERGY SOLUTIONS	592	215	(3)	60	41	(119)	**786**
THERMAL		743	424	43	448	(30)	**1,628**
SUPPLY	356	114	0		48	(20)	**498**
NUCLEAR		1,403					**1,403**
OTHERS	0	2	1	10	(0)	412	**426**
o/w GEMS						*679*	*679*
TOTAL	**4,928**	**2,770**	**1,908**	**199**	**568**	**190**	**10,563**

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EBIT BREAKDOWN

FY 2022 (€m)	**France**	**Rest of Europe**	**Latin America**	**Northern America**	**AMEA**	**Others**	**TOTAL**
RENEWABLES	375	313	796	172	9	(39)	**1,627**
NETWORKS	1,675	49	658	(3)		(8)	**2,371**
ENERGY SOLUTIONS	311	148	(5)	23	58	(123)	**412**
THERMAL		1,278	51	44	417	(22)	**1,768**
SUPPLY	(164)	115	6		49	(13)	**(7)**
NUCLEAR		1,026					**1,026**
OTHERS		(16)	0	(11)	(0)	1,875	**1,848**
o/w GEMS						*2,618*	*2,618*
TOTAL	**2,197**	**2,913**	**1,506**	**226**	**532**	**1,671**	**9,045**

FY 2021 (€m)	**France**	**Rest of Europe**	**Latin America**	**Northern America**	**AMEA**	**Others**	**TOTAL**
RENEWABLES	273	117	846	(6)	8	(47)	**1,191**
NETWORKS	1,823	77	403	0	18	(7)	**2,314**
ENERGY SOLUTIONS	307	132	(5)	48	27	(159)	**350**
THERMAL		564	189	41	421	(32)	**1,183**
SUPPLY	202	28	(0)		25	(23)	**232**
NUCLEAR		959					**959**
OTHERS	0	2	0	(1)	(0)	(86)	**(85)**
o/w GEMS						*507*	*507*
TOTAL	**2,605**	**1,880**	**1,433**	**82**	**498**	**(355)**	**6,145**

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BREAKDOWN OF GROWTH CAPEX[1]

FY 2022 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	361	1,094	876	648	214	10	**3,202**
NETWORKS	779	63	245				**1,087**
ENERGY SOLUTIONS	354	122	19	66	75	80	**716**
THERMAL		181	9	34	(9)	6	**220**
SUPPLY	62	42			7	63	**174**
NUCLEAR		1					**1**
OTHERS		4		0	(0)	80	**85**
o/w GEMS						*63*	*63*
TOTAL	**1,556**	**1,507**	**1,148**	**748**	**287**	**240**	**5,485**

FY 2021 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	244	224	462	767	183	2	**1,881**
NETWORKS	812	68	440				**1,320**
ENERGY SOLUTIONS	209	118	15	305	29	40	**715**
THERMAL		8	26	0	(52)	1	**(17)**
SUPPLY	74	46			11	24	**154**
NUCLEAR		0					**0**
OTHERS		4		(1)	(0)	218	**221**
o/w GEMS						*(31)*	*(31)*
TOTAL	**1,338**	**468**	**942**	**1,071**	**171**	**285**	**4,275**

1 Net of sell down, US tax equity proceeds and including net debt acquired

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BREAKDOWN OF MAINTENANCE CAPEX

FY 2022 (€m)	**France**	**Rest of Europe**	**Latin America**	**Northern America**	**AMEA**	**Others**	**TOTAL**
RENEWABLES	104	6	19	1	1		**131**
NETWORKS	1,156	54	24				**1,234**
ENERGY SOLUTIONS	94	39	0	0	2	35	**170**
THERMAL		140	87	4	30		**261**
SUPPLY	60	17	0		6	12	**96**
NUCLEAR		228					**228**
OTHERS				3		250	**253**
o/w GEMS						*86*	*86*
TOTAL	**1,413**	**484**	**131**	**9**	**39**	**297**	**2,373**

FY 2021 (€m)	**France**	**Rest of Europe**	**Latin America**	**Northern America**	**AMEA**	**Others**	**TOTAL**
RENEWABLES	80	12	23	2	2		**120**
NETWORKS	1,130	54	21		1		**1,205**
ENERGY SOLUTIONS	129	35		0	3	20	**188**
THERMAL		191	88	0	6		**284**
SUPPLY	74	52	1		16	3	**146**
NUCLEAR		201					**201**
OTHERS				8	0	267	**275**
o/w GEMS						*106*	*106*
TOTAL	**1,413**	**545**	**133**	**10**	**27**	**290**	**2,418**

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BREAKDOWN OF ASSOCIATES[1]

FY 2022 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	20	178	(5)	24	23	(0)	**241**
NETWORKS	2	27	294	2			**326**
ENERGY SOLUTIONS	2	12		42	51		**107**
THERMAL		62		42	288		**392**
SUPPLY							
NUCLEAR							
OTHERS						9	**9**
o/w GEMS						*(1)*	*(1)*
TOTAL	**25**	**280**	**289**	**111**	**362**	**9**	**1,076**

FY 2021 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	6	58	(10)	18	21	(0)	**93**
NETWORKS	4	31	199	2			**236**
ENERGY SOLUTIONS	3	2		64	28		**96**
THERMAL		33		46	222		**301**
SUPPLY							
NUCLEAR		(10)					**(10)**
OTHERS						34	**34**
o/w GEMS						*2*	*2*
TOTAL	**12**	**113**	**189**	**130**	**272**	**34**	**751**

1 Associates = share in net recurring income of entities consolidated under equity method

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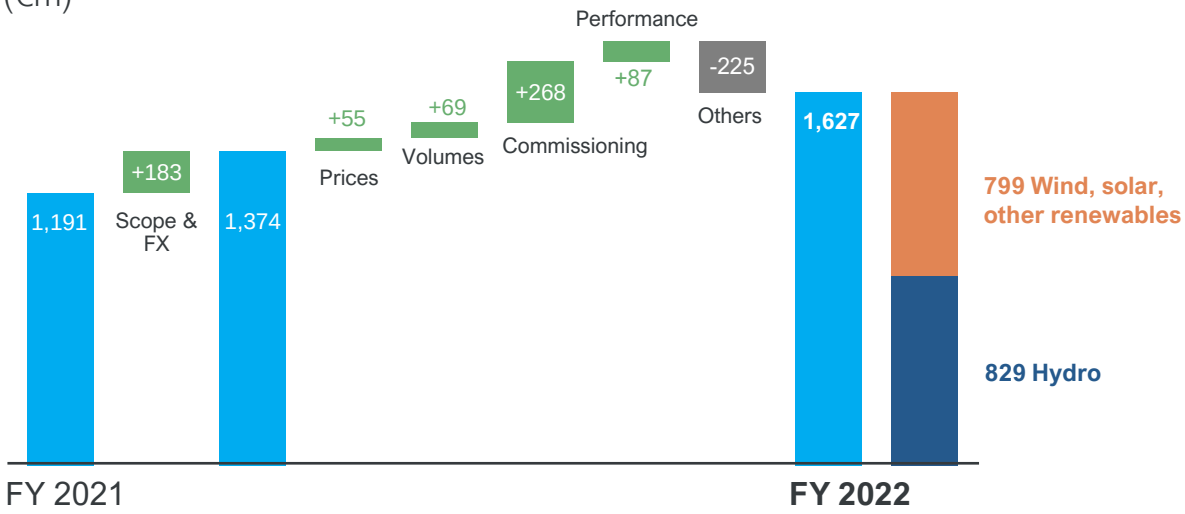
RENEWABLES

EBIT FY 2021 vs FY 2022
(€m)



- **Scope & FX**: positive FX (mainly BRL) and scope (Eolia acquisition closed early May 2022)
- **Prices**: mainly higher prices in Europe esp. for French hydro, partly offset by hydro buybacks (Portugal and France) and lower prices in Brazil
- **Volumes**: mainly reversal of the ~€-90m impact of Texas extreme weather event in Q1 2021, partially offset by lower hydro in France and Portugal
- **Commissioning**: for all key geographies (Europe, Latin America and US) and technologies (wind on- and offshore, solar PV)
- **Performance:** ramp-up of vertical excellence initiatives and contract optimization
- **Others:** including 2021 GFOM ruling in Brazil (c. €-300m)

KFIs (€m)	FY 2021	**FY 2022**	Δ 22/21	Δ org
Revenue	3,653	**6,216**	+70.1%	+58.3%
EBITDA	1,702	**2,202**	+29.4%	+15.3%
EBIT	1,191	**1,627**	+36.6%	+19.1%
Growth Capex	1,881	**3,202**	+70.0%	-
Maintenance Capex	120	**131**	+9.2%	-

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RENEWABLES[1]	FY 2021	FY 2022
Total installed capacity @100% (GW) o/w	**34.2**	**37.9**
Hydro	17.9	**17.9**
Onshore wind	11.3	**13.0**
Offshore wind	0.5	**1.5**
Solar	4.2	**5.3**
Other RES	0.3	**0.1**
Total installed capacity net ownership (GW)	18.0	**19.8**
Capacity under construction @100%	3.6	**4.1**
New additional capacities @100%	3.1	**3.9**
Availability hydro (%) excl. CNR[2]	85.3%	**90.6%**
Load factor onshore wind (%)[2]	31.9%	**31.6%**
Load factor solar (%)[2]	20.3%	**19.2%**

RENEWABLES[1]	FY 2021	FY 2022
Total output @100% (TWh) o/w[2]	**101.4**	**113.0**
Hydro	63.6	**66.3**
Onshore wind[2]	28.8	**32.6**
Offshore wind	1.6	**4.1**
Solar	6.3	**8.5**
Other RES	1.2	**1.5**

	FY 2021	FY 2022
DBSO margins (€m)	31	**102**
Hydro volumes France[3] (TWh @100%)	15.2	**12.8**
CNR – Achieved prices (€/MWh)	56.4	**60.0**
Brazil – GSF (%)	73%	**86%**
Brazil – PLD (BRL/MWh)	281	**59**

1 Excluding renewables capacity managed by Thermal and Energy Solutions, and including 0.1 GW of pumped storage in Germany
2 Figures restated to include Offshore wind and/or internal reclassifications
3 Including CNR, SHEM and CN'Air

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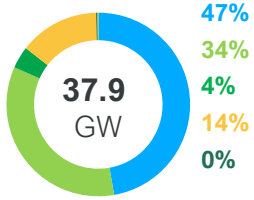
INSTALLED CAPACITY AND ELECTRICITY OUTPUT FY 2022

Installed capacity[1] by geography and technology

As at 31 December 2022

At 100%

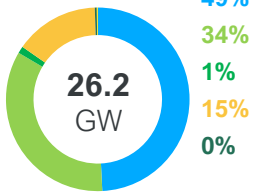
GW installed



(MW)	France	Rest of Europe	Latin America	Northern America	AMEA	TOTAL
Hydro	3,882	1,904	12,110			**17,896**
Onshore wind	3,080	3,526	1,723	3,570	1,143	**13,042**
Offshore wind		1,462				**1,462**
Solar	1,391	324	1,432	1,013	1,183	**5,343**
Other RES	2	13	132			**147**
TOTAL	**8,355**	**7,229**	**15,397**	**4,583**	**2,326**	**37,889**

In % of consolidation[2]

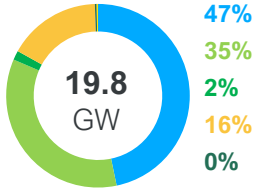
GW installed



(MW)	France	Rest of Europe	Latin America	Northern America	AMEA	TOTAL
Hydro	3,834	887	8,166			**12,887**
Onshore wind	1,802	1,791	1,698	3,025	651	**8,968**
Offshore wind		322				**322**
Solar	696	235	1,369	1,001	573	**3,874**
Other RES	1	13	123			**136**
TOTAL	**6,333**	**3,247**	**11,356**	**4,026**	**1,225**	**26,187**

Net ownership[3]

GW installed



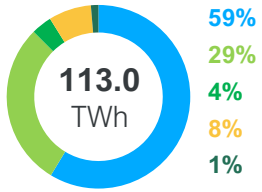
(MW)	France	Rest of Europe	Latin America	Northern America	AMEA	TOTAL
Hydro	2,309	865	6,059			**9,233**
Onshore wind	1,483	1,725	1,177	1,841	630	**6,857**
Offshore wind		322				**322**
Solar	656	226	1,098	686	568	**3,236**
Other RES	1	13	94			**107**
TOTAL	**4,449**	**3,151**	**8,428**	**2,528**	**1,198**	**19,754**

Electricity output by geography and technology

FY 2022

At 100%

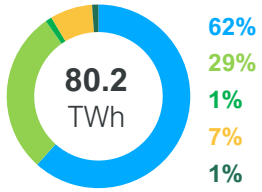
TWh



(TWh)	France	Rest of Europe	Latin America	Northern America	AMEA	TOTAL
Hydro	12.8	2.2	51.3			**66.3**
Onshore wind	5.1	6.9	5.8	10.7	4.1	**32.6**
Offshore wind		4.1				**4.1**
Solar	1.7	0.3	2.4	1.5	2.5	**8.5**
Other RES			0.5		1.0	**1.5**
TOTAL	**19.6**	**13.6**	**60.0**	**12.2**	**7.6**	**113.0**

In % of consolidation[2]

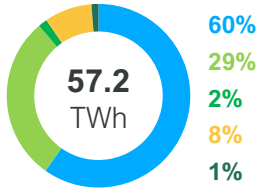
TWh



(TWh)	France	Rest of Europe	Latin America	Northern America	AMEA	TOTAL
Hydro	12.8	1.1	35.7			**49.5**
Onshore wind	3.0	3.5	5.7	9.0	1.8	**23.0**
Offshore wind		0.9				**0.9**
Solar	0.9	0.2	2.3	1.5	1.2	**6.0**
Other RES			0.5		0.4	**0.9**
TOTAL	**16.6**	**5.6**	**44.1**	**10.5**	**3.4**	**80.2**

Net ownership[3]

TWh



(TWh)	France	Rest of Europe	Latin America	Northern America	AMEA	TOTAL
Hydro	7.0	1.0	26.1			**34.2**
Onshore wind	2.4	3.3	3.9	5.2	1.9	**16.6**
Offshore wind		0.9		0.8		**0.9**
Solar	0.8	0.2	1.8		1.2	**4.8**
Other RES			0.3		0.4	**0.7**
TOTAL	**10.3**	**5.4**	**32.2**	**6.0**	**3.4**	**57.2**

Hydro · Solar · Onshore wind · Other RES · Offshore wind

1 Excluding renewables capacity managed by Thermal and Energy Solutions, and including 0.1 GW of pumped storage in Germany

2 % of consolidation for full operations affiliates and % holding for joint operations and equity consolidated companies **3** ENGIE ownership

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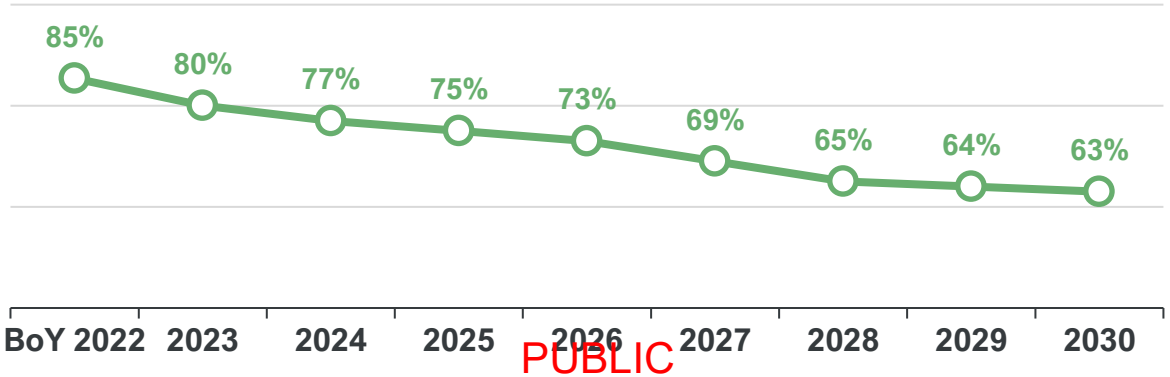
CONTRACT DURATION AND HEDGE RATIO

Years and volume in % of consolidation
As at 31 December 2022

Geography	Solar Residual contract duration (years)	Onshore wind Residual contract duration (years)	Offshore wind (Ocean Winds) Residual contract duration (years)
France	12.6	10.1	
Rest of Europe	15.5	8.2	19.3
Latin America	17.1	10.3	
o/w Brazil	*18.0*	*9.5*	
Northern America	14.9	12.7	
AMEA	20.2	17.1	
TOTAL	**15.8**	**11.3**	**19.3**

Wind & solar

Hedge ratio in % of consolidation, as at 31 December 2022



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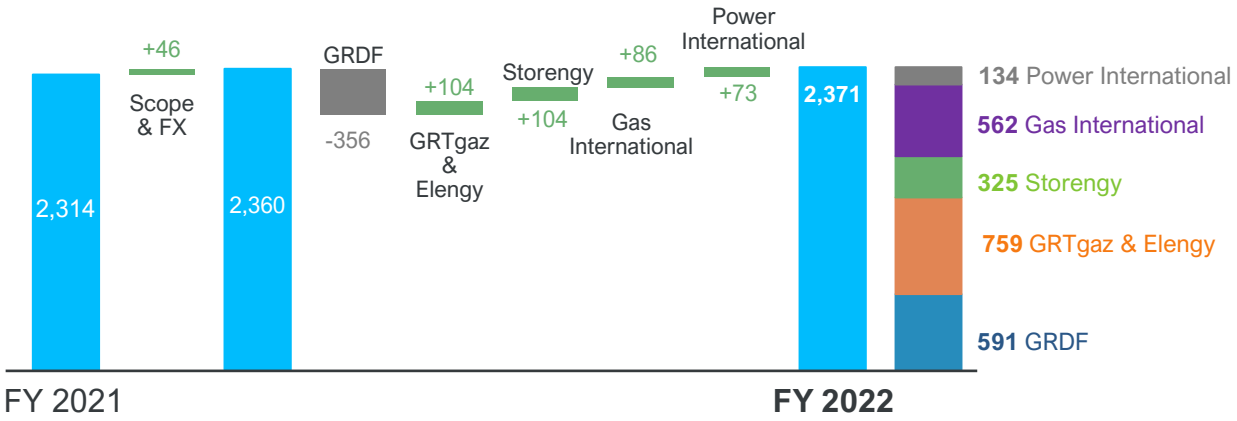
NETWORKS

EBIT FY 2021 vs FY 2022

(€m)



- **Scope & FX**: Positive FX (mainly BRL), negative scope (Turkey disposal)
- **EBIT organic drivers**:
  - GRTgaz: reversed gas flows mainly to Germany
  - Higher contribution from Latin America, driven by intrinsic growth and inflation indexations
  - Higher margins for UK storage in a volatile price context
  - ~€-0.23bn from warmer temperatures in Europe (mainly GRDF in France)
  - Lower regulated revenues in French gas networks due to RAB remuneration decrease (smoothed out over the regulatory period)

KFIs (€m)	FY 2021	**FY 2022**	Δ 22/21	Δ org
Revenue	6,700	**6,961**	+3.9%	+2.9%
EBITDA	4,121	**4,212**	+2.2%	+1.0%
EBIT	2,314	**2,371**	+2.5%	+0.5%
Growth Capex	1,320	**1,087**	-18.0%	-
Maintenance Capex	1,205	**1,234**	+2.4%	-

Normative temperature effects - France

GRDF

		Q1	Q2	Q3	Q4	**FY**
Volumes (TWh)	2021	(3.7)	10.1	0.2	4.1	**10.7**
	2022	(9.6)	(0.1)	1.1	(8.6)	**(17.4)**
	Δ 22/21	-6.0	-10.2	+0.8	-12.8	**-28.1**
EBITDA / EBIT (€m)	2021	(26)	71	1	29	**75**
	2022	(68)	(1)	7	(60)	**(122)**
	Δ 22/21	-42	-72	+6	-90	**-197**

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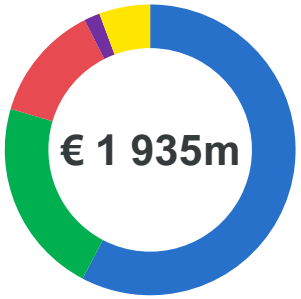
FOCUS ON FRANCE NETWORKS

FY 2022 Total Capex



- **58%** Distribution[4]
- **22%** Transmission[4]
- **18%** Storage
- **6%** Biomethane Production
- **2%** LNG terminals

	Period of regulation *(deliberation)*	RAB[1] remuneration (real pre-tax)	Type of tariff	RAB[1] at 01/01/2022 (€bn)
Distribution	01/07/2020 – 30/06/2024 *(ATRD 6)*	4.10% + incentives of 200bps over 20 years for smart meters	Regulated Cost+ yearly update	16.2
Transmission	01/04/2020 – 31/03/2024 *(ATRT 7)*	4.25% + incentives up to 300bps over 10 years for selected projects in service prior to ATRT7	Regulated Cost+ yearly update	8.8
Storage	01/01/2020 – 31/12/2024 *(ATS 2)*	4.75%	Regulated Cost+ yearly update	Storengy: 4.0 Géométhane[3]: 0.1
LNG terminals	01/04/2021 – 31/03/2025 *(ATTM 6)*	6.25%[2] + incentives 125bps for Capex decided between 2004-2008	Regulated Cost+ update every 2 years	0.9
TOTAL				**30.0**

1 Regulated Asset Base as at 01/01/2022, with 2022 RAB update not totally finalized yet
2 Exception: 5.75% for assets commissioned from 01/01/2021 at Montoir terminal
3 Géométhane: Economic Interest Group shared equally by Géosud and Storengy
4 Including biomethane connection to ENGIE Networks : 165 M€

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INTERNATIONAL REGULATORY FRAMEWORK

	Assets	Remuneration	Average Capital Employed[3] (€m)
Brazil	**T:** 4,500 km pipeline **P:** 2,782 km[1]	**T:** Ship or Pay contracts maturing ~ 7 years **P:** Regulated tariffs under 30-year PPA	**T:** 877 **P:** 1,014
Mexico	**T:** 1,311 km pipeline **D:** 0.7 M delivery points & 13,957 km grid	**T:** Take or Pay contracts maturing ~ 30 years **D:** Regulated (cost + based) adjusted by mix of inflation, FX, capex, opex and other income, reviewed every 5 years	**T:** 261 **D:** 616
Chile	**D:** 58 km grid **R:** 194 M scf/d[2] regas terminal **P:** 3,015 km TLs	**D:** Bilateral contracts **R:** mid-term terminal use agreements maturing in 2026 **P:** regulated tariff reviewed every 4 years (national grid) + bilateral contracts	**D:** 5 **R:** 256 **P:** 412
Romania	**D:** 2.2 M delivery points & 22,614 km grid	**D:** Regulatory WACC + incentives Price cap with yearly volume correction	**D:** 734
Germany	**D:** 0.8 M delivery points & 14,354 km grid	**D:** Gasag: Gas grid concession, termination right extended and concession secured until end 2027	**D:** 353
	TOTAL		**4,528**

T: Gas transmission **D:** Gas distribution **P:** Power transmission **R:** Regasification

1 Total project: 2,800 km. 2,782 km built as at 31/12/2022
2 scf/d: standard cubic feet per day
3 Excluding mainly Storengy in Germany and UK, MEGAL

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FRANCE	FY 2021	FY 2022
Gas distribution		
RAB France (€bn)	15.3[2]	**16.2**
France, return on RAB (%)	4.10%	**4.10%**
France, volume distributed (TWh)	276.8	**256.9**
Gas smart meters installed (m)	9.2	**10.9**
Gas transport		
RAB France (€bn)	8.6	**8.8**
France, return on RAB (%)	4.25%	**4.25%**
France, volume transported (TWh)	629.9	**707.5**
Gas storage		
RAB France (€bn)	3.8[2]	**4.1**
France, return on RAB (%)	4.75%	**4.75%**
France, capacity sold (TWh)	95.5	**99.9**
Germany, capacity sold (TWh)[1]	18.3	**18.3**
UK, capacity sold (TWh)[1]	4.8	**5.1**
Regasification		
RAB France (€bn)	0.9[2]	**0.9**
France, return on RAB (%)	6.25%	**6.25%**
Subscribed volume (TWh)	230.9	**249.5**

INTERNATIONAL	FY 2021[3]	FY 2022
Gas distribution		
International, volume distributed @100% (TWh)	181.4	**157.6**
o/w Latin America	*82.2*	***74.2***
o/w Europe (excl. France)	*97.2*	***83.3***
Gas transport		
International, volume transported @100% (TWh)	266.4	**296.0**
o/w Brazil	*142.1*	***179.8***
o/w Latin America (excl. Brazil)	*120.3*	***116.2***
Regasification		
Subscribed volume (TWh)	14.1	**16.5**
o/w Latin America	*14.1*	***16.5***
Power networks		
Power networks length built @100% (km)	5,595	**5,797**
Power networks length operating @100% (km)	3,297	**4,882**

BIOMETHANE FRANCE	FY 2021	FY 2022
Biomethane capacity connection		
Number of site connected to GRDF/GRTgaz	351	**492**
Production capacity connected to GRDF/GRTgaz (GWh/y)	6,052	**8,280**
Biomethane own production		
Net installed production capacity @100% (GWh)	338	**517**
Production capacity under construction @100% (GWh)	345	**365**

1 International affiliates (mainly Storengy in Germany and UK, MEGAL) of French networks companies are reported under France

2 RAB : 01/01/N value

3 Figures restated to include internal reclassifications

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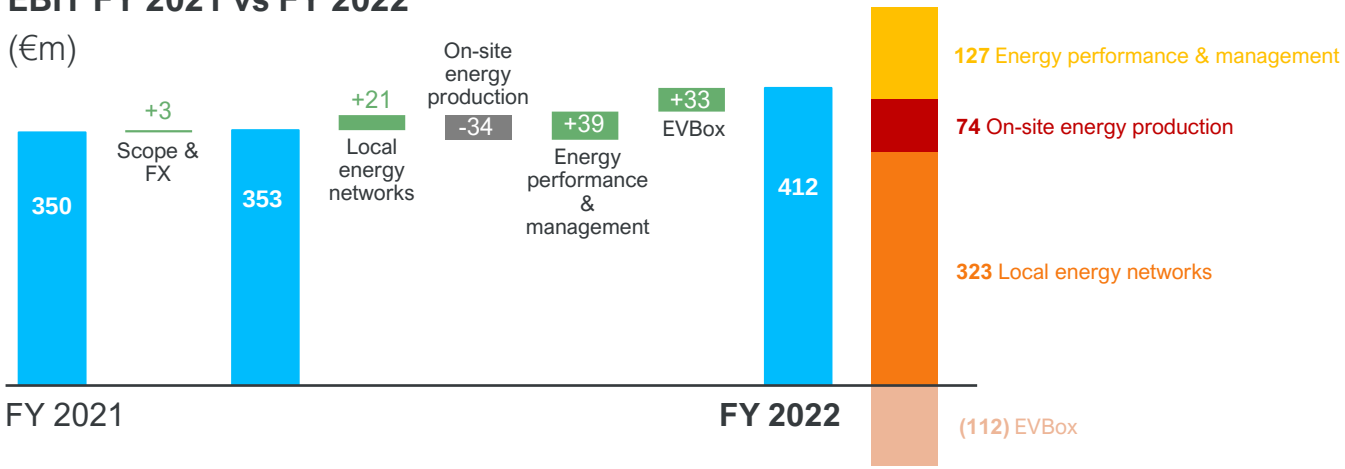
ENERGY SOLUTIONS

EBIT FY 2021 vs FY 2022



- **Local energy networks:** positive price effect and commercial market dynamic (growth coming from cogeneration and DHC), partly offset by warmer temperatures
- **On-site energy production:** higher contribution from capacity commissioned and energy prices, more than offset by an exceptional performance in 2021 in Northern America mainly due to non-repeatable items
- **Energy efficiency services:** positive effect of performance plan and higher energy prices
- **EVBox**: production ramp up and process enhancements ongoing despite slowdown of EV market. 2022 underperformance also reflects balance sheet adjustments

KFIs (€m)	FY 2021	**FY 2022**	Δ 22/21	Δ org
Revenue	9,926	**11,552**	+16.4%	+21.1%
EBITDA	786	**879**	+11.8%	+12.2%
EBIT	350	**412**	+17.7%	+16.6%
Growth Capex	715	**716**	+0.1%	-
Maintenance Capex	188	**170**	-9.6%	-

KPI	FY 2021	**FY 2022**
EBIT margin	3.5%	**3.6%**
EBIT margin (excluding EVBox)	5.0%	**4.6%**
	31 Dec. 2021	**31 Dec. 2022**
Commercial Backlog - French concessions - TO (€bn)	16.8	**18.4**
Installed capacity @100% (GW)		
Distributed energy infrastructures	24.1[1]	**24.9**

1 Restated data December 2021

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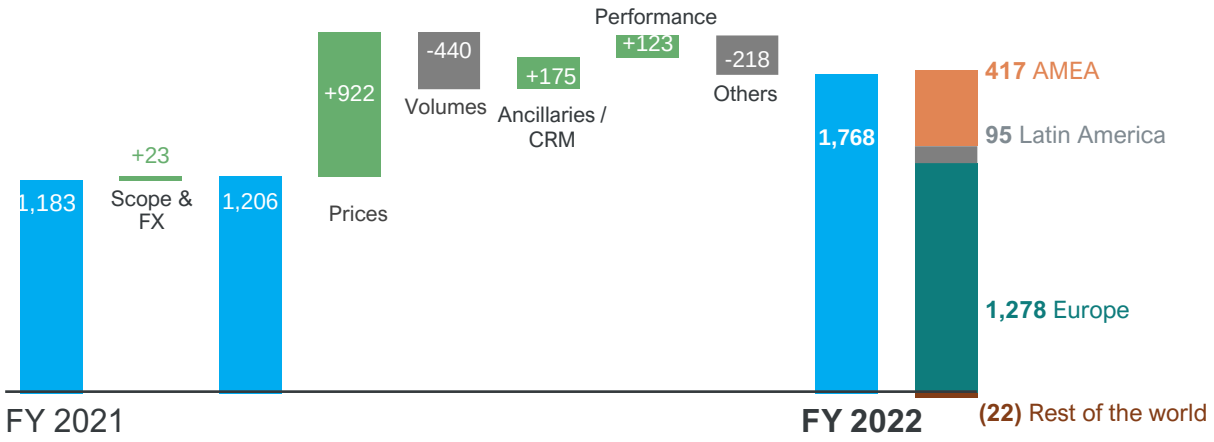
THERMAL

EBIT FY 2021 vs FY 2022
(€m)



- **Scope & FX**: positive FX (mainly USD), negative scope (coal and country exits)
- **Prices**: higher spreads for European gas plants and pumped storage, reduced PPA margins due to higher sourcing spot prices in Chile and adverse gas merchant position in Australia
- **Volumes**: higher cost of unavailability in Europe
- **Ancillaries / CRM**: higher ancillaries / CRM for European gas plants
- **Performance:** ramp up of operational performance plan and corporate costs optimization
- **Others**: mainly Italian extraordinary tax (contested by ENGIE)

KFIs (€m)	FY 2021	**FY 2022**	Δ 22/21	Δ org
Revenue	4,089	**7,129**	+74.3%	+62.6%
EBITDA	1,628	**2,235**	+37.3%	+33.7%
EBIT	1,183	**1,768**	+49.4%	+46.6%
Growth Capex	(17)	**220**	-	-
Maintenance Capex	284	**261**	-8.1%	-

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THERMAL	FY 2021	FY 2022
Capacity @100% (GW)	59.9	**59.5**
Installed contracted generation	39.5	39.5
Installed merchant generation	20.5	20.1
Production @100% (TWh)	271.4	**266.4**
Contracted generation	223.5	215.9
Merchant generation	47.9	50.5

	FY 2021	FY 2022
Average captured clean spark spreads Europe (€/MWh)	18.9	**28.4**
Average technical availability (%)	88.2%	**89.1%**
Contracted EBIT (%)	55.4%	**36.5%**
Load factor (%)	49.8%	**51.6%**
CO_2 (mt)	59.5	**53.6**

THERMAL	FY 2021	FY 2022
Capacity @100% (GW)	59.9	**59.5**
Gas contracted	34.8	**34.8**
Coal contracted	2.2	**2.2**
Gas merchant	15.2	**15.1**
Coal merchant	0.7	**0.2**
Pumped storage[1]	3.3	**3.3**
Other	3.8	**3.9**

Production @100% (TWh)	271.4	**266.4**
Gas contracted	202.7	**199.3**
Coal contracted	17.9	**13.1**
Gas merchant	40.6	**43.5**
Coal merchant	1.4	**0.7**
Pumped storage[1]	2.5	**2.9**
Other	6.2	**6.9**

1 Pumped storage + 143 MW of other hydro capacity managed by Thermal GBU

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CAPACITY AND OUTPUT BY GEOGRAPHY AND BY TECHNOLOGY

As at 31 Dec. 2022 / FY 2022

At 100%

Installed capacity (MW)	Europe	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	Latin America	*Brazil*	*Chile*	*Mexico*	*Peru*	Northern America	AMEA	*Middle East and Turkey*	*Asia*	*Africa*	TOTAL
Natural gas	**14,646**	*1,341*	*3,061*	*3,486*	*2,940*	*3,818*	**1,847**		*629*	*301*	*917*	**661**	**32,737**	*28,518*	*4,219*		**49,890**
Pumped storage[1]	**3,311**		*1,102*	*75*		*2,134*											**3,311**
Coal							**1,209**	*317*	*892*				**1,250**			*1,250*	**2,459**
Other	**1,525**	*788*	*737*				**1,218**		*54*		*1,164*		**1,137**		*134*	*1,003*	**3,879**
TOTAL	**19,481**	*2,129*	*4,899*	*3,561*	*2,940*	*5,952*	**4,273**	*317*	*1,574*	*301*	*2,081*	**661**	**35,124**	*28,518*	*4,353*	*2,253*	**59,539**

Electricity output (TWh)	Europe	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	Latin America	*Brazil*	*Chile*	*Mexico*	*Peru*	Northern America	AMEA	*Middle East and Turkey*	*Asia*	*Africa*	TOTAL
Natural gas	**45.8**	*6.4*	*9.3*	*12.5*	*6.3*	*11.2*	**8.7**		*1.3*	*2.0*	*5.3*	**3.4**	**184.9**	*167.3*	*17.6*		**242.8**
Pumped storage[1]	**2.9**		*1.3*	*0.0*		*1.5*											**2.9**
Coal							**4.1**	*1.0*	*3.0*		*0.1*		**9.7**			*9.7*	**13.8**
Other	**5.2**	*1.5*	*3.7*	*0.0*			**0.3**	*0.0*	*0.1*		*0.2*		**1.4**	*0.0*	*0.3*	*1.0*	**6.9**
TOTAL	**53.9**	*7.9*	*14.3*	*12.6*	*6.3*	*12.8*	**13.1**	*1.0*	*4.5*	*2.0*	*5.6*	**3.4**	**196.0**	*167.3*	*18.0*	*10.7*	**266.4**

1 Pumped storage + 143 MW of other hydro capacity managed by Thermal GBU (mainly in Italy)

PUBLIC

CAPACITY AND OUTPUT BY GEOGRAPHY AND BY TECHNOLOGY

As at 31 Dec. 2022 / FY 2022

In % of consolidation

Installed capacity (MW)	Europe	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	Latin America	*Brazil*	*Chile*	*Mexico*	*Peru*	Northern America	AMEA	*Middle East and Turkey*	*Asia*	*Africa*	TOTAL
Natural gas	**12,135**	*1,341*	*2,825*	*2,335*	*2,940*	*2,694*	**1,847**		*629*	*301*	*917*	**394**	**10,173**	*7,750*	*2,424*		**24,549**
Pumped storage	**3,273**		*1,102*	*38*		*2,134*											**3,273**
Coal							**1,209**	*317*	*892*				**416**			*416*	**1,625**
Other	**1,525**	*788*	*737*				**1,218**		*54*		*1,164*		**515**		*134*	*381*	**3,258**
TOTAL	**16,933**	*2,129*	*4,664*	*2,372*	*2,940*	*4,828*	**4,273**	*317*	*1,574*	*301*	*2,081*	**394**	**11,105**	*7,750*	*2,558*	*797*	**32,704**

Electricity output (TWh)	Europe	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	Latin America	*Brazil*	*Chile*	*Mexico*	*Peru*	Northern America	AMEA	*Middle East and Turkey*	*Asia*	*Africa*	TOTAL
Natural gas	**36.5**	*6.4*	*8.2*	*9.9*	*6.3*	*5.6*	**8.7**		*1.3*	*2.0*	*5.3*	**1.7**	**56.7**	*45.5*	*11.2*		**103.6**
Pumped storage	**2.8**		*1.3*	*0.0*		*1.5*											**2.8**
Coal							**4.1**	*1.0*	*3.0*		*0.1*		**3.2**			*3.2*	**7.3**
Other	**5.2**	*1.5*	*3.7*	*0.0*			**0.3**	*0.0*	*0.1*		*0.2*		**0.5**	*0.0*	*0.1*	*0.4*	**6.1**
TOTAL	**44.5**	*7.9*	*13.3*	*9.9*	*6.3*	*7.1*	**13.1**	*1.0*	*4.5*	*2.0*	*5.6*	**1.7**	**60.4**	*45.6*	*11.3*	*3.6*	**119.8**

PUBLIC

CAPACITY AND OUTPUT BY GEOGRAPHY AND BY TECHNOLOGY

As at 31 Dec. 2022 / FY 2022

Net ownership

Installed capacity (MW)	Europe	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	Latin America	*Brazil*	*Chile*	*Mexico*	*Peru*	Northern America	AMEA	*Middle East and Turkey*	*Asia*	*Africa*	TOTAL
Natural gas	**12,055**	*1,341*	*2,825*	*2,254*	*2,940*	*2,694*	**1,245**		*377*	*301*	*566*	**308**	**9,971**	*7,750*	*2,221*		**23,578**
Pumped storage	**2,751**		*1,102*	*38*		*1,612*											**2,751**
Coal							**753**	*218*	*535*				**416**			*416*	**1,169**
Other	**1,525**	*788*	*737*				**751**		*32*		*719*		**478**		*96*	*381*	**2,754**
TOTAL	**16,331**	*2,129*	*4,664*	*2,292*	*2,940*	*4,306*	**2,749**	*218*	*944*	*301*	*1,285*	**308**	**10,865**	*7,750*	*2,318*	*797*	**30,252**

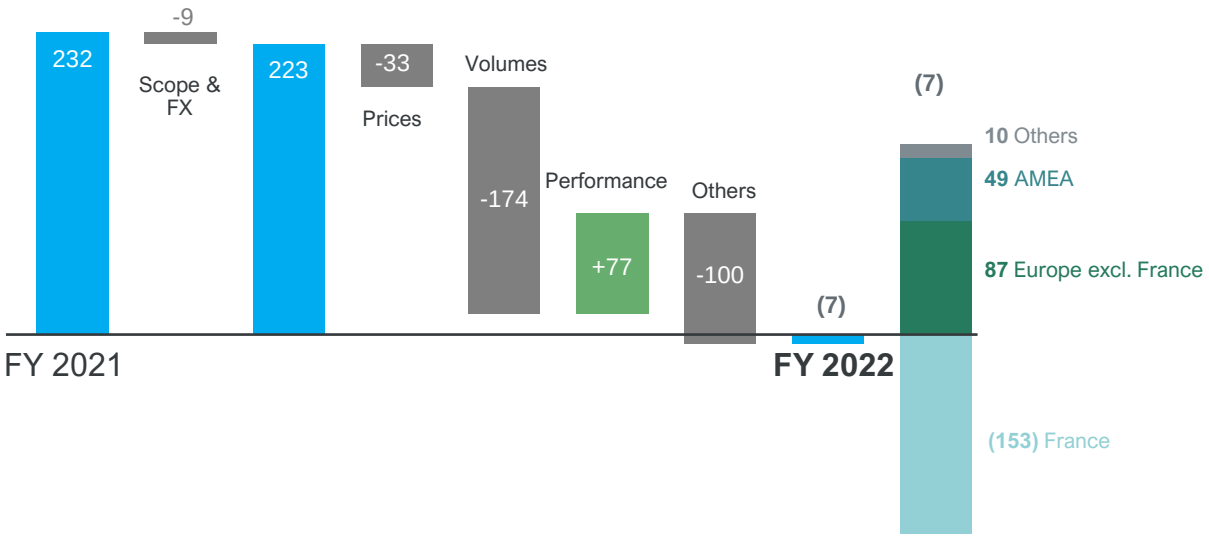
Electricity output (TWh)	Europe	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	Latin America	*Brazil*	*Chile*	*Mexico*	*Peru*	Northern America	AMEA	*Middle East and Turkey*	*Asia*	*Africa*	TOTAL
Natural gas	**35.9**	*6.4*	*8.2*	*9.4*	*6.3*	*5.6*	**6.1**		*0.8*	*2.0*	*3.3*	**1.2**	**56.3**	*45.5*	*10.7*		**99.5**
Pumped storage	**2.5**		*1.3*	*0.0*		*1.2*											**2.5**
Coal							**2.5**	*0.7*	*1.8*		*0.0*		**3.2**			*3.2*	**5.8**
Other	**5.2**	*1.5*	*3.7*	*0.0*			**0.2**	*0.0*	*0.1*		*0.1*		**0.5**	*0.0*	*0.1*	*0.4*	**5.9**
TOTAL	**43.7**	*7.9*	*13.3*	*9.4*	*6.3*	*6.8*	**8.9**	*0.7*	*2.7*	*2.0*	*3.5*	**1.2**	**60.0**	*45.6*	*10.8*	*3.6*	**113.7**

PUBLIC

SUPPLY

EBIT FY 2021 vs FY 2022

(€m)



- **Prices:** negative effect of prices in France partly offset in other European countries
- **Volumes:** lower energy volumes mainly in France & Belgium combined with reduced level of services
- **Performance:** optimization through digitalization and better management
- **Others:** support measures for customers in France and higher bad debt provisions globally

KFIs (€m)	FY 2021	**FY 2022**	Δ 22/21	Δ org
Revenue	10,396	**16,810**	+61.7%	+61.3%
EBITDA	498	**258**	-48.2%	-47.3%
EBIT	232	**(7)**	-	-
Growth Capex	154	**174**	+13.0%	-
Maintenance Capex	146	**96**	-34.2%	-

Normative temperature effects – B2C France

		Q1	Q2	Q3	Q4	FY
Volumes (TWh)	2021	(1.2)	3.2	0.1	1.3	**+3.4**
	2022	(2.9)	(0.0)	0.3	(2.6)	**(5.3)**
	Δ 22/21	-1.8	-3.2	0.2	-3.9	**-8.7**
EBITDA / EBIT (€m)	2021	(12)	32	1	13	**+34**
	2022	(29)	(0)	3	(26)	**(53)**
	Δ 22/21	-18	-32	2	-39	**-87**

PUBLIC

SUPPLY VOLUME

FY 2022

(TWh)

	B2C		
	Gas	Power	**TOTAL**
France	61.0	23.3	**84.3**
o/w Green Power		*18.8*	***18.8***
Rest of Europe	58.1	14.7	**72.9**
Latin America	4.8		**4.8**
AMEA	3.4	2.0	**5.4**
TOTAL	**127.3**	**40.0**	**167.4**

FY 2021

(TWh)

	B2C		
	Gas	Power	**TOTAL**
France	79.3	23.3	**102.6**
o/w Green Power		*18.0*	***18.0***
Rest of Europe	68.2	16.1	**84.3**
Latin America	6.0		**6.0**
AMEA	3.6	2.1	**5.7**
TOTAL	**157.1**	**41.5**	**198.6**

PUBLIC

B2C TOTAL CONTRACTS

FY 2022

(k)	Gas	Power	Services	TOTAL
France	6,016	5,246	1,536	**12,798**
o/w Regulated tariffs	*2,344*			***2,344***
o/w Green Power		*4,400*		***4,400***
Rest of Europe	4,558	3,464	992	**9,015**
AMEA	292	398		**689**
TOTAL	**10,866**	**9,108**	**2,528**	**22,502**

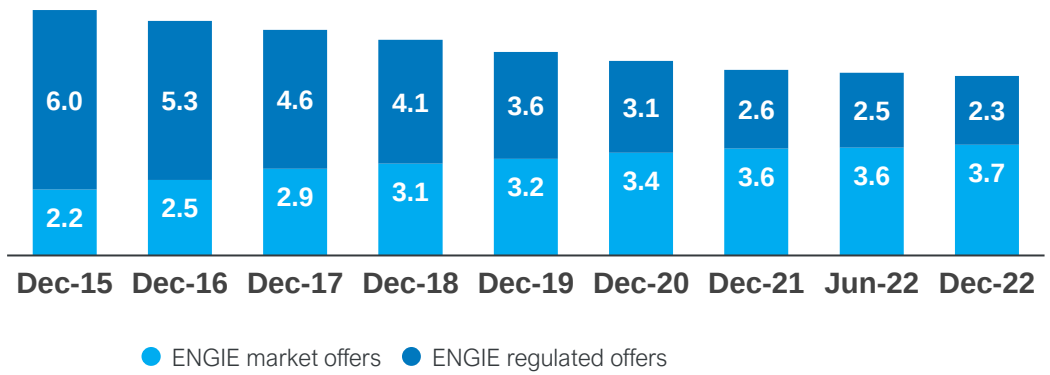
FY 2021

(k)	Gas	Power	Services	TOTAL
France	6,213	5,143	1,564	**12,921**
o/w Regulated tariffs	*2,627*			***2,627***
o/w Green Power		*4,087*		***4,087***
Rest of Europe	4,304	3,314	1,027	**8,646**
AMEA	312	423		**735**
TOTAL	**10,829**	**8,881**	**2,592**	**22,301**

FRANCE – residential and small business customers portfolio

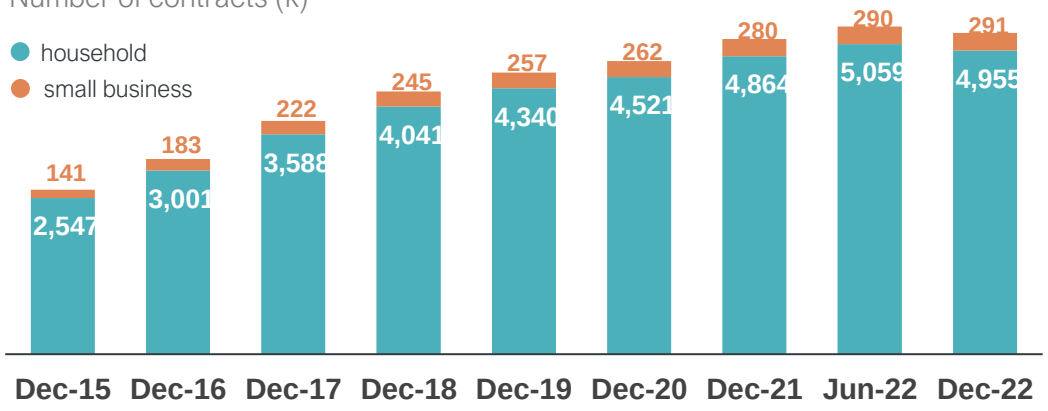
GAS – household

Number of contracts (m)



Electricity – household & small business

Number of contracts (k)



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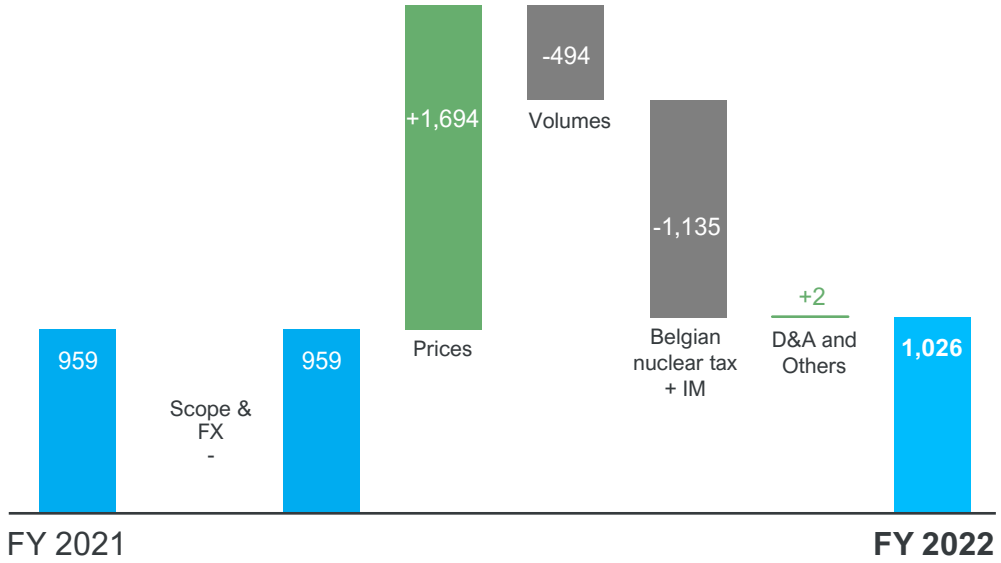
NUCLEAR

EBIT FY 2021 vs FY 2022

(€m)



- **Price:** higher power prices captured
- **Volume:** lower availability in Belgium, mainly due to planned maintenance, and EDF drawing rights in France
- **Belgian nuclear tax**: higher profit sharing due to floor exceeded for second-generation units and implementation of inframarginal rent cap

KFIs (€m)	FY 2021[1]	**FY 2022**	Δ 22/21	Δ org
Revenue	56	**35**	-37.7%	-37.7%
EBITDA	1,403	**1,510**	+7.6%	+7.6%
EBIT	959	**1,026**	+6.9%	+6.9%
Growth Capex	0	**1**	-	-
Maintenance Capex	201	**228**	+13.9%	-

1 Restated data

PUBLIC

KPIS AND NUCLEAR PHASE OUT IN BELGIUM

Indicative theorical total nuclear production

c.33 TWh[1] 2023 → **c.32 TWh**[1] 2024 → **c.23 TWh**[1] 2025 → **c.9 TWh**[1] 2026

KPIs	FY 2021	FY 2022
Achieved price (€/MWh)	59.6	**97.3**
Total production @conso share (TWh)	47.4	**42.1**
Belgium (TWh) @100%	47.9	**41.6**
France (TWh) @100%	7.0	**5.8**
Drawing rights Belgium (TWh) @100%	(7.5)	**(5.4)**
Availability Belgium @100%	91.8%	**83.6%**

Nuclear reactors	Operator	Installed capacity @100% (MW)	ENGIE capacity (MW)	End of operations / contracts
Tihange 2	ENGIE	1,008	905	01/02/2023
Doel 1	ENGIE	445	445	15/02/2025
Doel 4	ENGIE	1,038	932	01/07/2025
Tihange 3	ENGIE	1,038	932	01/09/2025
Tihange 1	ENGIE	962	481	01/10/2025
Doel 2	ENGIE	445	445	01/12/2025
Chooz B (swap)	EDF	-	(100)	2025
Chooz B (drawing rights)[2]	EDF	-	750	2037
Tricastin (drawing rights)[3]	EDF	-	468	2031
TOTAL			**5,259**	

1 Belgium + France. Indicative volumes @ ENGIE share assuming a theorical 85% availability
2 Chooz: 750 MW* average availability of total EDF nuclear fleet in France (excl. Tricastin)
3 Tricastin: 468 MW* local availability of Tricastin units

PUBLIC

BELGIAN NUCLEAR PROVISIONS

As at 31 December 2022

Synatom provisions[1]

c. €17.9bn in total:

- c. €9.1bn for waste management
- c. €8.8bn for dismantling

Financial dedicated asset

c. €6.6 bn

Discount rates

3.0% for waste management

2.5% for dismantling

Review pattern

Triennial review

Following CPN's remarks received on 16 Dec. 2022, reasoned opinion sent by ENGIE on 14 Feb. 2023

Funding

Funding of c. €9bn expected over 2023-2025 including phase-out costs

Funding commitments:

- 100% for dismantling by 2030
- 100% for waste management by 2025

Sensitivities

Sensitivity of the provisions for the back-end of the nuclear fuel cycle

- On the basis of an analysis carried out by ENGIE Group experts, certain remarks made by the CPN as part of the triennial review procedure are considered as unjustified and have been the subject of a reasoned opinion sent to the CPN
  - The impact of taking ENGIE's opinion into account (at a discount rate of 3.0% as recommended by the CPN) would represent a decrease in provisions of **€0.5 billion**
  - ENGIE is also contesting the 25 basis points reduction from the previous rate and the 50 basis points reduction from Synatom's initial proposal. Maintaining the 3.25% rate used since 2019 would represent a decrease in provisions of €0.7 billion
- A 10% increase in ONDRAF's fees above the fee for the removal of category C waste would lead to an increase in provisions of approximately €0.3 billion based on unchanged contingency margins

Sensitivity of the provisions for dismantling

- On the basis of an analysis carried out by ENGIE Group experts, certain remarks made by the CPN as part of the triennial review procedure are considered as unjustified and have been the subject of a reasoned opinion sent to the CPN. The impact of taking ENGIE's opinion into account, at a discount rate of 2.50% as recommended by the CPN, would represent a reduction in provisions of €0.6 billion
- Based on currently applied inputs for estimating costs and the timing of payments, a change of 10 basis points in the discount rate used could lead to an adjustment of approximately €85 million in dismantling provisions. A fall in discount rates would lead to an increase in outstanding provisions, while a rise in discount rates would reduce the provision amount

1 Excluding €1.2bn nuclear provisions booked at the level of Electrabel for dismantling related to French drawing rights and low radioactive waste from plants operations to be transferred to ONDRAF

PUBLIC

BELGIAN NUCLEAR TAX

Nuclear reactor	Conditions	Applicable law
Tihange 2 **Tihange 3** **Doel 3** **Doel 4**	38% on Y nuclear margin[1], paid in Y+1 • Current floor at c. €70m p.a. (at ENGIE share) for 2019-21 (floor revised every 3 years) • *For 2022-24, floor to be set June 2023*	**2015 convention and 2016 law**
Doel 1 **Doel 2**	Royalties: €20m p.a. (fixed)	
Tihange 1	Profit Sharing 70% (State) / 30% (ENGIE) for profits above a certain level (with loss carry forward)	**2013 law**

1 EBIT-like margin

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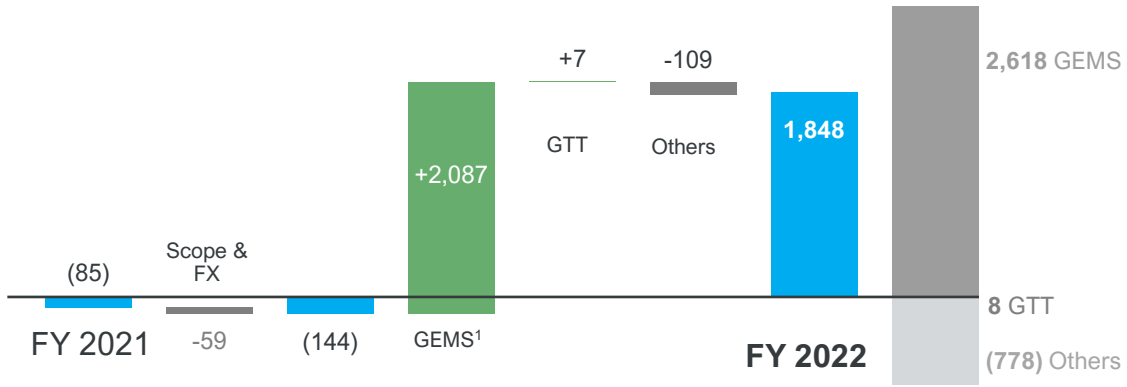
OTHERS (GEMS[1], GTT AND OTHERS)

EBIT FY 2021 vs FY 2022
(€m)



- **Scope & FX:** mainly partial disposal of GTT in May 2021 triggering a change of consolidation method as from June 2021 (from full consolidation to equity method)
- **GEMS:**
  - strong performance in all activities (asset management, optimization and client risk management) in a context of exceptional market conditions
  - costs of hedging actions to remove Gazprom exposure
  - Italian extraordinary tax (contested by ENGIE)
- **Others:** mainly employees' exceptional bonus of €1,500 each

KFIs (€m)	FY 2021[2]	**FY 2022**	Δ 22/21	Δ org
Revenue	23,046	**45,163**	+96.0%	+92.6%
EBITDA	426	**2,417**	-	-
EBIT	(85)	**1,848**	-	-
Growth Capex	221	**85**	-62.0%	-
Maintenance Capex	275	**253**	-8.1%	-

Normative temperature effects – French Supply B2B activities[1]

		Q1	Q2	Q3	Q4	**FY**
Volumes (TWh)	2021	(0.3)	0.9	0.0	0.3	**0.9**
	2022	(0.8)	(0.0)	0.1	(0.7)	**(1.5)**
	Δ 22/21	-0.5	-0.9	+0.1	-1.1	**-2.4**
EBITDA / EBIT (€m)	2021	(3)	9	0	3	**9**
	2022	(8)	(0)	1	(7)	**(15)**
	Δ 22/21	-5	-9	+1	-11	**-24**

1 GEMS = GEM + main Supply B2B activities
2 Restated data

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GEMS VOLUMES

KPIs	FY 2021[2]	FY 2022
GEM – Gas sales (TWh)	77.8	**86.7**
GEM – Electricity sales (TWh)	33.7	**47.2**
Supply B2B – Gas sales (TWh)[1]	118.0	**108.4**
Supply B2B – Electricity sales (TWh)[1]	107.0	**107.4**

FY 2022 (TWh)	Gas	Power	TOTAL
GEMS	195.1	154.6	**349.7**

FY 2021 (TWh)	Gas	Power	TOTAL
GEMS	195.8	140.7	**336.5**

1 Excluding Romania B2B, which is reported under GBU Supply
2 Restated data

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DETAILED REPORTING DESCRIPTION

ACTIVITIES	DETAILS
RENEWABLES	Hydro (excl. pumped storage), wind (onshore and offshore), solar, biomass, geothermal and battery
NETWORKS	Gas and power infrastructure (distribution, transport, storage, LNG terminals, power transmission lines), biomethane activities
ENERGY SOLUTIONS	Distributed energy infrastructure and related services, Tractebel, ENGIE Impact, EVBox
THERMAL & SUPPLY	Gas, coal, pumped storage, cogeneration, desalination, hydrogen and battery Supply B2C, Services B2C, remaining Supply B2B
NUCLEAR	Belgium and France (drawing rights)
OTHERS	Corporate, GEMS (GEM + main Supply B2B activities) and GTT

PUBLIC

02

POWER GENERATION CAPACITY AND OUTPUT

PUBLIC

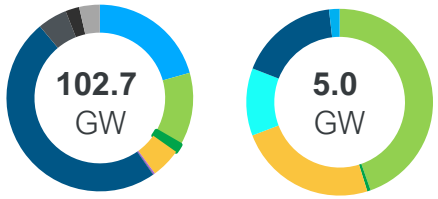
BREAKDOWN OF GENERATION CAPACITY BY TECHNOLOGY[1]

As at 31 December 2022

	At 100%		In % of consolidation[2]		Net ownership[3]	
(MW)	In operation	Under construction	In operation	Under construction	In operation	Under construction
Hydro	21,207	92	16,161	92	11,984	86
o/w RoR[4]	*13,308*	*11*	*9,337*	*11*	*6,765*	*5*
o/w Dam	*4,139*		*3,337*		*2,255*	
o/w Pumped storage	*3,305*	*81*	*3,305*	*81*	*2,783*	*81*
o/w Hybrid pumped storage & RoR[4]	*454*		*182*		*182*	
Onshore wind	13,042	2,246	8,968	2,202	6,857	1,520
Offshore wind	1,462	30	322	12	322	12
Solar	5,343	1,208	3,874	1,205	3,236	1,202
Other renewables	306		297		268	
Battery	54	588	52	588	52	441
Natural gas	49,890	870	24,549	870	23,578	870
Nuclear	5,259		5,259		5,259	
Coal	2,459		1,625		1,169	
Other non renewables	3,666		3,044		2,540	
TOTAL	**102,688**	**5,033**	**64,150**	**4,968**	**55,265**	**4,131**

- Hydro
- Onshore wind
- Offshore wind
- Solar
- Other renewables
- Battery
- Natural gas
- Coal
- Nuclear
- Other non renewables

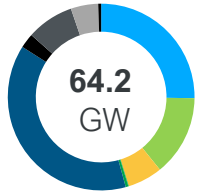
At 100%



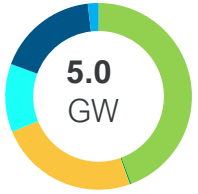
In operation

Under construction

In % of consolidation[2]

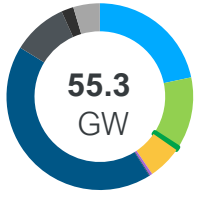


In operation

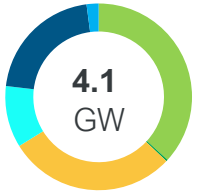


Under construction

Net ownership[3]



In operation



Under construction

1 Excluding Energy Solutions capacity **2** % of consolidation for full operations affiliates and % holding for joint operations and equity consolidated companies **3** ENGIE ownership **4** RoR = Run of River

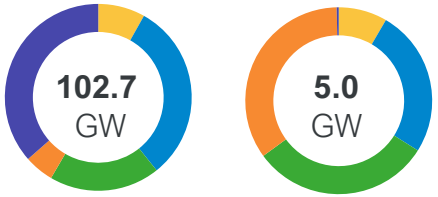
PUBLIC

BREAKDOWN OF GENERATION CAPACITY BY GEOGRAPHY[1]

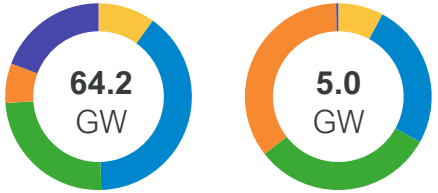
As at 31 December 2022

	At 100%		In % of consolidation		Net ownership	
(MW)	In operation	Under construction	In operation	Under construction	In operation	Under construction
France	8,355	424	6,333	390	4,449	381
Rest of Europe	31,969	1,284	25,440	1,253	24,740	1,253
Latin America	19,670	1,561	15,629	1,561	11,177	1,053
Northern America	5,244	1,746	4,420	1,746	2,836	1,426
AMEA	37,450	18	12,329	18	12,063	18
TOTAL	**102,688**	**5,033**	**64,150**	**4,968**	**55,265**	**4,131**

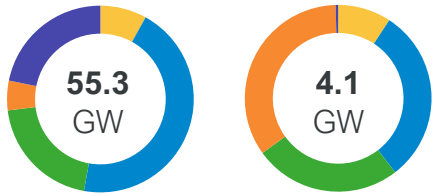
At 100%



In % of consolidation



Net ownership



1 Excluding Energy Solutions capacity

PUBLIC

INSTALLED CAPACITY[1] EVOLUTION VS 31 DEC. 2021

Disposal & Closing			(1,542)
Doel 3 [2]	Belgium	Nuclear	(903)
ILO	Peru	Coal	(125)
Tocopilla COA 14	Chile	Coal	(124)
Tocopilla COA 15	Chile	Coal	(119)
Rantau Dedap	Indonesia	Other renewable	(91)
Muara Laboh	Indonesia	Other renewable	(86)
CycoFos	France	Natural gas	(62)
Karstadt 1	Germany	Onshore wind	(26)
Lovenich	Germany	Onshore wind	(5)

Capacity added by geography (MW)

Commissionning			2,649
Moray East	UK	Offshore wind	950
Limestone	USA	Onshore wind	296
Sun Valley	USA	Solar	250
Coya	Chile	Solar	180
Priddy	USA	Onshore wind	110
LSS3	Malaysia	Solar	100
Capricornio	Chile	Solar	88
Solidago	USA	Solar	50
Wood-Mazara	Italy	Solar	50
Various projects	Other		575
Acquisition			**1,203**
San Pedro II	Chile	Onshore wind	65
Caramonte	Spain	Onshore wind	50
Majogazas	Spain	Onshore wind	50
Vaille	Spain	Onshore wind	49
Mondonedo	Spain	Onshore wind	48
Alentisque	Spain	Onshore wind	46
Les Rotes	Spain	Onshore wind	44
Jerez	Spain	Onshore wind	43
Moral	Spain	Onshore wind	40
Guijdo I	Spain	Onshore wind	38
Various projects	Other		731
Reclassification & Other			**83**
Herdersbrug	Belgium	Natural gas	57
Saint-Ghislain	Belgium	Natural gas	34
Sol De Insurgent	Mexico	Battery storage	31
Mejillones	Chile	Coal	(57)
Various Projects	Other		17

1 Excluding Energy Solutions capacity
2 Including nuclear drawing rights on Doel 3

PUBLIC

EXPECTED COMMISSIONING OF CAPACITY[1] UNDER CONSTRUCTION

As at 31 December 2022, at 100%

Geography (MW)	2023	2024	2025	TOTAL
France	383	41		**424**
Rest of Europe	278	55	951	**1,284**
Latin America	715		846	**1,561**
Brazil	*434*		*846*	***1,280***
Chile				
Mexico				
Peru	*281*			***281***
Northern America	1,746			**1,746**
AMEA	18			**18**
Asia	*18*			***18***
TOTAL	**3,140**	**96**	**1,797**	**5,033**

By technology (MW)	Country	2023	2024	2025	TOTAL
Onshore wind		**1,400**		**846**	**2,246**
Santo Agostinho	Brazil	434			**434**
Punta Lomitas	Peru	244			**244**
North Bend	USA	200			**200**
Century Oak	USA	153			**153**
Assurua	Brazil			846	**846**
Other		368			**368**
Offshore wind			**30**		**30**
EFGL	France		30		**30**
Solar		**1,153**	**55**		**1,208**
Five Wells	USA	320			**320**
Hopkins	USA	250			**250**
River Ferry	USA	150			**150**
Salt City	USA	50			**50**
Meridion Benilde	Spain		46		**46**
Meridion Itamar	Spain		9		**9**
Other		383			**383**
Battery		**588**			**588**
Five Wells	USA	250			**250**
Libra	USA	200			**200**
Sun Valley	USA	100			**100**
Nera Montoro	Italy	25			**25**
Salemi	Italy	13			**13**
Others[2]			**11**	**951**	**962**
TOTAL		**3,140**	**96**	**1,797**	**5,033**

1 Excluding Energy Solutions capacity
2 Others: hydro and natural gas

PUBLIC

TOTAL CAPACITY[1] BY GEOGRAPHY AND BY TECHNOLOGY

As at 31 December 2022

At 100%

(MW)	Europe	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	Latin America	*Brazil*	*Chile*	*Mexico*	*Peru*	Northern America	AMEA	*Middle East and Turkey*	*Asia*	*Africa*	TOTAL
Hydro[2]	**9,097**	*3,882*	*1,102*	*75*		*4,038*	**12,110**	*11,811*	*45*		*255*						**21,207**
Onshore wind	**6,606**	*3,080*	*546*	*338*	*65*	*2,577*	**1,723**	*1,263*	*300*	*145*	*16*	**3,570**	**1,143**		*470*	*673*	**13,042**
Offshore wind	**1,462**		*487*			*975*											**1,462**
Solar	**1,715**	*1,391*		*96*	*41*	*187*	**1,432**	*255*	*438*	*698*	*41*	**1,013**	**1,183**		*906*	*278*	**5,343**
Other renewable	**205**		*205*				**101**	*101*									**306**
Battery	**23**	*2*	*8*			*13*	**31**			*31*							**54**
Natural gas	**14,646**	*1,341*	*3,061*	*3,486*	*2,940*	*3,818*	**1,847**		*629*	*301*	*917*	**661**	**32,737**	*28,518*	*4,219*		**49,890**
Nuclear	**5,259**	*1,218*	*4,041*														**5,259**
Coal							**1,209**	*317*	*892*				**1,250**			*1,250*	**2,459**
Other non renewable	**1,312**	*788*	*524*				**1,218**		*54*		*1,164*		**1,137**		*134*	*1,003*	**3,666**
TOTAL	**40,324**	*11,702*	*9,973*	*3,995*	*3,046*	*11,608*	**19,670**	*13,746*	*2,357*	*1,175*	*2,391*	**5,244**	**37,450**	*28,518*	*5,728*	*3,204*	**102,688**

1 Excluding Energy Solutions assets' capacity
2 Includes pumped storage

PUBLIC

TOTAL CAPACITY BY GEOGRAPHY AND BY TECHNOLOGY

As at 31 December 2022

In % of consolidation

(MW)	**Europe**	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	**Latin America**	*Brazil*	*Chile*	*Mexico*	*Peru*	**Northern America**	**AMEA**	*Middle East and Turkey*	*Asia*	*Africa*	**TOTAL**
Hydro	**7,994**	*3,834*	*1,102*	*38*		*3,021*	**8,166**	*7,867*	*45*		*255*						**16,161**
Onshore wind	**3,593**	*1,802*	*340*	*215*	*62*	*1,175*	**1,698**	*1,263*	*300*	*120*	*16*	**3,025**	**651**		*348*	*304*	**8,968**
Offshore wind	**322**		*43*			*279*											**322**
Solar	**931**	*696*		*96*	*22*	*117*	**1,369**	*255*	*438*	*635*	*41*	**1,001**	**573**		*457*	*116*	**3,874**
Other renewable	**205**		*205*				**92**	*92*									**297**
Battery	**21**	*1*	*8*			*13*	**31**			*31*							**52**
Natural gas	**12,135**	*1,341*	*2,825*	*2,335*	*2,940*	*2,694*	**1,847**		*629*	*301*	*917*	**394**	**10,173**	*7,750*	*2,424*		**24,549**
Nuclear	**5,259**	*1,218*	*4,041*														**5,259**
Coal							**1,209**	*317*	*892*				**416**			*416*	**1,625**
Other non renewable	**1,312**	*788*	*524*				**1,218**		*54*		*1,164*		**515**		*134*	*381*	**3,044**
TOTAL	**31,773**	*9,680*	*9,088*	*2,683*	*3,024*	*7,298*	**15,629**	*9,793*	*2,357*	*1,087*	*2,391*	**4,420**	**12,329**	*7,750*	*3,363*	*1,217*	**64,150**

PUBLIC

TOTAL CAPACITY BY GEOGRAPHY AND BY TECHNOLOGY

As at 31 December 2022

Net ownership

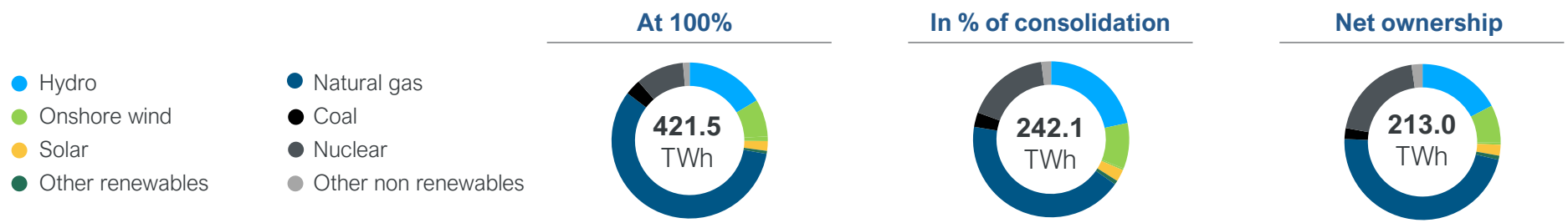
(MW)	**Europe**	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	**Latin America**	*Brazil*	*Chile*	*Mexico*	*Peru*	**Northern America**	**AMEA**	*Middle East and Turkey*	*Asia*	*Africa*	**TOTAL**
Hydro	**5,926**	*2,309*	*1,102*	*38*		*2,477*	**6,059**	*5,874*	*27*		*157*						**11,984**
Onshore wind	**3,208**	*1,483*	*328*	*215*	*62*	*1,121*	**1,177**	*868*	*180*	*120*	*10*	**1,841**	**630**		*326*	*304*	**6,857**
Offshore wind	**322**		*43*			*279*											**322**
Solar	**883**	*656*		*96*	*22*	*108*	**1,098**	*175*	*263*	*635*	*25*	**686**	**568**		*452*	*116*	**3,236**
Other renewable	**205**		*205*				**63**	*63*									**268**
Battery	**21**	*1*	*8*			*13*	**31**			*31*							**52**
Natural gas	**12,055**	*1,341*	*2,825*	*2,254*	*2,940*	*2,694*	**1,245**		*377*	*301*	*566*	**308**	**9,971**	*7,750*	*2,221*		**23,578**
Nuclear	**5,259**	*1,218*	*4,041*														**5,259**
Coal							**753**	*218*	*535*				**416**			*416*	**1,169**
Other non renewable	**1,312**	*788*	*524*				**751**		*32*		*719*		**478**		*96*	*381*	**2,540**
TOTAL	**29,190**	*7,796*	*9,075*	*2,602*	*3,024*	*6,692*	**11,177**	*7,198*	*1,414*	*1,087*	*1,477*	**2,836**	**12,063**	*7,750*	*3,097*	*1,217*	**55,265**

PUBLIC

BREAKDOWN OF GENERATION OUTPUT BY TECHNOLOGY[1]

FY 2022

(TWh)	At 100%	In % of consolidation	Net ownership
Hydro	69.2	52.4	36.7
o/w RoR	*42.1*	*29.0*	*21.5*
o/w Dam	*16.1*	*12.8*	*8.7*
o/w Pumped storage	*2.9*	*2.9*	*2.5*
o/w Hybrid pumped storage & RoR	*8.2*	*7.8*	*4.0*
Onshore wind	32.6	23.0	16.6
Offshore wind	4.1	0.9	0.9
Solar	8.5	6.0	4.8
Other renewables	2.7	2.0	1.8
Natural gas	242.8	103.6	99.5
Nuclear	42.1	42.1	42.1
Coal	13.8	7.3	5.8
Other non renewables	5.8	4.9	4.8
TOTAL	**421.5**	**242.1**	**213.0**



PUBLIC

BREAKDOWN OF GENERATION OUTPUT BY GEOGRAPHY

FY 2022

(TWh)	At 100%	In % of consolidation	Net ownership
France	19.6	16.6	10.3
Rest of Europe	109.5	92.2	91.1
Latin America	73.1	57.2	41.1
Northern America	15.6	12.2	7.2
AMEA	203.6	63.9	63.4
TOTAL	**421.5**	**242.1**	**213.0**

PUBLIC

ELECTRICITY OUTPUT[1] BY GEOGRAPHY AND BY TECHNOLOGY

FY 2022

At 100%

(TWh)	Europe	France	Belgium	Italy	Netherlands	Others	Latin America	Brazil	Chile	Mexico	Peru	Northern America	AMEA	Middle East and Turkey	Asia	Africa	TOTAL
Hydro[2]	**17.9**	12.8	1.3	0.0		3.7	**51.3**	50.0	0.1		1.2						**69.2**
Onshore wind	**12.0**	5.1	1.1	0.7	0.1	5.1	**5.8**	5.0	0.4	0.3		**10.7**	**4.1**		1.3	2.8	**32.6**
Offshore wind	**4.1**		1.5			2.6											**4.1**
Solar	**2.0**	1.7		0.0	0.1	0.2	**2.4**	0.5	0.6	1.2	0.1	**1.5**	**2.5**		1.8	0.7	**8.5**
Other renewable	**1.2**		1.2				**0.5**	0.5					**1.0**		1.0		**2.6**
Natural gas	**45.8**	6.4	9.3	12.5	6.3	11.2	**8.7**		1.3	2.0	5.3	**3.4**	**184.9**	167.3	17.6		**242.8**
Coal							**4.1**	1.0	3.0		0.1		**9.7**			9.7	**13.8**
Nuclear	**42.1**	6.3	35.7														**42.1**
Other non renewable	**4.1**	1.5	2.5	0.0			**0.3**	0.0	0.1		0.2		**1.4**	0.0	0.3	1.0	**5.8**
TOTAL	**129.1**	33.8	52.6	13.3	6.5	22.9	**73.1**	57.1	5.6	3.5	7.0	**15.6**	**203.6**	167.3	22.1	14.2	**421.5**

1 Excluding Energy Solutions assets' output
2 Includes pumped storage

PUBLIC

ELECTRICITY OUTPUT BY GEOGRAPHY AND BY TECHNOLOGY

FY 2022

In % of consolidation

(TWh)	**Europe**	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	**Latin America**	*Brazil*	*Chile*	*Mexico*	*Peru*	**Northern America**	**AMEA**	*Middle East and Turkey*	*Asia*	*Africa*	**TOTAL**
Hydro	**16.7**	*12.8*	*1.3*	*0.0*		*2.6*	**35.7**	*34.3*	*0.1*		*1.2*						**52.4**
Onshore wind	**6.5**	*3.0*	*0.6*	*0.4*	*0.1*	*2.3*	**5.7**	*5.0*	*0.4*	*0.2*		**9.0**	**1.9**		*0.6*	*1.3*	**23.0**
Offshore wind	**0.9**		*0.1*			*0.7*											**0.9**
Solar	**1.1**	*0.9*		*0.0*	*0.0*	*0.1*	**2.3**	*0.5*	*0.6*	*1.0*	*0.1*	**1.5**	**1.2**		*0.9*	*0.3*	**6.0**
Other renewable	**1.2**		*1.2*				**0.5**	*0.5*					**0.4**		*0.4*		**2.0**
Natural gas	**36.5**	*6.4*	*8.2*	*9.9*	*6.3*	*5.6*	**8.7**		*1.3*	*2.0*	*5.3*	**1.7**	**56.7**	*45.5*	*11.2*		**103.6**
Coal							**4.1**	*1.0*	*3.0*		*0.1*		**3.2**			*3.2*	**7.3**
Nuclear	**42.1**	*6.3*	*35.7*														**42.1**
Other non renewable	**4.1**	*1.5*	*2.5*	*0.0*			**0.3**	*0.0*	*0.1*		*0.2*		**0.5**	*0.0*	*0.1*	*0.4*	**4.9**
TOTAL	**108.9**	*30.8*	*49.8*	*10.4*	*6.5*	*11.4*	**57.2**	*41.4*	*5.6*	*3.2*	*7.0*	**12.2**	**63.9**	*45.6*	*13.1*	*5.2*	**242.1**

PUBLIC

ELECTRICITY OUTPUT BY GEOGRAPHY AND BY TECHNOLOGY

FY 2022

Net ownership

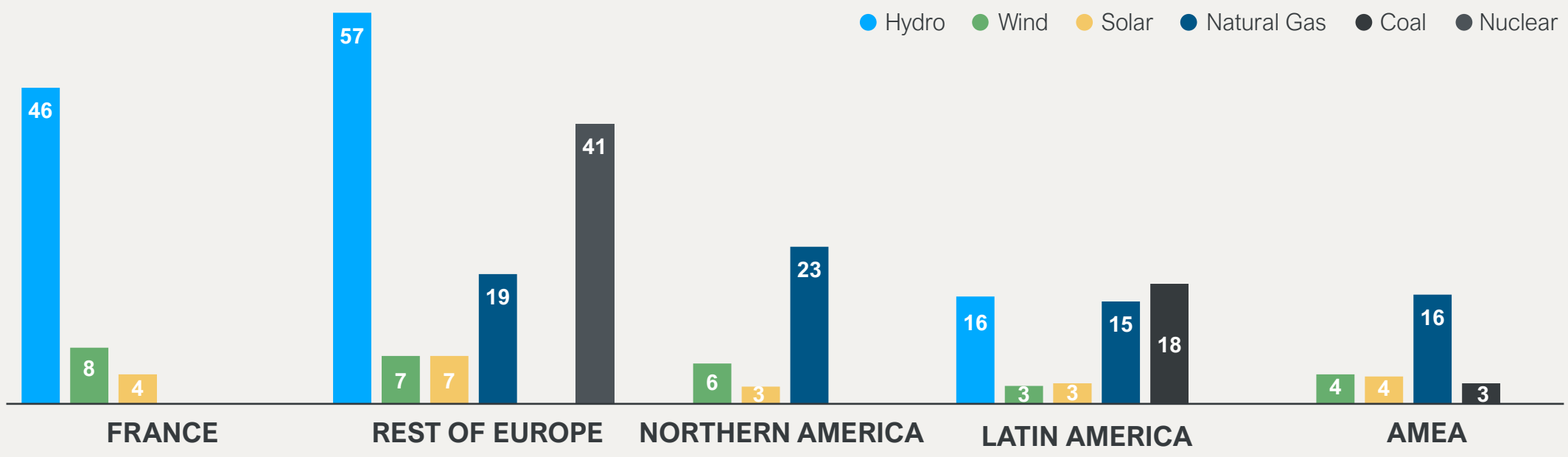
(TWh)	**Europe**	*France*	*Belgium*	*Italy*	*Netherlands*	*Others*	**Latin America**	*Brazil*	*Chile*	*Mexico*	*Peru*	**Northern America**	**AMEA**	*Middle East and Turkey*	*Asia*	*Africa*	**TOTAL**
Hydro	**10.5**	*7.0*	*1.3*	*0.0*		*2.2*	**26.1**	*25.3*	*0.1*		*0.8*						**36.7**
Onshore wind	**5.7**	*2.4*	*0.6*	*0.4*	*0.1*	*2.2*	**3.9**	*3.5*	*0.2*	*0.2*		**5.2**	**1.8**		*0.5*	*1.3*	**16.6**
Offshore wind	**0.9**		*0.1*			*0.7*											**0.9**
Solar	**1.0**	*0.8*		*0.0*	*0.0*	*0.1*	**1.8**	*0.4*	*0.4*	*1.0*	*0.1*	**0.8**	**1.2**		*0.9*	*0.3*	**4.8**
Other renewable	**1.2**		*1.2*				**0.3**	*0.3*					**0.4**		*0.4*		**1.8**
Natural gas	**35.9**	*6.4*	*8.2*	*9.4*	*6.3*	*5.6*	**6.1**		*0.8*	*2.0*	*3.3*	**1.2**	**56.3**	*45.5*	*10.7*		**99.5**
Coal							**2.5**	*0.7*	*1.8*		*0.0*		**3.2**			*3.2*	**5.8**
Nuclear	**42.1**	*6.3*	*35.7*														**42.1**
Other non renewable	**4.1**	*1.5*	*2.5*	*0.0*			**0.2**	*0.0*	*0.1*		*0.1*		**0.5**	*0.0*	*0.1*	*0.4*	**4.8**
TOTAL	**101.4**	*24.5*	*49.8*	*9.9*	*6.5*	*10.8*	**41.1**	*30.2*	*3.4*	*3.2*	*4.3*	**7.2**	**63.4**	*45.5*	*12.6*	*5.2*	**213.0**

PUBLIC

AVERAGE AGE OF FLEET

By technology

Years



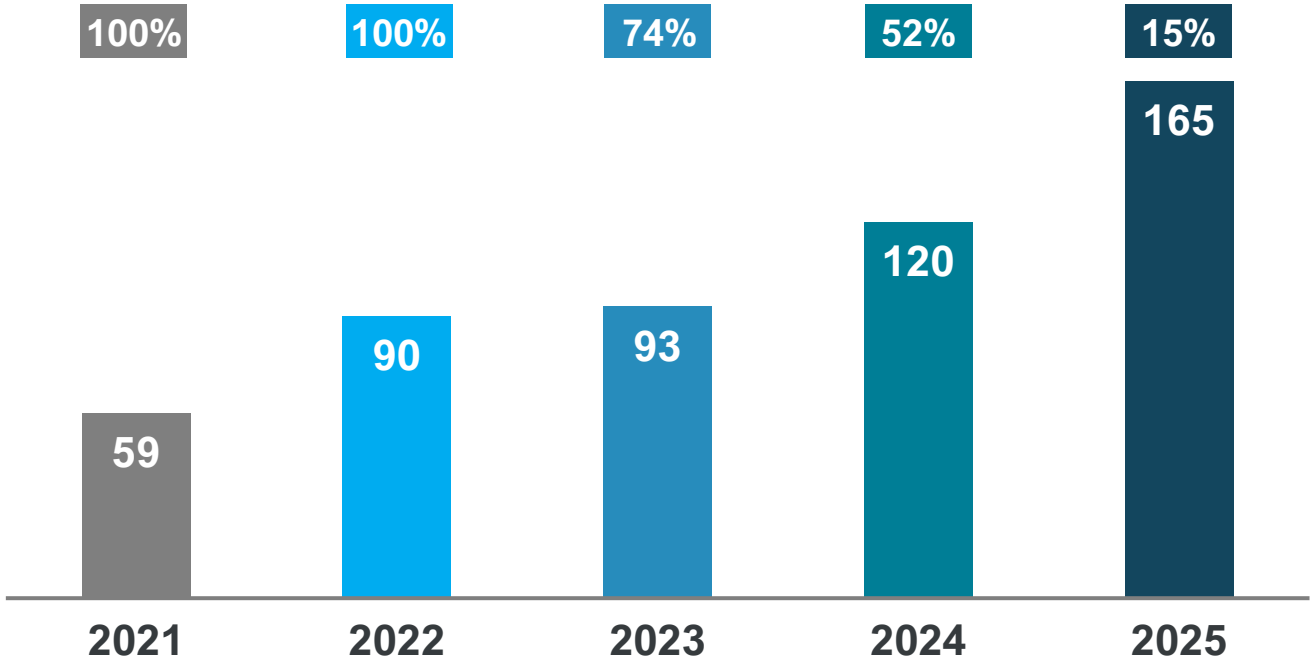
PUBLIC

OUTRIGHT POWER GENERATION IN EUROPE

Nuclear & Hydro

Hedged positions and captured prices (% and €/MWh)

As at 31 December 2022
Belgium and France



Captured prices are shown

- before specific Belgian nuclear and French CNR hydro tax contributions
- excluding the mark-to-market impact of the proxy hedging used for part of Belgian nuclear volumes, which is volatile and historically unwinds to close to zero at delivery

PUBLIC

03

ENVIRONMENTAL, SOCIAL & GOVERNANCE

PUBLIC

ENGIE'S PURPOSE ALIGNING FINANCIAL AND NON FINANCIAL PERFORMANCE

Planet

Respecting planetary limits by acting in particular for the Paris Agreement

Tier 1 objectives	2020	2021*	2022*	Objective 2030
GHG emissions related to energy production (Scope 1 and 3) ($MtCO_2$ eq)	67.5	65.2	59.5	43
GHG emissions from the use of sold products ($MtCO_2$ eq)	61.5	65.6	61.3	52
Share of renewable electricity capacities (%)	31%	34%	38%	58%
Avoided GHG emissions by our products and services ($MtCO_2$ eq)	21	26.5	28.2	45
Share of top 250 preferred suppliers (excluding energy purchase) certified or aligned SBT (%)	15%	20%	23%	100%

People

Building a new and more inclusive world of energy together

Tier 1 objectives	2020	2021*	2022*	Objective 2030
Lost time injury frequency rate for Group employees and subcontractor employees on controlled-access sites	2.7	2.5	2.0	2.3
Percentage of women in Group management (%)	24%	29%	30%	40%-60%
W/M pay equity	-	-	1.73%	<2%

Profit

Ensuring responsible performance shared between employees, shareholders and stakeholders

	2020	2021	2022	Objective
Economic net debt to EBITDA ratio	4.0x	3.6x	2.8x[1]	below or equal to 4.0x
Dividend policy payout ratio	75%	66%	65%	65-75%
Guidance NRIgs *(€bn)*	Achieved	Achieved	Achieved	objective per year

1 As published in February 2023
**EQUANS excluded*

ENGIE's contribution to the Sustainable Development Goals:
■ Key contribution ■ Relevant contribution via Tier 2 objectives

PUBLIC

DECARBONATION AT THE CORE OF GROUP'S PURPOSE AND LEVERAGED BY STRONG CLIMATE COMMITMENTS

Net Zero by 2045,

across all scopes, and following a "well below 2°C" trajectory certified by SBTi

A 2030 trajectory clearly defined supporting long term decarbonation commitment

- ✓ **Reduce GHG emissions linked to energy production** to a maximum of **43 Mt CO_2 eq**. in 2030 (compared to 107 Mt CO_2 eq. in 2017)
- ✓ **Reduce GHG emissions linked to sold products** to a maximum of **52 Mt CO_2 eq**. in 2030 (compared to 79 Mt CO_2 eq. in 2017)
- ✓ **Reduce carbon intensity of energy production** (scope 1) and energy consumption (scope 2) by **66%** between 2017 and 2030 to reach **110gCO_2/KWh** in 2030
- ✓ **Reduce carbon intensity related to energy sales** by **56%** between 2017 and 2030

Decarbonation objectives embarking employees, clients, suppliers

- ✓ **Reach Net-zero carbon by 2030** on the emissions related to the ways of working
- ✓ Have **100% of the TOP 250 preferred suppliers** (excluding energy purchase) certified or aligned SBT by 2030
- ✓ Support customers in avoiding **45 mt of CO_2 eq**. emissions by 2030

4 countries
Net zero by **2030**

A GOVERNANCE ADAPTED TO DELIVER CLIMATE COMMITMENTS

- ✓ CO_2 Medium term Plan (MTP) aligned with financial MTP
- ✓ CO_2 Budget allocated to all activities
- ✓ A dedicated governance process for climate assessment of new investments :
  - Analysis of carbon prices impact on new investment and long-term energy prices forecasts
  - Bi-monthly reporting to ExCom on GHG emissions budget for new investments

PUBLIC

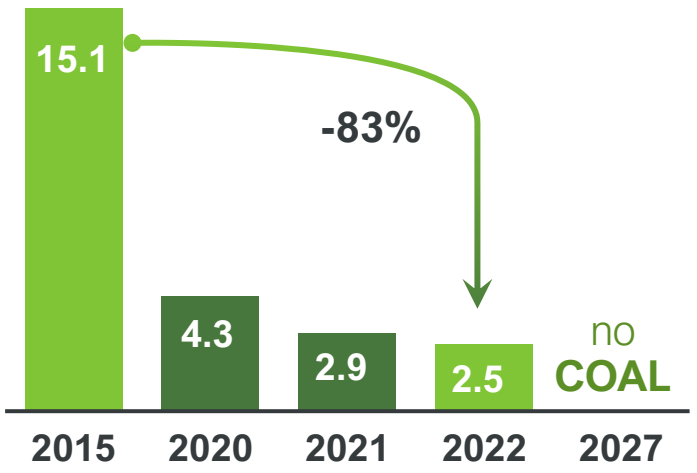
COMMITMENT TO PHASE OUT COAL BY 2025 IN CONTINENTAL EUROPE AND 2027 GLOBALLY

Merit order for a **'just transition'** that benefits all stakeholders

1. **Closing**
2. **Conversion**
3. **Disposal**

Coal power generation

(GW@100%)



2022 achievements

3 coal power plant units closed

- **Chile - Tocopilla unit 14**
  0.1 GW – closed
- **Chile - Tocopilla unit 15**
  0.1 GW – closed
- **Peru- ILO 21**
  0.1 GW – closed

1 coal power plant exited

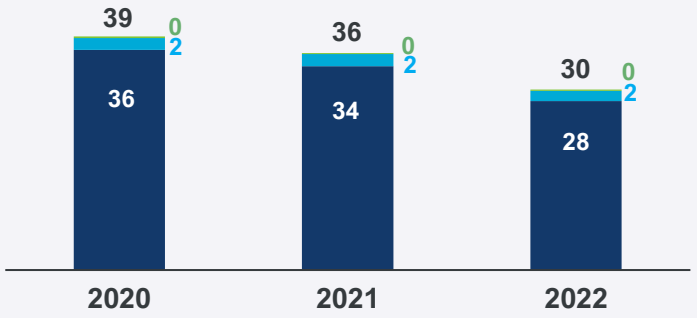
- **Brazil – Pampa Sul**
  0.3 GW sold (process to be completed in 2023)

  Sale of the asset conducive to ensuring the gradual transition of the regional economy, reducing potential local socioeconomic impacts when compared to a process of operational decommissioning

PUBLIC

-25% OF TOTAL GHG EMISSIONS SINCE 2017

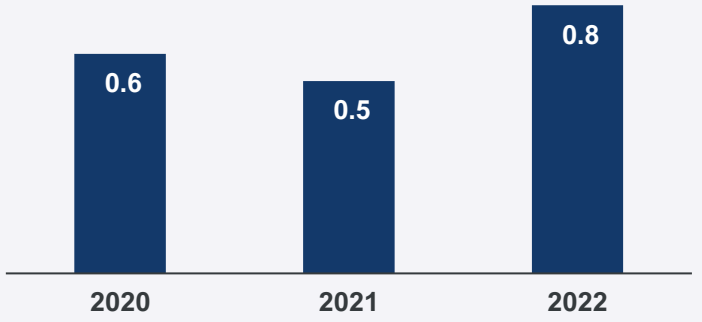
Scope 1 (direct emissions)
($MtCO_2$ eq.)



2021 and 2022 equans excluded

- Energy production (controlled assets)
- Gas networks
- Other Scope 1 categories

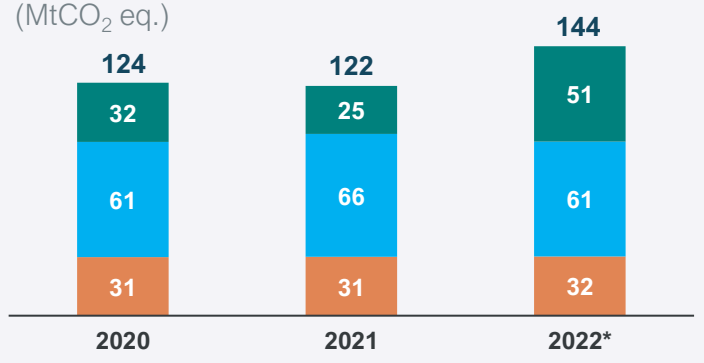
Scope 2 (indirect emissions)
($MtCO_2$ eq.)



Methology change in 2022: suppression of emissions from the purchase of heat from Energy Recovery Units and pump-storage

- Consumption of electricity, steam, heating or cooling

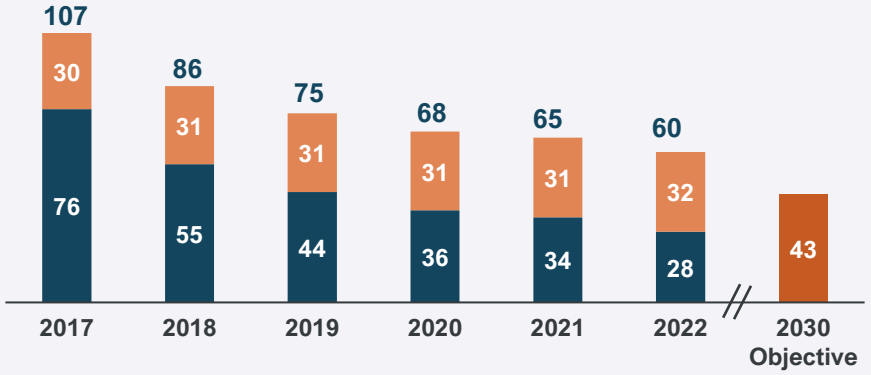
Scope 3 (indirect emissions)
($MtCO_2$ eq.)



Methology change: addition of emissions from the upstream energy sales chain (26 Mt CO2 eq in 2022) 2021 and 2022 equans excluded

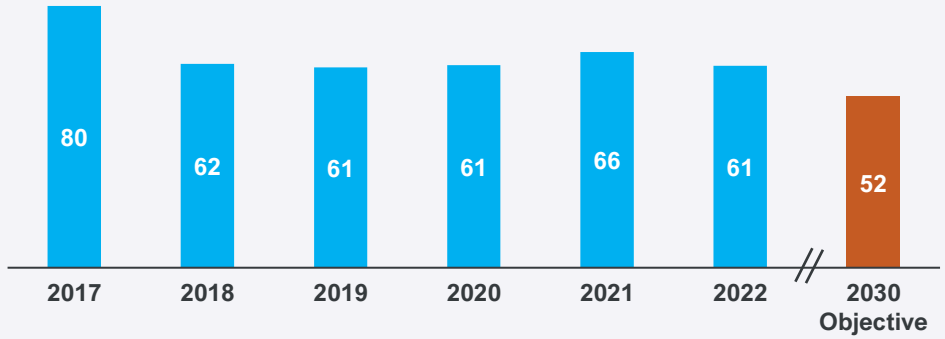
- Energy production (non controlled assets)
- Use of sold products
- Other Scope 3 categories

GHG emissions from energy production
($MtCO_2$ eq.)



- Emissions Scope 3
- Emissions Scope 1

GHG emissions from use of sold products
($MtCO_2$ eq.)

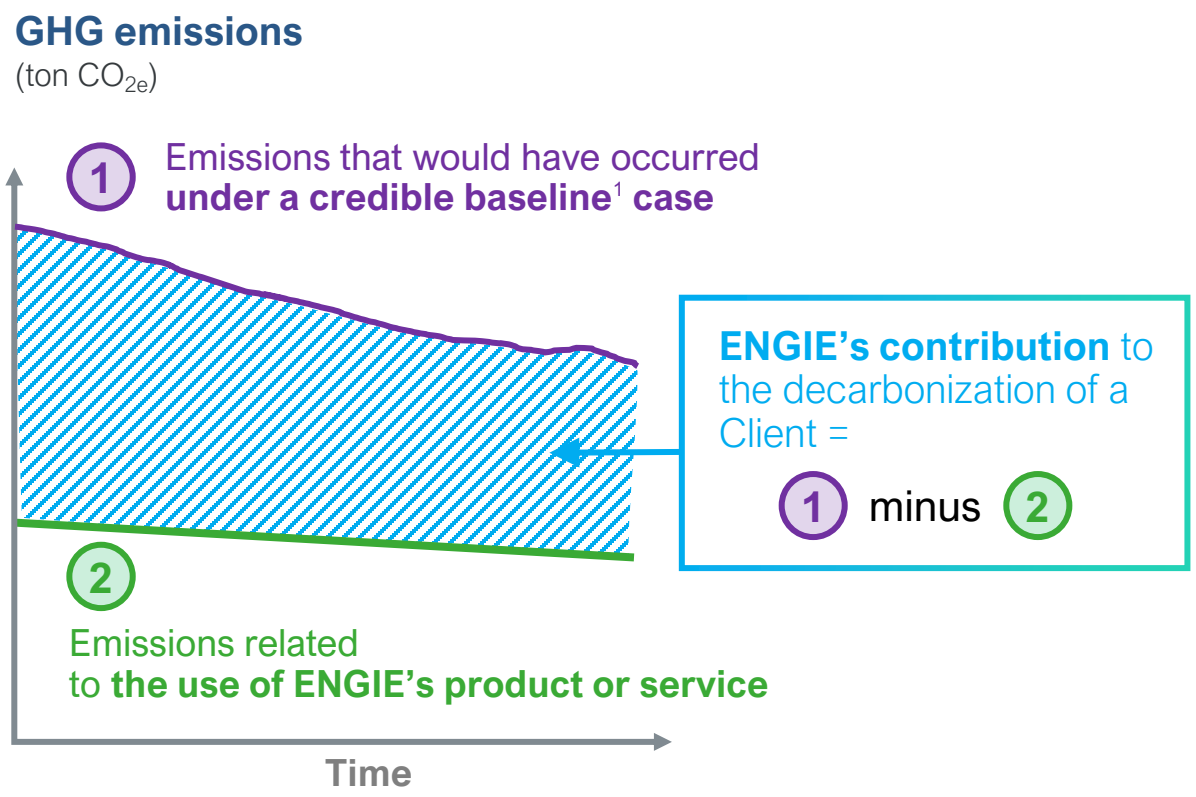


- Use of products sold

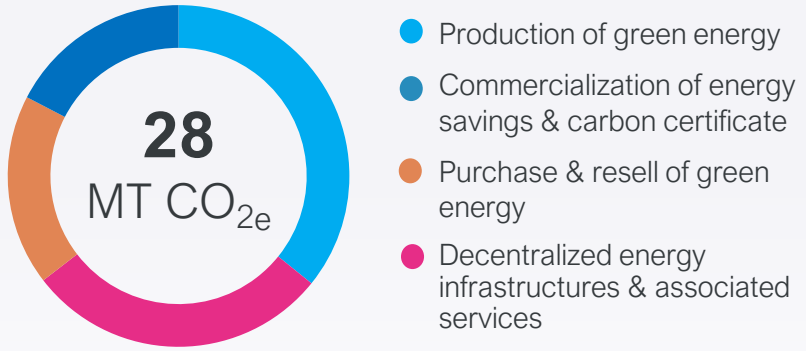
PUBLIC

DECARBONISATION OF CLIENTS EMISSIONS THROUGH ENGIE PRODUCTS AND SERVICES

Helping clients incrementally reduce their carbon emissions with a robust methodology



~28 Mt CO_{2e}
avoided for clients in 2022
(26.5 Mt CO_{2e} in 2021 – *equans excluded)*



~45 Mt CO_{2e}
avoided / year by 2030

1. The baseline is the most likely alternative in the absence of the product or service provided by ENGIE

PUBLIC

ADAPTING TO CLIMATE CHANGE

Scenario Analysis

Partnership with IPSL (Institut Pierre Simon Laplace) to modelize 2030 and 2050 climatic events

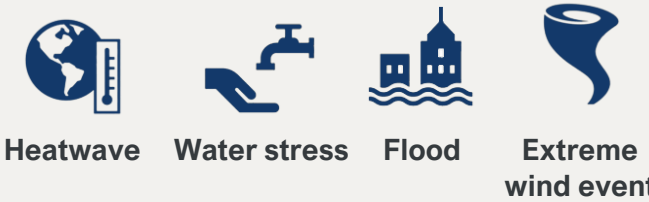
Analysis performed on medium and high global warming trajectories (RCP4.5 and RCP8.5)

Study based on our main production technologies and mapping of the evolution of their performance due to climate change

Impact assessment

Assessment of the impact of climate change on production of energy, demand of energy as well as the integrity of assets and employees due to extreme climate events.

3 new risks to be studied in 2023 in addition to the 4 initial ones studied in 2022 :



New

Operational Preparedness

Identification of ENGIE sites with high vulnerability to climate change

Current build up of Group adaptation plans to reduce vulnerability to climate change

PUBLIC

ENGIE'S COMMITMENT FOR A JUST TRANSITION

CUSTOMER

1. Support affordable energy for Engie's B2C customers with the Mon Pilotage Elec, Mon Pilotage Gaz and Mon Programme Pour Agir offers.
2. Fight against energy poverty with the contribution to the French Housing Solidarity Fund (FSL), energy vouchers, a special fund for industrial and tertiary customers
3. Promote energy accessibility for ENGIE's B2B customers with long-term renewable energy contracts (PPA) and energy performance contracts.

EMPLOYEE

1. Ensure a common social protection for all ENGIE employees with collective social guarantees through a global agreement with the social federations.
2. Offer training and permanent professional development to all ENGIE employees.
3. Manage responsibly restructuring operations with regard to the employees.

Just Transition Plan

COMMUNITIES

1. Promote ENGIE's positive socio-economic impacts on the territories with direct and indirect jobs, contribution to the GDP and fiscal contributions.
2. Develop long-term projects in territories with the deployment of Engie's SET (Sustainable Energy Transition) label ensuring the preservation of nature, the involvement of stakeholders and the contribution to the fight against climate change.

SUPPLIER

1. Include and assess labour and human rights criteria in all purchasing processes of ENGIE, and evaluations of major and preferred suppliers by the ECOVADIS rating agency
2. Develop ENGIE's inclusive purchasing policies

PUBLIC

STRONG COMMITMENT AND CONCRETE ACTIONS IN FAVOR OF SOCIAL IMPROVEMENT

Diversity

Maintain vigilance on gender pay equity

- Groupe ENGIE : 1,7 %
- Target 2030: < 2 %

Strong commitment on gender Diversity

- 30%[1] of women in management (vs 29%
- in 2021)
- 31% women managers recruited
- Target 2030: between 40 and 60% of women in management

Afnor diversity label

Engie is recognized among the largest companies in France, Europe and the world in terms of efforts on gender diversity, as shown by the results below :

- 10th in the list of Women in Leadership Led by the Ministry Responsible for Equality between Women and Men (out of 120 SBF companies).
- Nominated at the 2023 Bloomberg Gender Equality index for the second consecutive year among 484 internationally recognized companies.
- 47th in the European Gender Diversity Index Report 2021 issued by European Women on Boards- EWOB (out of 668 European companies evaluated) and 7th among French companies

Hiring, Training, Engagement

Apprenticeship

- ~ 7,7% of apprentices in France
- Target 2030: 10% of apprentices in workforce in France
- ENGIE's "Apprenticeship training center" dedicated to energy transition and climate businesses, count more than 200 young trainees since its creation.

Training

- ~84%[1] of employees trained
- Target 2030: 100%

Employee commitment[2]

- 86%[1] would recommend ENGIE as a good place to work (+3pts vs. 2021)
- 86% fully committed (+1pt vs.2021)

1. 2022 figures
2. ENGIE INTERNAL SURVEY

PUBLIC

ENGIE COMMITTED TO HEALTH & SAFETY

Health & Safety

Safety

- **Our ambition: 0 serious or fatal injuries**
- **Assessment** by an external expert company of the Group Health & Safety management and culture in particular for prevention of serious and fatal accidents
- Definition of « **ENGIE One Safety » hollistic transformation plan** based on its recommendations and return of experience
- **Lost Time Injury Frequency Rate = 2.0** compared to 2.5 in 2021 (2030 target: 2.3)

Well-being at work

- “No mind at risk” program
- Deployment of 9 commitments for wellbeing at work

ENGIE One Safety

Domains covered by the new transformation plan

- Strengthening the **culture** of all people working for ENGIE
- Adaptation of Health & Safety **governance** and organization
- Revision of **ENGIE rules**
- Reorganization of internal **Health & Safety audits**
- Strengthening of the **Health & Safety functional line**
- Strengthening the management of **subcontractors** and the management of **construction or dismantling projects**
- Launching of a **communication** and **change management** plan

Some major Achievements

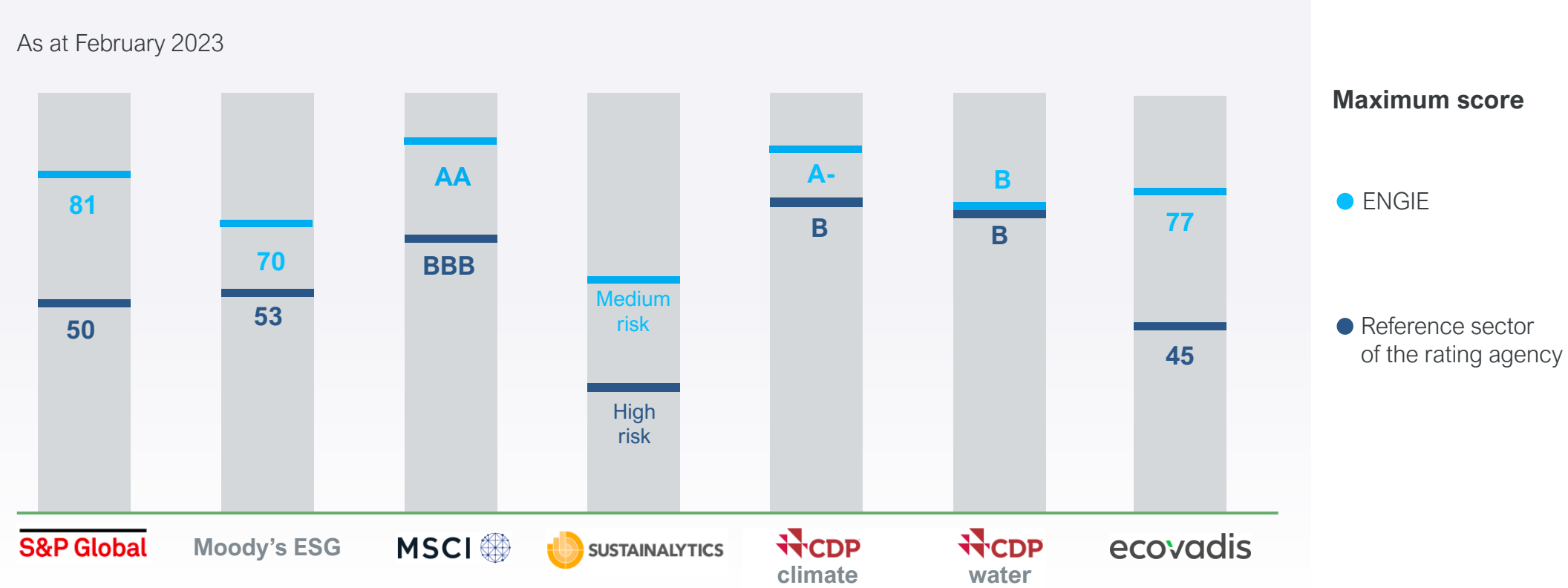
- Adaptation of Health & Safety **governance,** up to Group Executive Committee
- Definition of a **new set of indicators** to monitor more closely the prevention of serious and fatal accidents
- Testing at 7 pilot sites of **a new training and coaching program** for all operational managers (deployment to other Group entities in 2023)
- **Strengthening of ENGIE rules** on management of serious and potentially serious accidents, on compliance with Life Saving Rules, on promotion of a just and fair culture
- Revision of the **internal Health & Safety audit system**, now focused on the prevention of serious and fatal accidents
- Deployment of a **new communication campaign** "Never compromise on safety"

PUBLIC

ENGIE INDEXES AND CSR RATINGS

The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, Euronext 100, FTSE Euro 100, MSCI Europe) and non-financial indices (DJSI World, Euronext Vigeo Eiris - Europe 120/ France 20, MSCI EMU ESG screened, MSCI EUROPE ESG Universal Select, Stoxx Europe 600 ESG-X)

CSR ratings



PUBLIC

COMMITTED TO INCREASE GROUP FINANCING THROUGH SUSTAINABLE FINANCE INSTRUMENTS

A pioneer & leader on the Green Bond market

with **€17.65bn**[1]

of green bonds issued since 2014

ESG related bonds' share of outstanding bond financing expected to climb further **over the next 10 years to reach more than 70%**

€9bn

of Sustainability-linked Revolving Credit Facility. Margin indexed on two climate KPIs

€3bn

of Green Project Finance (not financed by the Group's Green bonds)

21,100

employees invested in solidarity fund *Rassembleurs d'énergies*

~80%

of assets funding pension liability invested with asset managers signatories of UN PRI

€4.4bn

of assets financing French pension and nuclear liabilities are managed with **ESG exclusion criteria**

Adherence to the B Team principles

THE B TEAM

Responsible taxation recognized by the World Benchmarking Alliance

100%

of Money Market funds invested by Group's treasury with ESG investment screening

[1] Feb 2023

PUBLIC

ENGIE'S COMMITMENT TO THE GREEN BOND MARKET (1/2)

ENGIE is one of the world's top issuers in green bonds
with €17.65bn issued since 2014, of which €0.65bn in 2022 **and € 2.75 bn in January 2023**

2014

Inaugural green bond issuance

May **€1.2bn 6Y** 1.375%
May **€1.3bn 6Y** 2.375%

1. Renewable Energy
2. Energy Efficiency

2017

Publication of the green bond framework

Mar **€0.7bn 7Y** 0.875%
Mar **€0.8bn 11Y** 1.500%
Sept **€0.5bn 6Y** 0.375%
Sep **€0.75bn 12Y** 7.375%

1. Renewable Energy
2. Energy Efficiency
3. Natural Resources Preservation

2018

Update of the green bond framework

Jan **€1bn Perp.** 1.375%

1. Renewable Energy (inc T&D)
2. Energy Efficiency (inc E.Storage)
3. Natural Resources Preservation

2019

Update of the green bond framework

Jan **€1bn Perp.** 3.250%
June **€0.75bn 8Y** 0.375%
June **€0.75bn 20Y** 1.375%
Oct **€0.9bn 11Y** 0.500%

1. Renewable Energy (inc T&D)
2. Energy Efficiency (inc E.Storage)
3. Natural Resources Preservation
4. Clean Transportation

2020

Publication of the green financing framework

Mar **€0.75bn 8Y** 1.750%
Mar **€0.75bn 12Y** 2.125%
Nov **€0.85bn Perp.** 1.5%

1. Renewable Energy (inc T&D)
2. Energy Storage
3. T&D Infrastructure
4. Energy Efficiency
5. CCS & CCU
6. Green Buildings
7. Clean Transportation
8. Environmentally sustainable management of living natural resources and land use

2021

75% of Group's growth capex plan over 2021-2023 to be eligible to EU taxonomy

Jul **€0.75bn Perp.**1.875%
Oct **€0.75bn 8Y** 0.375%
Oct **€0.75bn 15Y** 1.00%

1. Renewable Energy (inc T&D)
2. Energy Storage
3. T&D Infrastructure
4. Energy Efficiency
5. CCS & CCU
6. Green Buildings
7. Clean Transportation
8. Environmentally sustainable management of living natural resources and land use

2022

Green Bonds represent 50% of the Group's bond outstanding (hybrids incl.)

Sep **€0.65bn 7Y** 3.5%

1. Renewable Energy (inc T&D)
2. Energy Storage
3. T&D Infrastructure
4. Energy Efficiency
5. CCS & CCU
6. Green Buildings
7. Clean Transportation
8. Environmentally sustainable management of living natural resources and land use

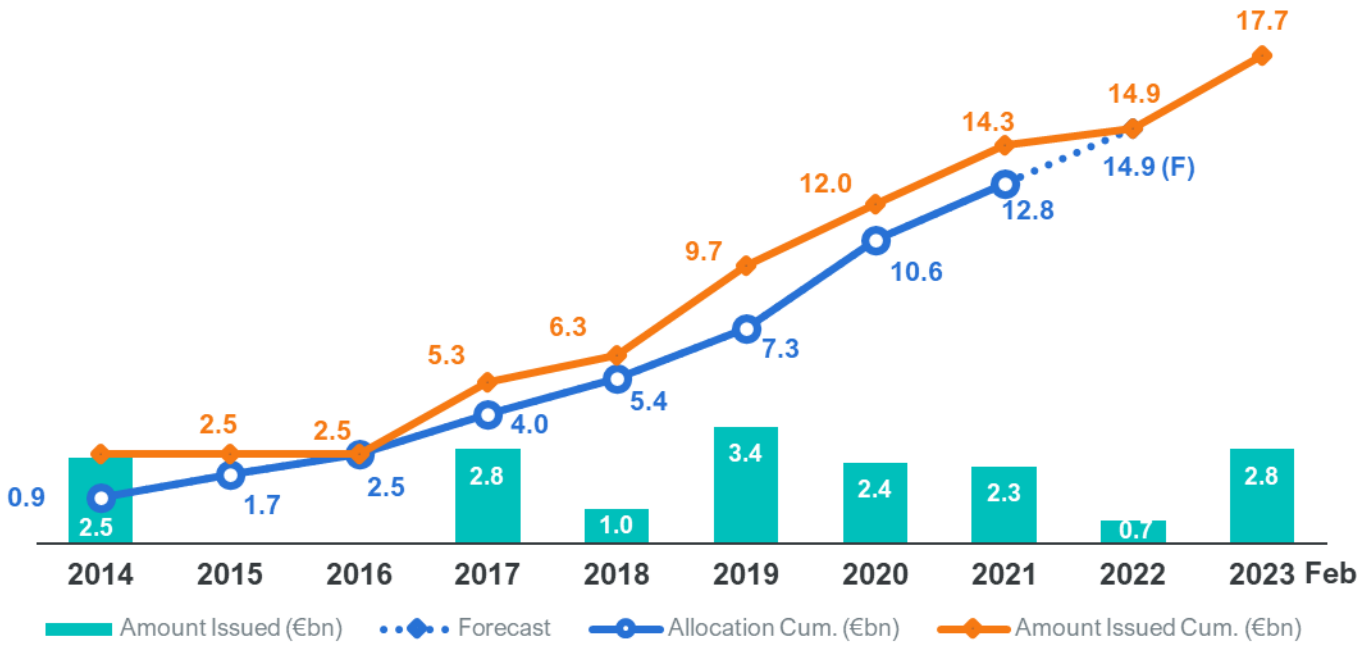
PUBLIC

ENGIE'S COMMITMENT TO THE GREEN BOND MARKET (2/2)

ENGIE is one of the world's top issuers in green bonds
with close to €17.65bn issued since 2014, of which €0.65bn in 2022 and € 2.75 bn in January 2023

Historical issuance and allocation

€bn as at Feb 2023



A green bond (GB) is a bond that is specifically earmarked to raise financing for climate and environmental projects. Allocations to green projects are verified and reported annually (in the URD). These bonds carry the same credit rating as the issuers' other debt obligations.

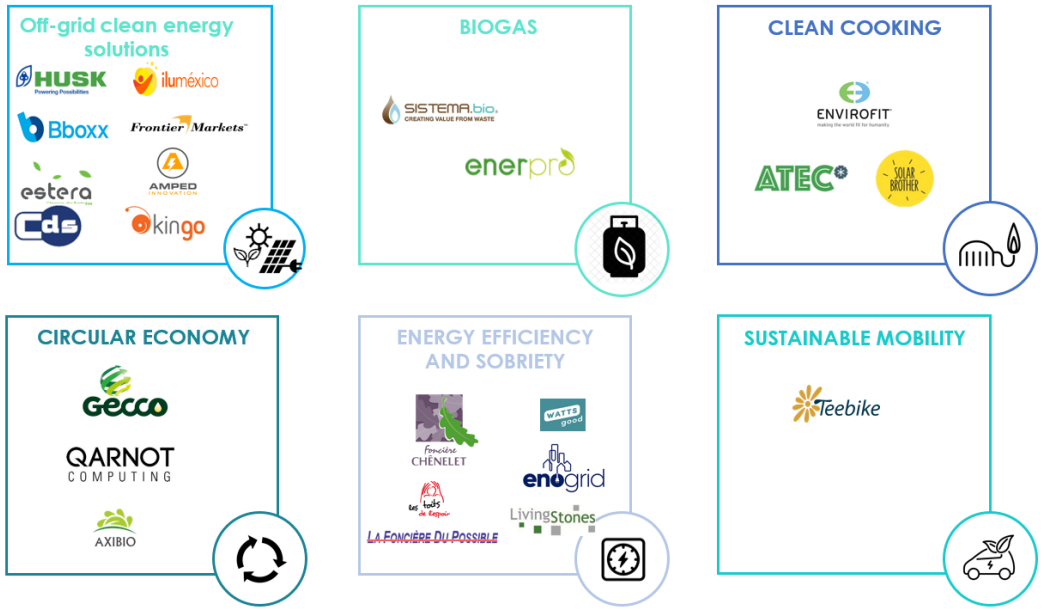
PUBLIC

ENGIE RASSEMBLEURS D'ENERGIES

A robust track record with highest standards

A GLOBAL & DIVERSIFIED PORTFOLIO

- 22 active investments
- €38,3m invested as of end of 2022



SOCIAL LEADERSHIP

Certified B Corporation

B.Corp 2019 Certification Renewed in 2023

PACTE

French '*Société à Mission*' status

HIGH SOCIAL & ENVIRONMENTAL IMPACT

- 7.8 million beneficiaries for energy access
- 33,000 jobs created of which 60% women
- 4 women CEOs, a gender equality focus
- 2,1 $MtCO_2$ eq avoided per year

EMPLOYEE ENGAGEMENT

21,100 employees
invested in Rassembleurs d'énergies solidarity fund

PUBLIC

04

FINANCIAL APPENDICES

PUBLIC

CHANGE IN NUMBER OF SHARES

	As at 31 Dec 2021	**As at 31 Dec 2022**
Existing shares	2,435,285,011	2,435,285,011

	FY 2021	**FY 2022**
Average number of shares[1]	2,419 million	**2,420 million**
Recurring EPS[2]	€ 1.21	€ 2.16
Recurring EPS[2] - post hybrids coupons[3]	€ 1.16	€ 2.13

1 Undiluted, excluding treasury stock
2 Considering Net Recurring Income relating to continuing operations, Group share
3 Including hybrids refinancing costs 2021 & 2022

PUBLIC

MAIN CHANGES IN CONSOLIDATION SCOPE

Disposals / Partial disposals

Indian solar assets – India (RENEWABLES)
Held for sale from 17/01/2020
Equity consolidated since 22/03/2021 and 05/05/2021

LITORAL GAS – Argentina (NETWORKS)
Sold since 14/10/2022

ENDEL – France (ENERGY SOLUTIONS)
Sold since 04/04/2022

Client Solutions in Africa – (ENERGY SOLUTIONS)
Sold since 31/03/2022

Retop – China (ENERGY SOLUTIONS)
Sold since 10/05/2022

Izgaz – Turkey (NETWORKS)
Sold since 09/03/2021

GRTgaz – France (NETWORKS)
Partial disposal on 22/12/2021

Jorge Lacerda – Brazil (THERMAL)
Sold since 18/10/2021

PT SUPREME ENERGY MUARA LABOH – Indonesia - (RENEWABLES)
Sold since 16/09/2022

PT SUPREME ENERGY RANTAU DEDAP – Indonesia - (RENEWABLES)
Sold since 24/10/2022

ENGIE EPS – France/Italy (OTHERS)
Full consolidation until 30/06/21
Held for sale since 30/06/21
Sold since 20/07/2021

GTT – France (OTHERS)
Full consolidation until 26/05/2021
Partial disposal and equity consolidated since 26/05/2021

SUEZ – France (OTHERS)
Success of OPA 07/01/2022 and recognition of the earn-out FY 2021

EQUANS (ENERGY SOLUTIONS)
Discontinued operations since 05/11/2021
Sold since 04/10/2022

Georgetown Energy Partners Holding, LLC - US (ENERGY SOLUTIONS)
Acquisition on 07/01/2021
Partial disposal and equity consolidated since 07/01/2021

Acquisitions

Eolia Renovables – Espagne (RENEWABLES)
Equity method since 29/04/2022

Pawan BV – India (RENEWABLES)
Equity method until 31/12/2022
Full consolidation at 31/12/2022

CBMON – France (NETWORKS)
Equity method until 15/12/2022
Full consolidation at 15/12/2022

Le Mouruen , Pioneer 1 et 2 (RENEWABLES)
Equity method until 20/12/2022
Full consolidation at 20/12/2022

Chiloté – Chili (RENEWABLES)
Full consolidation at 15/12/2022

Discontinued operations

Pampa Sul - Brazilian thermal asset (THERMAL)
Discontinued operations since 05/11/2022

PUBLIC

FOREIGN EXCHANGE

Impact of foreign exchange evolution

(€m), Δ 22/21	USD	BRL	GBP	AUD	Other[1]	TOTAL
Revenue	+984	+368	+18	+36	+56	**+1,462**
EBITDA	+181	+205	+3	+4	+27	**+418**
EBIT	+120	+178	+2	+2	+23	**+325**
NRIgs	+71	+56	+0	-3	+19	**+142**
Total net debt	+275	+307	-18	+8	-1	**+570**
Total equity	+517	+323	-162	+8	+42	**+728**

	USD	BRL	GBP	AUD
FY 2022 average rate	**1.05**	**5.44**	**0.85**	**1.52**
FY 2021 average rate	1.18	6.38	0.86	1.57
Δ Average rate	-11.0%	-14.7%	-0.8%	-3.7%

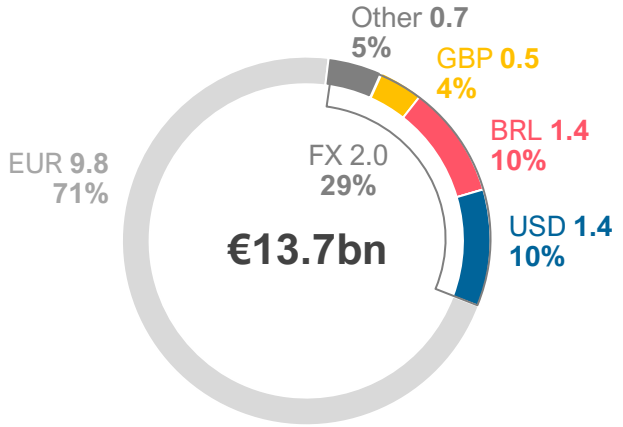
The average rate applies to the **income statement** and to the **cash flow statement**

	USD	BRL	GBP	AUD
Closing rate as at 31 December 2022	**1.07**	**5.56**	**0.89**	**1.57**
Closing rate as at 31 December 2021	1.13	6.32	0.84	1.56
Δ Closing rate	-5.8%	-12.0%	5.6%	0.5%

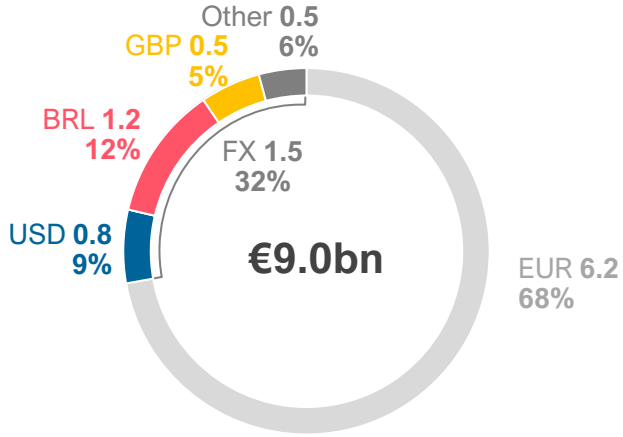
The closing rate applies to the **balance sheet**

1 Mainly MXN, ARS, INR, RON, UAED, PLN, TRY, CLP

FY 2022 EBITDA breakdown by currency



FY 2022 EBIT breakdown by currency



PUBLIC

SUMMARY BALANCE SHEET

Assets (€bn)	31 Dec 2021	**31 Dec 2022**
NON-CURRENT ASSETS	**117.4**	**131.5**
CURRENT ASSETS	**107.9**	**104.0**
o/w cah and equivalents	*13.9*	*15.6*
TOTAL	**225.3**	**235.5**

Liabilities & Equity (€bn)	31 Dec 2021	**31 Dec 2022**
Equity, Group share	37.0	34.3
Non-controlling interests	5.0	5.0
TOTAL EQUITY	**42.0**	**39.3**
Provisions	25.5	27.0
Financial debt	41.0	40.6
Other liabilities	116.8	128.6
TOTAL	**225.3**	**235.5**

PUBLIC

DETAILS OF SOME FINANCIAL ASSETS AND PROVISIONS

Details of some financial assets

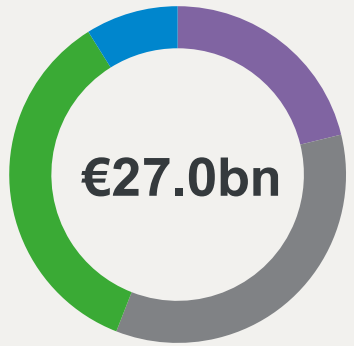
As at 31 December 2022

- **€1.2bn** Equity instruments at fair value through equity
- **€0.3bn** Equity instruments at fair value through income
- **€2.4bn** Debt instruments at fair value through equity
- **€1.7bn** Debt instruments at fair value through income
- **€7.3bn** Loans & receivables at amortized cost

- **€9.3bn** Investments in associates and joint ventures
- **€12.6bn** Assets from contracts with customers
- **€13.3bn** Other financial assets

Provisions

As at 31 December 2022



- **€4.5bn** Post-employment and other long-term benefits
- **€19.0bn** Back-end and dismantling of nuclear facilities
- **€1.3bn** Dismantling of non-nuclear facilities
- **€2.2bn** Other contingencies

PUBLIC

SUMMARY INCOME STATEMENT

(€m)	FY 2021	**FY 2022**
REVENUE	**57,866**	**93,865**
Purchases & operating derivatives	(38,861)	(74,535)
Personnel costs	(7,692)	(8,078)
Amortization depreciation and provisions	(4,840)	(5,187)
Taxes	(1,479)	(3,380)
Other operating incomes and expenses	1,122	1,624
Share in net income of entities accounted for using the equity method	800	1,059
CURRENT OPERATING INCOME INCLUDING OPERATING MTM & SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**6,916**	**5,367**
Impairment, restructuring, disposals and others	(194)	(4,241)
INCOME FROM OPERATING ACTIVITIES	**6,722**	**1,127**
Financial result	(1,350)	(3,003)
o/w recurring cost of net debt	*(851)*	*(900)*
o/w cost of lease liabilities	*(35)*	*(73)*
o/w non-recurring items included in financial income/(loss)	*144*	*(1,184)*
o/w others	*(608)*	*(845)*
Income tax	(1,695)	83
Non-controlling interests (continuing operations)	(96)	(172)
Net income / (loss) relating to discontinued operations, Group share	79	2,182
NET INCOME / (LOSS) GROUP SHARE	**3,661**	**216**
EBITDA	**10,563**	**13,713**
EBIT	**6,145**	**9,045**

PUBLIC

SUMMARY RECURRING INCOME STATEMENT

(€m)	FY 2021	**FY 2022**
EBITDA	**10,563**	**13,713**
o/w recurring share in net income of equity method entities	*751*	*1,076*
Depreciation, amortization and others	(4,418)	(4,668)
EBIT	**6,145**	**9,045**
Recurring financial result	(1,494)	(1,819)
o/w recurring cost of net debt	*(851)*	*(900)*
o/w cost of lease liabilities	*(35)*	*(73)*
o/w others	*(608)*	*(845)*
Income tax	(1,142)	(1,390)
Net recurring income from non-controlling interests relating to continuing operations	(581)	(614)
Net recurring income relating to continuing operations, Group share	**2,927**	**5,223**
Net recurring income relating to discontinued operations, Group share	231	287
NET RECURRING INCOME GROUP SHARE	**3,158**	**5,510**

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FROM EBIT TO NET INCOME GROUP SHARE

(€m)	FY 2021	**FY 2022**
EBIT	**6,145**	**9,045**
MtM	721	(3,661)
Non-recurring share in net income of equity method entities	50	(17)
CURRENT OPERATING INCOME INCLUDING OPERATING MtM AND SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**6,916**	**5,367**
Impairment	(1,028)	(2,774)
Restructuring costs	(204)	(230)
Asset disposals & others	1,039	(1,237)
INCOME FROM OPERATING ACTIVITIES	**6,722**	**1,127**
Financial result	(1,350)	(3,003)
Income tax	(1,695)	83
Non-controlling interests relating to continuing operations	(96)	(172)
NET INCOME / (LOSS) RELATING TO CONTINUING OPERATIONS, GROUP SHARE	**3,582**	**(1,965)**
Net income / (loss) relating to discontinued operations, Group share	79	2,182
NET INCOME / (LOSS) GROUP SHARE	**3,661**	**216**

PUBLIC

FROM NET INCOME GROUP SHARE TO NET RECURRING INCOME GROUP SHARE

(€m)	FY 2021	**FY 2022**
NET INCOME / (LOSS) GROUP SHARE	**3,661**	**216**
Net income Group share relating to discontinued operations, Group share	(79)	(2,182)
MtM commodities	(721)	3,661
Impairment	1,028	2,774
Restructuring costs	204	230
Asset disposals & others	(1,039)	1,237
Financial result (non-recurring items)	(144)	1,184
Non-recurring share in net income of equity method entities	(50)	17
Income tax on non-recurring items	552	(1,474)
Non-controlling interests on above items	(486)	(442)
Net recurring income relating to continuing operations, Group share	**2,927**	**5,222**
Net recurring income relating to discontinued operations, Group share	231	287
NET RECURRING INCOME GROUP SHARE	**3,158**	**5,510**

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ROACE

(€m)	FY 2022
AVERAGE CAPITAL EMPLOYED	**48,900**
Scope effects	73
AVERAGE CAPITAL EMPLOYED - adjusted[1]	**48,973**
EBIT EXCLUDING SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**7,970**
Other income and financial expenses[2]	(962)
Normative income tax[3]	(1,889)
Share in net recurring income of entities accounted for using the equity method	1,076
NOPAT	**6,194**
ROCE= NOPAT / CE (average)	**12.6%**

1 Adjusted to make the composition of capital employed consistent with that of NOPAT for main scope changes
2 Mainly unwinding effect of long-term provisions and interest cost of employee benefits
3 EBIT excluding share in net income of entities accounted for using the equity method plus other income and financial expenses, multiplied by the statutory tax rates in force in the underlying jurisdictions

PUBLIC

CASH FLOW STATEMENT

(€m)	FY 2021	FY 2022
Gross cash flow before financial loss and income tax	9,806	12,415
Income tax paid (excl. income tax paid on disposals)	(603)	(1,504)
Change in operating working capital	(2,377)	(2,424)
Cash flow from (used in) operating activities relating to continuing operations	**6,826**	**8,488**
Cash flow from (used in) operating activities relating to discontinued operations	**486**	**98**
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**7,312**	**8,586**
Net tangible and intangible investments	(5,902)	(6,207)
Financial investments	(2,310)	(521)
Disposals and other investment flows	173	5,560
Cash flow from (used in) investing activities relating to continuing operations	**(8,039)**	**(1,167)**
Cash flow from (used in) investing activities relating to discontinued operations	**(3,003)**	**(3,123)**
CASH FLOW FROM (USED IN) INVESTMENT ACTIVITIES	**(11,042)**	**(4,290)**
Dividends paid	(1,859)	(2,665)
Balance of reimbursement of debt/new debt	3,299	(2,303)
Net interests paid on financial activities	(667)	(628)
Capital increase/hybrid issues	226	(259)
Other cash flows	1,330	(143)
Cash flow from (used in) financial activities relating to continuing operations	**2,329**	**(5,997)**
Cash flow from (used in) financial activities relating to discontinued operations	**2,519**	**3,019**
CASH FLOW FROM (USED IN) FINANCIAL ACTIVITIES	**4,848**	**(2,979)**
Impact of currency and other relating to continuing operations	223	356
Impact of currency and other relating to discontinued operations	10	7
Impact of currency and other	233	363
TOTAL CASH FLOWS FOR THE PERIOD	**1,350**	**1,680**
Reclassification of cash and cash equivalents relating to discontinued activities	(440)	0
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**12,980**	**13,890**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**13,890**	**15,570**

PUBLIC

RECONCILIATION BETWEEN EBITDA AND OPERATING CASH FLOW

(€m)	FY 2021	**FY 2022**
EBITDA	**10,563**	**13,713**
Restructuring costs cashed out	(243)	(203)
Provisions	160	(265)
Share in net income of entities accounted for using the equity method	(751)	(1,076)
Dividends and others	77	246
CASH GENERATED FROM OPERATIONS BEFORE INCOME TAX AND WORKING CAPITAL REQUIREMENTS	**9,806**	**12,415**

PUBLIC

TAX POSITION

(€m)	FY 2021	**FY 2022**
Consolidated income before tax, share in entities accounted for using the equity method and discontinued operations	4,588	**(2,400)**
Consolidated income tax	(1,695)	**83**
Effective tax rate	36.9%	**3.5%**
Recurring effective tax rate	29.3%	**22.6%**

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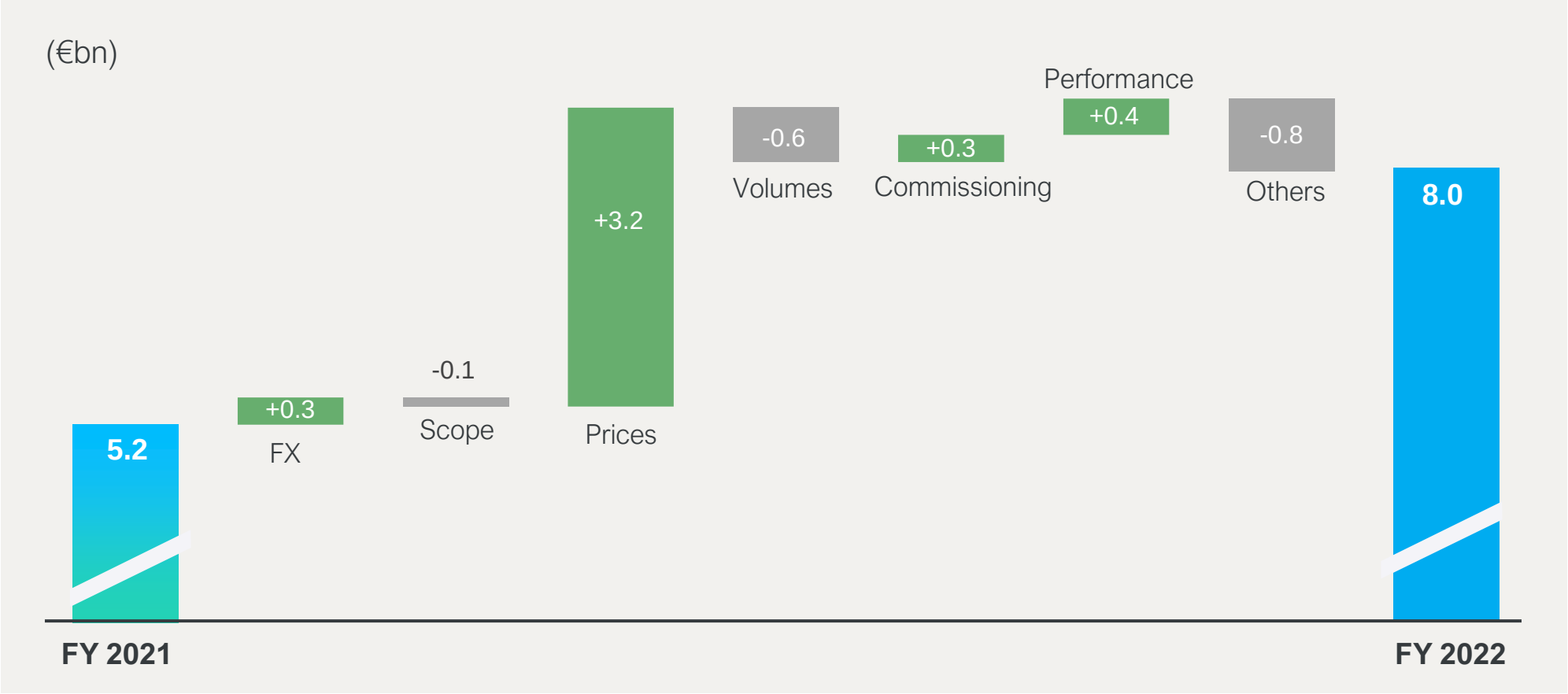
2021-22 EBIT BRIDGE BY EFFECT, EXCLUDING NUCLEAR



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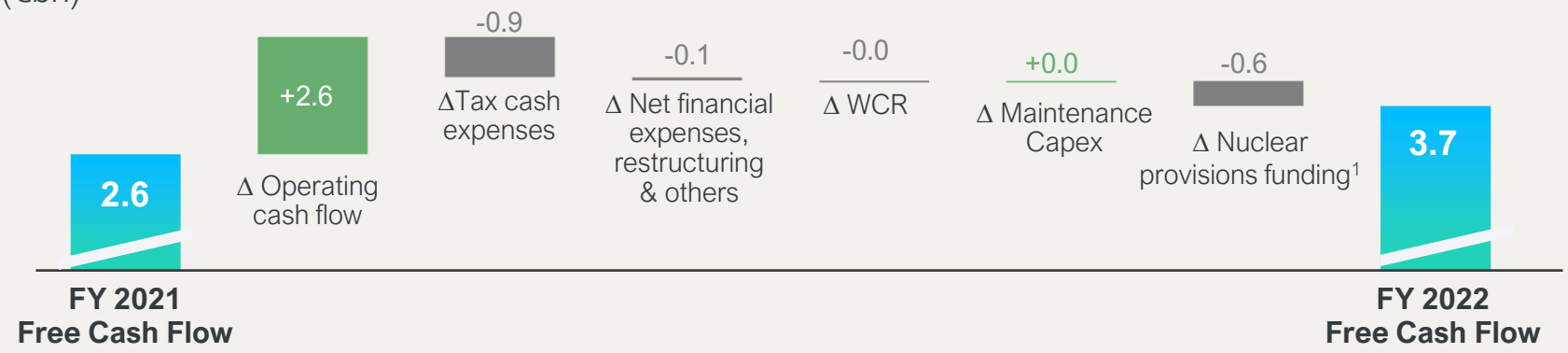
CASH FLOW

From EBITDA to Free Cash Flow

(€bn)

Free Cash Flow generation from FY 2021 to FY 2022

(€bn)



1 From 1 January 2021 nuclear provisions funding are included in the FCF

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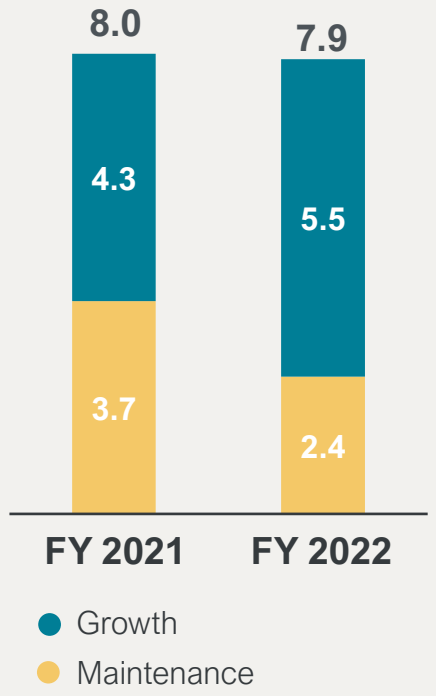
BREAKDOWN OF TOTAL CAPEX BY ACTIVITY

FY 2022

(€m)	Growth	Maintenance	TOTAL
RENEWABLES	3,202	131	**3,333**
NETWORKS	1,087	1,234	**2,321**
ENERGY SOLUTIONS	716	170	**886**
THERMAL	220	261	**481**
SUPPLY	174	96	**270**
NUCLEAR	1	228	**229**
OTHERS	85	253	**338**
o/w GEMS	*63*	*86*	**149**
TOTAL	**5,485**	**2,373**	**7,858**

Breakdown by nature

(€bn)



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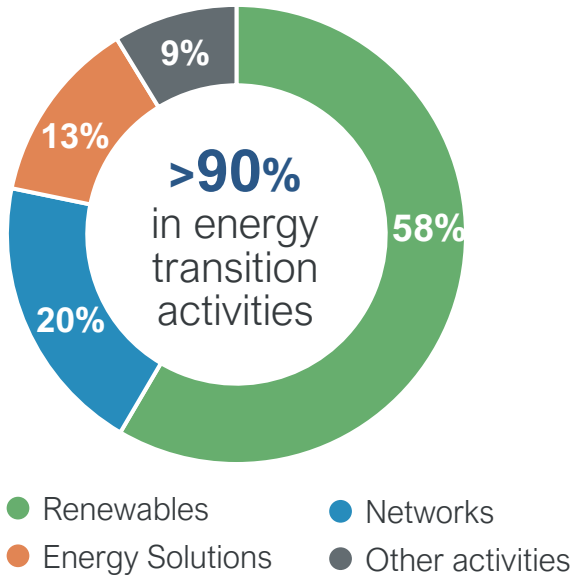
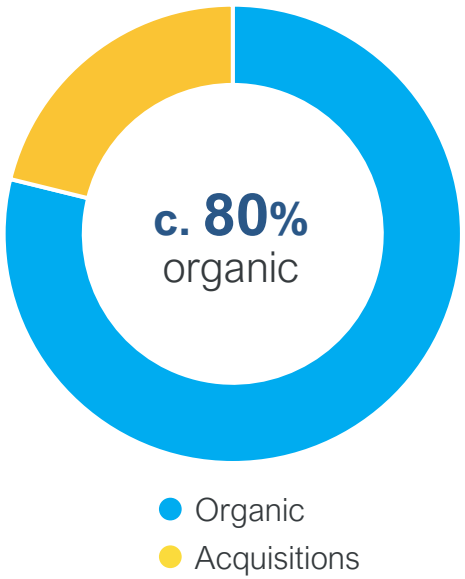
DETAIL OF FY 2022 GROWTH CAPEX

On track

€5.5bn growth Capex
invested in FY 2022





Main growth projects (€bn)

RENEWABLES	**3.2**
o/w Spain EOLIA acquisition Wind & Solar	**0.5**
o/w Ocean Winds	**0.5**
o/w US projects	**0.3**
o/w Latin America Wind & Solar	**0.3**
NETWORKS	**1.1**
o/w GRDF (mainly smart meters + networks dev.)	**0.5**
o/w Brazil power lines Netuno / Gralha Azul	**0.5**
o/w GRTgaz	**0.1**
Biomethane (incl. CBMON partner shares acquis.)	**0.1**
ENERGY SOLUTIONS	**0.7**
o/w various projects in France	**0.3**
o/w various projects in US & AMEA	**0.3**

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05

CREDIT

PUBLIC

STRONG 'INVESTMENT GRADE' CATEGORY RATING

As at 21 February 2023

S&P			Moody's			Fitch		
Long-term issuer rating			**Senior long-term unsecured rating**			**Issuer default rating**		
A+			**A1**			**A+**		
A	Verbund (positive)	14/07/2022	**A2**			**A**		
A-	EnBW (negative)	15/09/2022	**A3**	Vattenfall (stable)	06/07/2021	**A-**	**ENGIE (stable)**	**24/03/2021**
				Verbund (stable)	13/01/2020			
BBB+	ENEL (negative)	07/12/2022	**Baa1**	EDF (negative)	21/02/2022	**BBB+**	EDF (stable)	06/09/2022
	ENGIE (stable)	**24/04/2020**		EnBW (stable)	18/05/2021		ENEL (stable)	04/02/2022
	Iberdrola (stable)	22/04/2016		ENEL (negative)	09/08/2022		E.ON (stable)	24/08/2018
	Orsted (stable)	15/05/2014		**ENGIE (stable)**	**09/11/2020**		Iberdrola (stable)	25/03/2014
	SSE (positive)	09/12/2022		Iberdrola (stable)	14/03/2018		Orsted (stable)	21/02/2014
	Vattenfall (positive)	26/11/2021		Orsted (stable)	13/06/2017		RWE (stable)	25/03/2021
				SSE (stable)	17/11/2021			
BBB	EDF (stable)	14/12/2022	**Baa2**	E.ON (stable)	17/05/2018	**BBB**	EDP (stable)	12/05/2021
	EDP (stable)	16/03/2021		Fortum (negative)	27/09/2022		Fortum (negative)	23/06/2022
	E.ON (stable)	15/03/2017		Naturgy (stable)	08/08/2017		Naturgy (stable)	28/01/2020
	Fortum (negative)	03/08/2022		RWE (stable)	15/04/2021		SSE (stable)	24/02/2020
	Naturgy (negative)	13/02/2022						
BBB-			**Baa3**	EDP (positive)	11/05/2021	**BBB-**		

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ECONOMIC NET DEBT / EBITDA

Bridge financial to Economic Net Debt

(€bn)	FY 2021	**FY 2022**
EBITDA LTM	**10,563**	**13,713**
IFRS NET FINANCIAL DEBT	**25,350**	**24,054**
IFRS FND / EBITDA	**2.40**	**1.75**
ARO provisions	16,291	20,347
Post-employment provisions (minus deferred tax assets) w/o regulated subsidiaries	2,674	1,505
(-) Nuke dedicated assets	(6,014)	(7,098)
ECONOMIC NET DEBT	**38,300**	**38,808**
ECONOMIC NET DEBT / EBITDA	**3.63**	**2.83**

Net Financial Debt of €24.1bn is calculated as financial debt of €40.6bn - cash & equivalents of €15.7bn - other financial assets of €1.4bn (incl. in non-current assets) - derivative instruments hedging items included in the debt of €0.4bn

Economic Net Debt incorporates additional commitments monitored by the Group, in line with rating agencies adjustments – although differences in definitions exist

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SPLIT OF GROSS DEBT[1] & DEBT MATURITY PROFILE[2]

Split of gross debt[1]
(€bn, excluding leases[5])

Average cost of gross debt

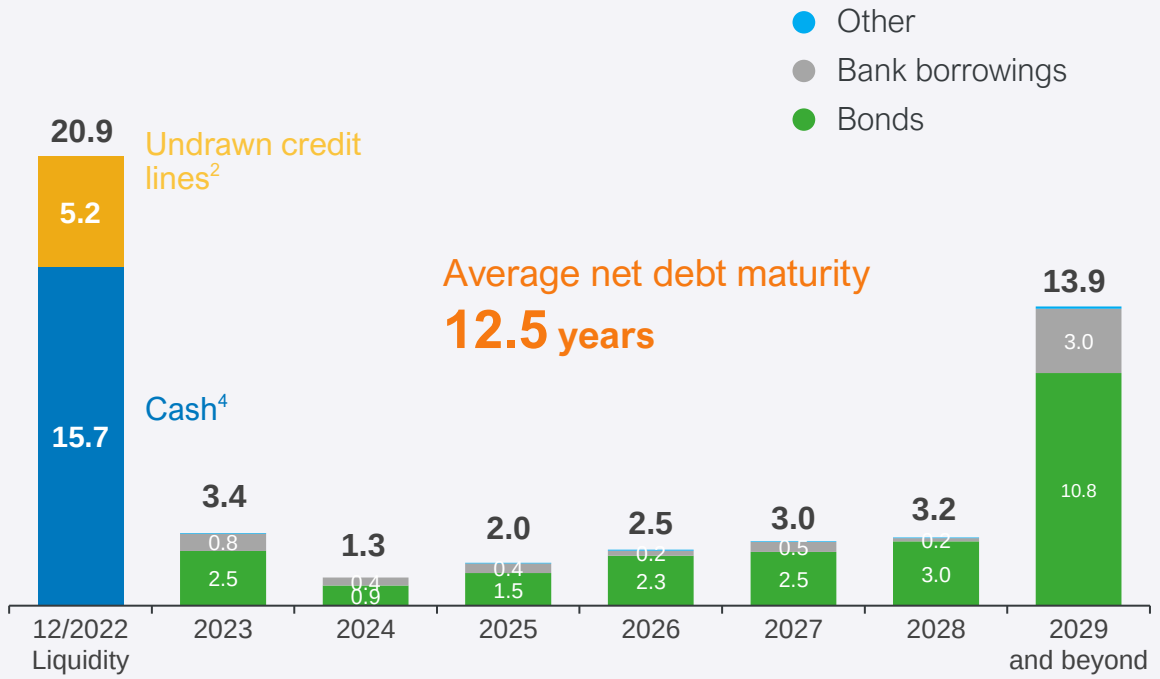
2.65%
FY 2021

vs

2.73%
FY 2022

- **€26.3bn** Bonds
- **€5.5bn** Bank borrowings
- **€7.4bn** NEU CP[3] / US CP
- **€0.2bn** Drawn credit lines
- **€0.1bn** Other borrowings

Debt maturity profile[2]
(€bn)



1 Without IFRS 9 (+€1.1bn) without bank overdraft (+€0.8bn)
2 Excluding/net of €5.5bn of NEU CP/US CP
3 Negotiable European Commercial Paper
4 Cash & cash equivalents (€14.7bn), plus financial assets qualifying or designated at faire value through income (€0.6bn), net of bank overdraft (€0.8bn)
5 Financial and operational leases (+2.9bn€)

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NET DEBT[1] BREAKDOWN BY RATE AND CURRENCY

31 December 2022 by rate

- **90%** Fixed rate
- **10%** Floating rate

31 December 2022 by currency

- **66%** EUR
- **16%** USD
- **13%** BRL
- **4%** GBP
- **1%** Others

1 After hedging and without leases
2 Cash positive position for other currencies

PUBLIC

HYBRIDS

Issuer	Currency	Coupon	Issue date	First Reset date / First Call date	Non-Call period (years)	Outstanding amount (€m)[2]	Annual coupon payment (€m)
GDF SUEZ	EUR	3.875%	02/06/2014	02/06/2024	10	338	13
ENGIE[1]	EUR	3.250%	28/01/2019	28/02/2025	6.1	1,000	33
ENGIE	EUR	1.625%	08/07/2019	08/07/2025	6	500	8
ENGIE[1]	EUR	1.500%	30/11/2020	30/11/2028	8	850	13
ENGIE[1]	EUR	1.875%	02/07/2021	02/07/2031	10	705	13
TOTAL						**3,393**	**80**

Highlights:

- Most of ENGIE's outstanding hybrids are green bonds
- Lower cost of funding of ENGIE in the debt capital market in recent years has resulted in significantly lower coupons
- Hybrids are accounted as equity under IFRS 9, explaining why the costs of the hybrids are not included in ENGIE's NRIgs, hence not impacting ENGIE's dividend policy

1 Green bonds
2 Outstanding hybrids as at 31 December 2022

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DISCLAIMER, ADR & CONTACTS

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DISCLAIMER

Important notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although ENGIE management believes that these forward-looking statements are reasonable, investors and ENGIE shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of ENGIE, and may cause results and developments to differ significantly from those expressed, implied, or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by ENGIE with the French Financial Markets Authority (AMF), including those listed in the “Risk Factors” section of the ENGIE (ex GDF SUEZ) Universal Registration Document filed with the AMF on March 9, 2022 (under number D.22-079). Investors and ENGIE shareholders should note that if some or all of these risks are realized they may have a significant unfavourable impact on ENGIE.

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ADR PROGRAM

American Depositary Receipt

Symbol	ENGIY
CUSIP	29286D105
Platform	OTC
Type of programme	Level 1 sponsored
ADR ratio	1:1
Depositary bank	Citibank, NA

FOR MORE INFORMATION, GO TO

http://www.citi.com/dr

FOR MORE INFORMATION ABOUT ENGIE

Ticker: ENGI

+33 1 44 22 66 29

ir@engie.com

Finance | ENGIE

FOR MORE INFORMATION ABOUT FY 2022 RESULTS:

https://www.engie.com/en/finance/results/2022

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DATABOOK

FY 2021 RESULTS

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01

ANALYSIS BY ACTIVITY

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Revenue breakdown

FY 2021[1] (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	1,614	111	1,694	189	48	5	**3,661**
Networks	5,633	98	941		28		**6,700**
Energy Solutions	5,649	2,587	38	459	380	827	**9,940**
Thermal		1,551	1,621	12	905		**4,089**
Supply	5,771	6,686	12		677	92	**13,237**
Nuclear		56					**56**
Others[2]			0			20,183	**20,183**
TOTAL	**18,667**	**11,088**	**4,306**	**661**	**2,038**	**21,107**	**57,866**

FY 2020 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	987	125	1,656	58	102	44	**2,971**
Networks	5,442	250	917		108		**6,718**
Energy Solutions	4,816	2,353	50	427	376	817	**8,840**
Thermal		808	1,650	16	807		**3,281**
Supply	4,580	5,472	14		651	75	**10,792**
Nuclear		39					**39**
Others[2]			0	(26)		11,690	**11,664**
TOTAL	**15,825**	**9,047**	**4,287**	**476**	**2,045**	**12,626**	**44,306**

1. Unaudited figures throughout Databook
2. Including mainly Corporate, GEMS (GEM + main Supply B2B activities) and GTT

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EBITDA breakdown

FY 2021 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	462	176	1,035	83	11	(67)	**1,700**
Networks	3,520	119	470		18	(7)	**4,121**
Energy Solutions	593	207	(3)	71	41	(109)	**799**
Thermal		743	424	43	448	(30)	**1,628**
Supply	356	60			48	(20)	**445**
Nuclear		1,413					**1,413**
Others[1]		(0)	1	10	(2)	449	**457**
TOTAL	**4,931**	**2,717**	**1,928**	**208**	**565**	**215**	**10,563**

FY 2020 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	391	142	924	85	74	(40)	**1,576**
Networks	3,289	108	449	2	6	(6)	**3,848**
Energy Solutions	534	186	4	27	48	(62)	**738**
Thermal		607	614	40	472	(25)	**1,708**
Supply	256	200	2		25	(48)	**433**
Nuclear		415					**415**
Others[1]		21	(1)	15	(8)	162	**189**
TOTAL	**4,470**	**1,680**	**1,992**	**168**	**617**	**(19)**	**8,908**

1. Including mainly Corporate, GEMS (GEM + main Supply B2B activities) and GTT

PUBLIC

EBIT breakdown

FY 2021 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	273	120	866	(13)	7	(68)	**1,185**
Networks	1,825	74	403		18	(7)	**2,314**
Energy Solutions	309	124	(5)	63	27	(152)	**366**
Thermal		564	189	41	421	(33)	**1,183**
Supply	202	(29)	(0)		25	(23)	**174**
Nuclear		970					**970**
Others[1]		(0)	0	(1)	(2)	(43)	**(46)**
TOTAL	**2,609**	**1,823**	**1,453**	**91**	**495**	**(325)**	**6,145**

FY 2020 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	152	89	775	54	62	(40)	**1,093**
Networks	1,608	66	386	2	4	(6)	**2,060**
Energy Solutions	256	106	1	17	35	(109)	**305**
Thermal		437	367	37	443	(25)	**1,259**
Supply	111	118	2		6	(52)	**184**
Nuclear		(111)					**(111)**
Others[1]		20	(1)	0	(8)	(308)	**(297)**
TOTAL	**2,127**	**724**	**1,530**	**110**	**542**	**(540)**	**4,493**

1. Including mainly Corporate, GEMS (GEM + main Supply B2B activities) and GTT

PUBLIC

Breakdown of growth Capex net of DBSO[1] and tax equity proceeds

FY 2021 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	244	122	462	773	183	104	**1,887**
Networks	812	68	440				**1,320**
Energy Solutions	209	122	15	298	24	45	**712**
Thermal		8	26		(57)	7	**(17)**
Supply	74	46			11	24	**155**
Nuclear							
Others[2]		0	1	(0)	1	217	**218**
TOTAL	**1,338**	**366**	**943**	**1,071**	**161**	**396**	**4,274**

FY 2020 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	152	63	635	122	(453)	1,010	**1,529**
Networks	822	40	659	(0)	1	57	**1,579**
Energy Solutions	208	38	4	247	22	72	**591**
Thermal		13	122	(0)	(111)	3	**28**
Supply	60	49			8	27	**144**
Nuclear							
Others[2]			3	9	1	(10)	**2**
TOTAL	**1,241**	**204**	**1,423**	**378**	**(532)**	**1,159**	**3,873**

1. DBSO: Develop, Build, Share and Operate
2. Including mainly Corporate, GEMS (GEM + main Supply B2B activities) and GTT

PUBLIC

Breakdown of maintenance Capex

FY 2021 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	80	12	23	2	2	0	**120**
Networks	1,130	54	21		1		**1,205**
Energy Solutions	129	35		(0)	3	22	**189**
Thermal		191	88		6		**284**
Supply	74	51	1		16	3	**145**
Nuclear		201					**201**
Others[1]		0		8	0	267	**274**
TOTAL	**1,413**	**544**	**133**	**10**	**27**	**291**	**2,418**

FY 2020 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	70	11	19	(0)	3	0	**102**
Networks	951	43	14		3		**1,012**
Energy Solutions	101	43	5	3	2	20	**175**
Thermal		105	46		10		**161**
Supply	65	53	1		15	0	**134**
Nuclear		401					**401**
Others[1]			(0)	13		287	**299**
TOTAL	**1,188**	**657**	**83**	**16**	**33**	**307**	**2,285**

1. Including mainly Corporate, GEMS (GEM + main Supply B2B activities) and GTT

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Breakdown of associates[1]

FY 2021 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	6	45	(10)	18	21	13	**93**
Networks	4	31	199	2			**236**
Energy Solutions	4	2		64	28		**98**
Thermal		33		46	222		**301**
Supply							
Nuclear							
Others[2]						22	**22**
TOTAL	**14**	**111**	**189**	**130**	**272**	**35**	**751**

FY 2020 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	24	18	(21)	26	17	(6)	**58**
Networks	3	16	184	2	(1)		**204**
Energy Solutions	3	10		24	50	(55)	**32**
Thermal		99		40	268		**406**
Supply	(1)		1				**(0)**
Nuclear							
Others[2]			(0)			(10)	**(10)**
TOTAL	**29**	**143**	**164**	**91**	**335**	**(72)**	**690**

1. Associates = share in net recurring income of entities consolidated under equity method
2. Including mainly Corporate, GEMS (GEM + main Supply B2B activities) and GTT

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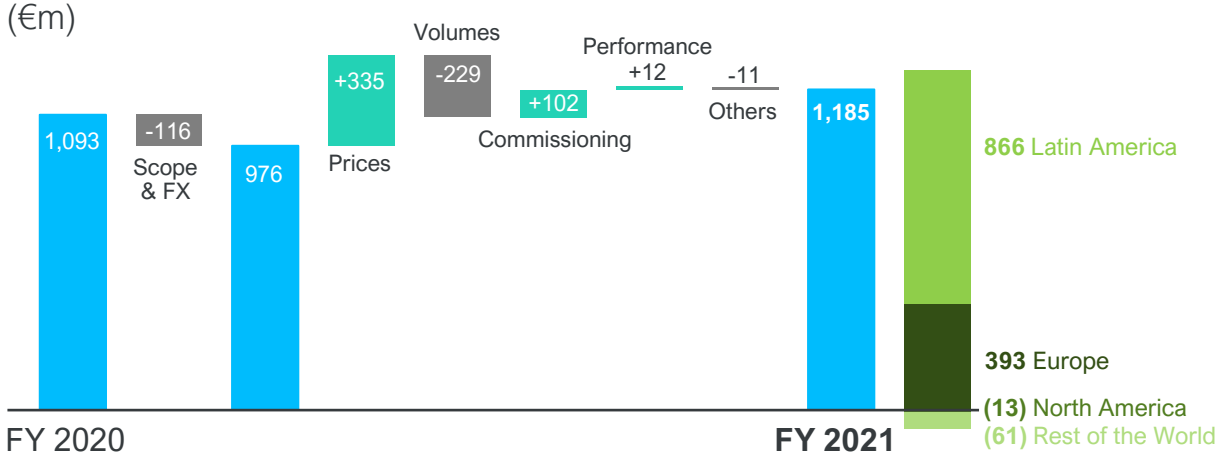
Renewables

EBIT FY 2020 vs FY 2021

(€m)



- **Scope & FX**: Negative scope (mainly partial sell-downs) and FX (mainly BRL) effects
- **EBIT organic drivers**:
  - **Prices:** mainly hydro in France and Brazil
  - **Volumes:** mainly ~€-90m impact of Texas extreme weather event in Q1 2021, hydro in Brazil (drought) and France
  - **Commissioning:** mainly USA and Brazil
  - **Others:** mainly €+87m 2020-21 GFOM vs. €-67m DBSO margins

KFIs (€m)	FY 2020	**FY 2021**	Δ 21/20	Δ org
Revenue	2,971	**3,661**	+23.2%	+32.9%
EBITDA	1,576	**1,700**	+7.8%	+18.6%
EBIT	1,093	**1,185**	+8.4%	+21.7%
Growth Capex[1]	1,529	**1,887**	+23.4%	-
Maintenance Capex	102	**120**	+17.6%	-

1. Net of DBSO and US tax equity proceeds

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KPIs

Renewables[1]	FY 2020	FY 2021
Total installed capacity @100% (GW) o/w	**31.1**	**34.2**
Hydro	17.8	**17.9**
Onshore wind	9.8	**11.3**
Offshore wind	0.3	**0.5**
Solar	3.1	**4.2**
Other RES	0.2	**0.3**
Total installed capacity net ownership (GW)	16.2	**18.0**
Capacity under construction @100%	4.2	**3.6**
Capacity commissioned @100%	3.0	**3.0**
Availability hydro (%) excl. CNR[2]	84.3%	**84.5%**
Load factor onshore wind (%)	31.7%	**30.2%**
Load factor solar (%)	20.0%	**20.4%**

Renewables[1]	FY 2020	FY 2021
Total output @100% (TWh) o/w	86.5	**101.4**
Hydro	56.5	**63.6**
Onshore wind	23.8	**28.8**
Offshore wind	-	**1.6**
Solar	4.7	**6.3**
Other RES	1.5	**1.2**
	FY 2020	FY 2021
DBSO margins (€m)	98	**31**
Hydro volumes France[3] (TWh @100%)	15.3	**15.2**
CNR – Achieved prices (€/MWh)	43.9	**56.4**
Brazil – GSF (%)	80%	**73%**
Brazil – PLD (BRL/MWh)	177	**281**
GFOM (€m)	163	**250**

1. Excluding renewables capacity managed by Thermal and Energy Solutions, and including 0.1 GW of pumped storage in Germany
2. Including hydro activities in Brazil, Chile, Peru, Portugal, Spain and SHEM
3. Including CNR, SHEM and CN'Air

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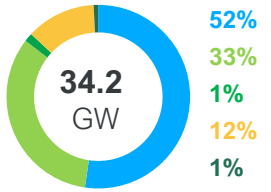
Installed capacity and electricity output FY 2021

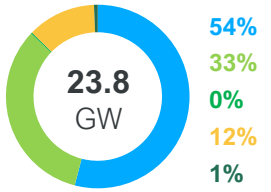
Installed capacity[1] by geography and technology
As at 31 December 2021

At 100%
GW installed



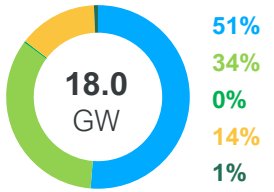
(MW)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Hydro	3,890	1,895	12,110				**17,896**
Onshore wind	2,774	2,630	1,607	3,165	1,140		**11,315**
Offshore wind						512	**512**
Solar	1,169	137	1,139	662	1,083		**4,190**
Other RES			101		177		**278**
TOTAL	**7,833**	**4,663**	**14,956**	**3,826**	**2,400**	**512**	**34,192**

In % of consolidation[2]
GW installed



(MW)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Hydro	3,831	883	8,166				**12,880**
Onshore wind	1,688	1,451	1,582	2,620	525		**7,866**
Offshore wind						53	**53**
Solar	580	99	1,076	650	473		**2,878**
Other RES			92		64		**156**
TOTAL	**6,099**	**2,433**	**10,915**	**3,270**	**1,063**	**53**	**23,833**

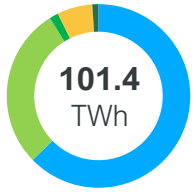
Net ownership[3]
GW installed



(MW)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Hydro	2,313	863	6,059				**9,235**
Onshore wind	1,365	1,386	1,107	1,729	504		**6,091**
Offshore wind						53	**53**
Solar	538	91	981	417	473		**2,500**
Other RES			63		64		**127**
TOTAL	**4,216**	**2,339**	**8,210**	**2,147**	**1,041**	**53**	**18,007**

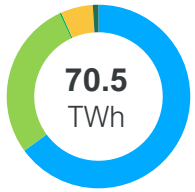
Electricity output by geography and technology
FY 2021

At 100%
TWh



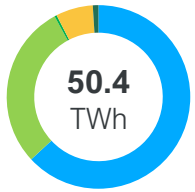
(TWh)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Hydro	15.2	3.6	44.8				**63.6**
Onshore wind	5.2	5.7	5.2	8.6	4.1		**28.8**
Offshore wind						1.6	**1.6**
Solar	1.5	0.2	1.7	1.1	1.8		**6.3**
Other RES			0.4		0.8		**1.1**
TOTAL	**21.9**	**9.5**	**52.1**	**9.8**	**6.6**	**1.6**	**101.4**

In % of consolidation[2]
TWh



(TWh)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Hydro	15.2	1.6	29.0				**45.8**
Onshore wind	3.1	2.9	5.1	6.9	1.8		**19.8**
Offshore wind						0.2	**0.2**
Solar	0.6	0.1	1.5	1.1	0.6		**4.0**
Other RES			0.4		0.3		**0.7**
TOTAL	**18.8**	**4.6**	**36.0**	**8.1**	**2.8**	**0.2**	**70.5**

Net ownership[3]
TWh



(TWh)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Hydro	8.3	1.6	21.9				**31.8**
Onshore wind	2.5	2.7	3.6	4.0	1.8		**14.6**
Offshore wind						0.2	**0.2**
Solar	0.5	0.1	1.4	0.6	0.6		**3.3**
Other RES			0.3		0.3		**0.5**
TOTAL	**11.3**	**4.4**	**27.2**	**4.7**	**2.7**	**0.2**	**50.4**

1. Excluding renewables capacity managed by Thermal and Energy Solutions, and including 0.1 GW of pumped storage in Germany
2. % of consolidation for full operations affiliates and % holding for joint operations and equity consolidated companies
3. ENGIE ownership

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Hydro · Solar · Onshore wind · Other RES · Offshore wind

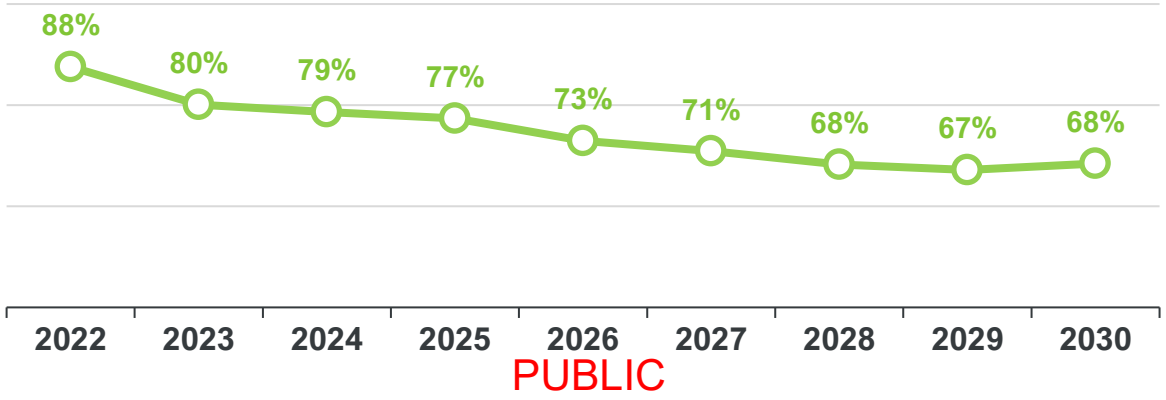
Contract duration and hedge ratio

Years and volume in % of consolidation
As at 31 December 2021

Geography	Solar: Residual contract duration (years)	Solar: 2022 (TWh)	Onshore wind: Residual contract duration (years)	Onshore wind: 2022 (TWh)	Offshore wind: Residual contract duration (years)	Offshore wind: 2022 (TWh)
France	12.8	1.1	10.7	3.6		
Rest of Europe	16.2	0.2	9.8	2.4		
Latin America	17.9	2.5	9.5	7.2		
o/w Brazil	*17*	*0.6*	*8.9*	*6.4*		
USA & Canada	15.2	1.5	12.7	8.7		
Rest of the world	22.4	1.3	17	2.1		
Others					21.1	0.3
	16.4	**6.7**	**11.5**	**24**	**21.1**	**0.3**

Wind & solar

Hedge ratio in % of consolidation, as at 31 December 2021



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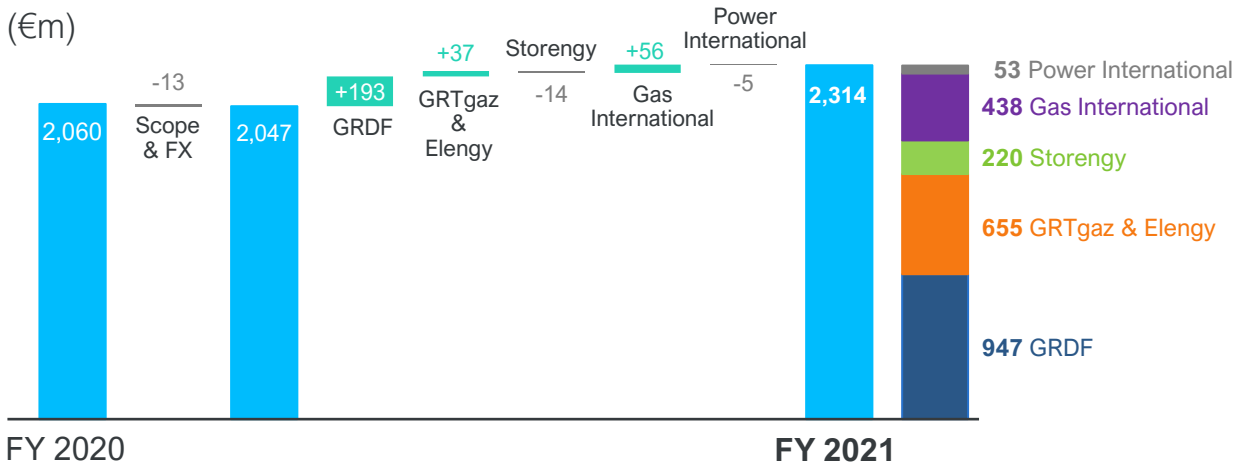
Networks

EBIT FY 2020 vs FY 2021



- **Scope & FX**: limited negative FX effect (mainly BRL) partly offset by TAG scope-in
- **EBIT organic drivers**:
  - ~€+0.25bn from colder temperature in Europe (mainly GRDF in France)
  - Lower regulated revenues in French gas networks due to RAB remuneration decrease (smoothed)
  - Reversal of 2020 Covid impacts
  - Higher contribution from Latin America, esp. gas transmission in Brazil (indexation)

KFIs (€m)	FY 2020	**FY 2021**	Δ 21/20	Δ org
Revenue	6,718	**6,700**	-0.3%	+1.8%
EBITDA	3,848	**4,121**	+7.1%	+7.6%
EBIT	2,060	**2,314**	+12.3%	+13.1%
Growth Capex	1,579	**1,320**	-16.4%	-
Maintenance Capex	1,012	**1,205**	+19.1%	-

Normative temperature effects - France

GRDF

		Q1	Q2	Q3	Q4	**FY**
Volumes (TWh)	2020	(14.8)	(4.0)	0.3	(0.8)	**(19.3)**
	2021	(3.7)	10.1	0.2	4.1	**10.7**
	Δ 21/20	+11.1	+14.1	-0.1	+4.9	**+30.1**
EBITDA / EBIT (€m)	2020	(104)	(28)	2	(6)	**(135)**
	2021	(26)	71	1	29	**75**
	Δ 21/20	+78	+99	-1	+34	**+210**

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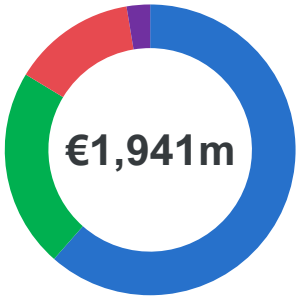
Focus on France networks

FY 2021 Total Capex



- **61%** Distribution
- **22%** Transmission
- **14%** Storage[4]
- **3%** LNG terminals

	Period of regulation *(deliberation)*	RAB[1] remuneration (real pre-tax)	Type of tariff	RAB[1] at 01/01/2021 (€bn)
Distribution	07/01/2020 - 06/30/2024 *(ATRD 6)*	4.10% + incentives of 200bps over 20 years for smart meters	Price cap yearly update	15.3
Transmission	04/01/2020 - 03/31/2024 *(ATRT 7)*	4.25% + incentives up to 300bps over 10 years for selected projects in service prior to ATRT7	Cost + yearly update	8.6
Storage	01/01/2020 - 12/31/2024 *(ATS 2)*	4.75%	Cost + yearly update	Storengy: 3.7 Géométhane[3]: 0.1
LNG terminals	04/01/2021 - 03/31/2025 *(ATTM 6)*	6.25%[2] + incentives 125bps for Capex decided between 2004-2008	Cost + update every 2 years	0.9
TOTAL				**28.6**

1. Regulated Asset Base
2. Exception: 5.75% for assets commissioned from 01/01/2021 at Montoir terminal
3. Géométhane: Economic Interest Group shared equally by Géosud and Storengy
4. Including biogas production

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International regulatory framework

	Assets	Remuneration	Average Capital Employed (€m)
Brazil	**T:** 4,462 km pipeline **P:** 2,685 km[1]	**T:** Ship or Pay contracts maturing ~ 10 years **P:** Regulated tarifs under 30 years PPA	**T:** 670 **P:** 644
Mexico	**T:** 1,305 km pipeline **D:** 0.6 M delivery points & 13,881 km grid	**T:** Take or Pay contracts maturing ~ 30 years **D:** Regulated (cost + based) adjusted by mix of inflation, FX, capex, opex and other income, reviewed every 5 years	**T:** 205 **D:** 568
Chile	**D:** 58 km grid **R:** 194 M cf/d regas terminal **P:** 2,910 km TLs	**D:** Bilateral contracts **R:** mid-term terminal use agreements maturing in 2025 **P:** regulated tariff reviewed every 4 years (national grid) + bilateral contracts	**D:** 5 **R:** 256 **P:** 348
Romania	**D:** 2.1 M delivery points & 21,774 km grid	**D:** Regulatory WACC + incentives Price cap with yearly volume correction	**D:** 696
Germany	**D:** 0.7 M delivery points & 14,298 km grid	**D:** Gasag: Gas grid concession terminating in 2024	**D:** 335
Argentina	**D:** 13,350 km grid	**D:** Regulated (cost+ based), adjusted for inflation	**D:** 29
	TOTAL		**3,756**

T: Gas transmission **D:** Gas distribution **P:** Power transmission **R:** Regasification

1. Total project: 2,800 km. 2,685km built as at 31/12/2021

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KPIs

France	FY 2020	FY 2021
Gas distribution		
RAB France 01/01 (€bn)	14.9	**15.3**
France, return on RAB (%)[1]	4.10%	**4.10%**
France, volume distributed (TWh)	275.5	**276.8**
Gas smart meters installed (m)	6.9	**9.2**
Gas transport		
RAB France 01/01 (€bn)	8.8	**8.6**
France, return on RAB (%)[2]	4.25%	**4.25%**
France, volume transported (TWh)	638.5	**629.9**
Gas storage		
RAB France 01/01 (€bn)	3.7	**3.8**
France, return on RAB (%)[3]	4.75%	**4.75%**
France, capacity sold (TWh)	97.1	**95.5**
Germany, capacity sold (TWh)[5]	18.3	**18.3**
UK, capacity sold (TWh)[5]	4.8	**4.8**
Regasification		
RAB France 01/01 (€bn)	0.9	**0.9**
France, return on RAB (%)[4]	7.25%	**6.25%**
Subscribed volume (TWh)	249.3	**230.9**

1. Return since 1 July 2020
2. Return since 1 April 2020
3. Return since 1 January 2020
4. New return of 6.25% since 1 April 2021
5. International affiliates (mainly Storengy in Germany and UK, MEGAL) of French networks companies are reported under France

International	FY 2020	FY 2021
Gas distribution		
International, volume distributed (TWh)	176.8	**181.4**
o/w Latin America	*75.6*	***82.2***
o/w Europe (excl. France)	*86.7*	***97.2***
Gas transport		
International, volume transported (TWh)	222.6	**187.0**
o/w Brazil	*161.6*	***142.1***
o/w Latin America (excl. Brazil)	*40.8*	***40.8***
Regasification		
Subscribed volume (TWh)	15.2	**14.1**
o/w Latin America	*15.2*	***14.1***
Power networks		
Power networks length built @100% (km)	4,709	**5,595**
Power networks length commissioned @100% (km)	2,910	**3,297**

Biomethane France	FY 2020	FY 2021
Biomethane own production		
Net installed capacity @100% (GWh)	275	**338**
Production capacity under construction @100% (GWh)	-	**345**
Biomethane capacity connection		
Number of site connected to GRDF/GRTgaz	204	**351**
Production capacity connected to GRDF/GRTgaz (GWh/y)	3,757	**6,052**

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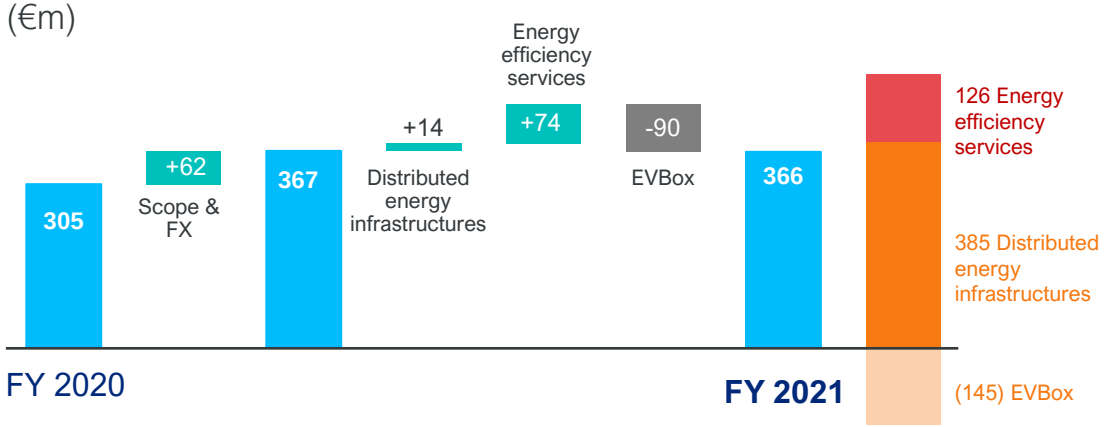
Energy Solutions

EBIT FY 2020 vs FY 2021

(€m)



- **Scope & FX:** positive scope (mainly 29.9% SUEZ disposal, loss making in 2020), broadly neutral FX
- **Distributed energy infrastructures:** good operating performance, colder temperature for District Heating in France
- **Energy efficiency services:** progressive recovery from the significant Covid impact in 2020 allowing to deliver improved operating performance
- **EVBox**: higher development costs and impact of electronic component shortage

KFIs (€m)	FY 2020	**FY 2021**	Δ 21/20	Δ org
Revenue	8,840	**9,940**	+12.4%	+13.0%
EBITDA	738	**799**	+8.3%	+0.0%
EBIT	305	**366**	+19.8%	-0.4%
Growth Capex	591	**712**	+20.3%	-
Maintenance Capex	175	**189**	+8.0%	-

KPI	FY 2020	**FY 2021**
Commercial Backlog - French concessions - TO (€bn)	13.3	**16.8**
EBIT margin	3.5%	**3.7%**
EBIT margin (excluding EVBox)	4.1%	**5.2%**
Installed capacity @100% (GW)		
Distributed energy infrastructures[1]	22.6	**23.0**

1. Restated data to exclude countries ENGIE exited or stopped developments following geographical rationalization presented in May 2021

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Energy Solutions

Selection of key assets / contracts

		Type	Description	Contract type
District Heating & Cooling				
Climespace	France - Paris	Cooling	The largest District Cooling in Europe	20-years concession
CPCU	France - Paris	Heating	4,000 MW / 4.5 TWh /450 km of networks	95-year concession started in 1927
Tabreed	UAE	Cooling	86 plants in 5 countries 1,400 M Refrigeration Tons	40% ENGIE participation
+ Emaar	UAE	Cooling	World's largest cooling system / 200 GWh 29 km of networks	80% acquired by Tabreed in Apr. 2020
Longwood	USA - Boston	Heating / Cooling Trigeneration / Microgrid	370 MW heating / 148 MW Cooling / 60 MW Power gen. / 4 km of networks	35-year concession started in 2016
Megajana	Malaysia	Cooling	74 MW Cooling / 2 district plants 97,500 RTh Thermal storage / 12 km of networks	49% ENGIE participation in J.V. with Cyberview Sdn Bhd
Energy performance				
Ohio State University	USA	Heating / Cooling / Geothermal Electrical & gas networks / Buildings	Power 676 GWh / Gas 3,172,036 MMBTU 485 buildings	50-year PPP, 50/50 ENGIE Axium started in 2017
Sassari City	Italy	Public lighting / Public buildings	12,000 lighting points / 114 public buildings	15-year EP Contract started in 2021
Uberlandia City	Brazil	Public lighting	87,000 lighting points of which 20% Smart Lighting	20-year PPP started in 2020
On-site generation: CHP - Solar PV				
DRT (Firmenich)	France	CHP Biomass	50 MW	51% ENGIE participation 20 years since 2015
ITT	Italy - Barge	Trigeneration	Engine 7 MW 45 GWh /year	10-year decentralized infra contract started in 2021
PSA	France - Sochaux	Carports Solar P.V.	29 MW / 32 GWh /year 22 ha / 63,000 panels	30 years Grid Injection through Feed-in-Tariff
EV Charging concession				
Strasbourg Eurométropole	France	Public EV charging network	150 slow and fast EV charging points on-street to increase into 1000+ over the contract duration	15-year concession started in 2020

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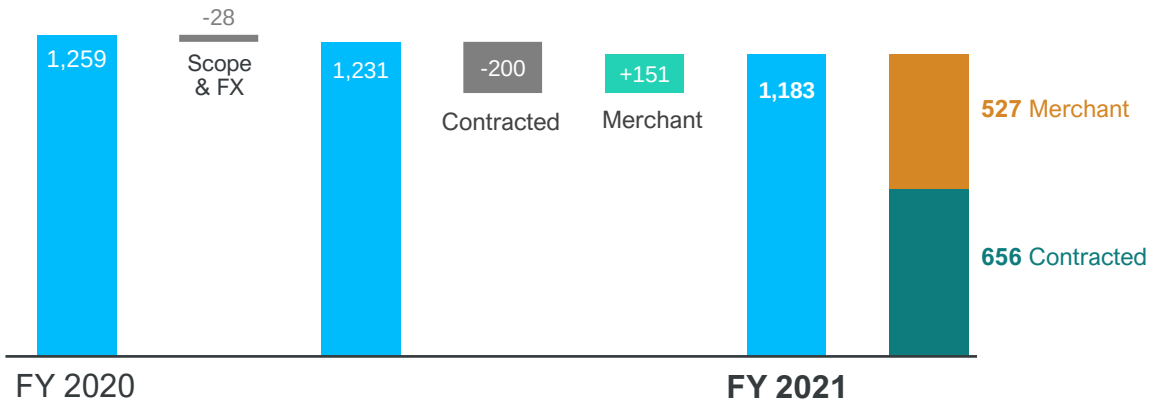
Thermal

EBIT FY 2020 vs FY 2021
(€m)



- **Scope & FX**: negative FX (mainly USD) and scope (mainly coal Brazil) effects
- EBIT down -4% yoy organically
  - **Contracted:** reduced PPA margins due to higher sourcing spot prices in Chile caused by overall poor hydrology and lower production
  - **Merchant:** higher spreads and ancillaries for European gas plants and pumped storage

KFIs (€m)	FY 2020	**FY 2021**	Δ 21/20	Δ org
Revenue	3,281	**4,089**	+24.6%	+29.0%
EBITDA	1,708	**1,628**	-4.7%	-2.4%
EBIT	1,259	**1,183**	-6.0%	-3.9%
Growth Capex	28	**(17)**	n.a.	-
Maintenance Capex	161	**284**	+76.4%	-

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KPIs

Thermal	FY 2020	FY 2021
Capacity @100% (GW)	63.6	**59.9**
Installed contracted capacity	43.3	39.5
Installed merchant capacity	20.3	20.5
Production @100% (TWh)	265.9	**271.4**
Contracted	214.5	223.5
Merchant	51.4	47.9

	FY 2020	FY 2021
Average captured clean spark spreads Europe (€/MWh)	11.6	**18.9**
Average technical availability (%)	88.7%	**88.2%**
Contracted EBIT (%)	70.5%	**55.4%**
Load factor (%)	47.8%	**49.8%**
CO_2 (mt)	60.8	**59.5**

Thermal	FY 2020	FY 2021
Capacity @100% (GW)	63.6	**59.9**
Gas contracted	35.9	**34.8**
Coal contracted	4.2	**2.2**
Gas merchant	16.5	**15.2**
Coal merchant	-	**0.7**
Pumped storage[1]	3.4	**3.3**
Other	3.5	**3.8**
Production @100% (TWh)	265.9	**271.4**
Gas contracted	194.0	**202.7**
Coal contracted	17.8	**17.9**
Gas merchant	47.1	**40.6**
Coal merchant	-	**1.4**
Pumped storage[1]	2.5	**2.5**
Other	4.6	**6.2**

1. Pumped storage + 143 MW of other hydro capacity managed by Thermal GBU

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Capacity and output by geography and by technology

As at 31 December 2021 / FY 2021

At 100%

Installed Capacity (MW)	Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	TOTAL
Natural gas	**14,593**	**1,847**		*629*	*301*	*917*	**656**	**32,876**	*28,524*	*4,353*		**49,973**
Pumped storage[1]	**3,311**											**3,311**
Coal		**1,660**	*317*	*1,218*		*125*		**1,250**			*1,250*	**2,910**
Other	**1,526**	**1,218**		*54*		*1,164*		**1,003**			*1,003*	**3,747**
TOTAL	**19,430**	**4,724**	*317*	*1,901*	*301*	*2,205*	**656**	**35,129**	*28,524*	*4,353*	*2,253*	**59,940**

Electricity Output (TWh)	Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	TOTAL
Natural gas	**41.2**	**9.5**		*2.2*	*2.2*	*5.1*	**3.4**	**189.2**	*169.9*	*19.3*		**243.3**
Pumped storage[1]	**2.5**											**2.5**
Coal	**0.7**	**9.5**	*4.4*	*5.1*		*0.0*		**9.1**			*9.1*	**19.3**
Other	**4.9**	**0.1**	*0.0*	*0.1*		*0.0*		**1.2**	*0.1*	*0.1*	*1.0*	**6.3**
TOTAL	**49.3**	**19.2**	*4.4*	*7.4*	*2.2*	*5.1*	**3.4**	**199.5**	*170.0*	*19.4*	*10.1*	**271.4**

1. Pumped storage + 143 MW of other hydro capacity managed by Thermal GBU

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Capacity and output by geography and by technology

As at 31 December 2021 / FY 2021

In % of Consolidation

Installed Capacity (MW)	Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	TOTAL
Natural gas	**12,091**	**1,847**		*629*	*301*	*917*	**391**	**10,310**	*7,752*	*2,558*		**24,639**
Pumped storage[1]	**3,273**											**3,273**
Coal		**1,660**	*317*	*1,218*		*125*		**416**			*416*	**2,076**
Other	**1,526**	**1,218**		*54*		*1,164*		**381**			*381*	**3,125**
TOTAL	**16,890**	**4,724**	*317*	*1,901*	*301*	*2,205*	**391**	**11,107**	*7,752*	*2,558*	*797*	**33,113**

Electricity Output (TWh)	Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	TOTAL
Natural gas	**33.2**	**9.5**		*2.2*	*2.2*	*5.1*	**1.7**	**59.2**	*46.6*	*12.6*		**103.5**
Pumped storage[1]	**2.4**											**2.4**
Coal	**0.2**	**9.5**	*4.4*	*5.1*		*0.0*		**3.2**			*3.2*	**12.9**
Other	**4.9**	**0.1**	*0.0*	*0.1*		*0.0*		**0.5**	*0.0*	*0.1*	*0.4*	**5.5**
TOTAL	**40.7**	**19.2**	*4.4*	*7.4*	*2.2*	*5.1*	**1.7**	**62.8**	*46.6*	*12.6*	*3.6*	**124.4**

1. Pumped storage + 143 MW of other hydro capacity managed by Thermal GBU

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Capacity and output by geography and by technology

As at 31 December 2021 / FY 2021

Net ownership

Installed Capacity (MW)	Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	TOTAL
Natural gas	**12,010**	**1,245**		*377*	*301*	*566*	**307**	**10,070**	*7,752*	*2,318*		**23,631**
Pumped storage[1]	**2,751**											**2,751**
Coal		**1,026**	*218*	*731*		*77*		**416**			*416*	**1,442**
Other	**1,526**	**751**		*32*		*719*		**381**			*381*	**2,659**
TOTAL	**16,288**	**3,021**	*218*	*1,140*	*301*	*1,362*	**307**	**10,867**	*7,752*	*2,318*	*797*	**30,483**

Electricity Output (TWh)	Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	TOTAL
Natural gas	**32.8**	**6.7**		*1.3*	*2.2*	*3.2*	**1.2**	**58.3**	*46.6*	*11.7*		**99.0**
Pumped storage[1]	**2.1**											**2.1**
Coal	**0.2**	**6.1**	*3.0*	*3.1*		*0.0*		**3.2**			*3.2*	**9.5**
Other	**4.9**	**0.1**	*0.0*	*0.1*		*0.0*		**0.4**	*0.0*	*0.0*	*0.4*	**5.5**
TOTAL	**40.0**	**12.9**	*3.1*	*4.4*	*2.2*	*3.2*	**1.2**	**61.9**	*46.6*	*11.7*	*3.6*	**116.0**

1. Pumped storage + 143 MW of other hydro capacity managed by Thermal GBU

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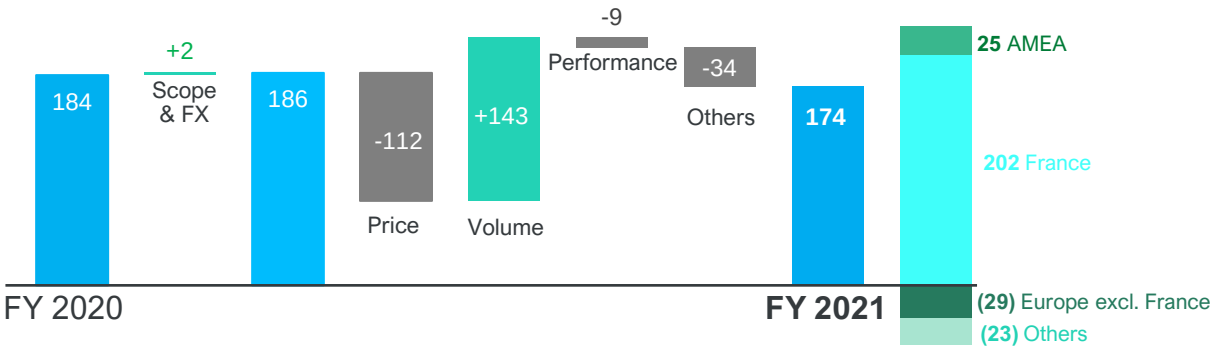
Supply

EBIT FY 2020 vs FY 2021

(€m)



- **Scope & FX:** both broadly neutral
- **Prices:** lower power margins in Belgium and gas margins in Romania vs. higher margins and better hedging in Australia
- **Volumes:** colder temperature in Europe and Covid recovery
- **Performance:** mainly recovery of loss-making activities more than offset by growth in services driven by activity recovery
- **Others:** reversal of 2020 positive one-offs

KFIs (€m)	FY 2020	**FY 2021**	Δ 21/20	Δ org
Revenue	10,792	**13,237**	+22.7%	+22.5%
EBITDA	433	**445**	+2.6%	+2.0%
EBIT	184	**174**	-5.5%	-6.4%
Growth Capex	144	**155**	+7.6%	-
Maintenance Capex	134	**145**	+8.2%	-

Normative temperature effects – B2C France

		Q1	Q2	Q3	Q4	**FY**
Volumes (TWh)	2020	(5.2)	(1.4)	0.1	(0.3)	**(6.7)**
	2021	(1.2)	3.2	0.1	1.3	**3.4**
	Δ 21/20	+4.0	+4.6	-0.0	+1.6	**+10.1**
EBITDA / EBIT (€m)	2020	(52)	(14)	1	(3)	**(67)**
	2021	(12)	32	1	13	**34**
	Δ 21/20	+40	+46	-0	+16	**+101**

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Supply volume

FY 2021 (TWh)	B2B			B2C			B2B + B2C		
	Gas	Power	TOTAL	Gas	Power	TOTAL	Gas	Power	TOTAL
France				79.3	23.3	**102.6**	79.3	23.3	**102.6**
o/w Green Power					*18.0*	***18.0***		*18.0*	***18.0***
Rest of Europe	50.8	29.9	**80.7**	51.8	10.5	**62.3**	102.6	40.4	**143.0**
Latin America	11.9		**11.9**				11.9		**11.9**
Middle East, Asia & Africa				3.6	2.1	**5.7**	3.6	2.1	**5.7**
TOTAL	**62.7**	**29.9**	**92.6**	**134.8**	**35.9**	**170.6**	**197.5**	**65.8**	**263.3**

FY 2020 (TWh)	B2B			B2C			B2B + B2C		
	Gas	Power	TOTAL	Gas	Power	TOTAL	Gas	Power	TOTAL
France				74.4	21.3	**95.7**	74.4	21.3	**95.7**
o/w Green Power					*15.0*	***15.0***		*15.0*	***15.0***
Rest of Europe	51.9	30.5	**82.4**	45.3	10.3	**55.6**	97.2	40.8	**138.1**
Latin America	0.5		**0.5**				0.5		**0.5**
Middle East, Asia & Africa				3.7	2.1	**5.8**	3.7	2.1	**5.8**
TOTAL	**52.4**	**30.5**	**82.9**	**123.4**	**33.7**	**157.1**	**175.8**	**64.2**	**240.0**

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B2C total contracts

FY 2021

(k)	Gas	Power	Services	TOTAL
France	6,213	5,143	1,564	**12,921**
o/w Regulated tariffs	*2,627*			***2,627***
o/w Green Power		*4,087*		***4,087***
Rest of Europe	4,304	3,314	1,027	**8,646**
Middle East, Asia & Africa	312	423		**735**
TOTAL	**10,829**	**8,881**	**2,592**	**22,301**

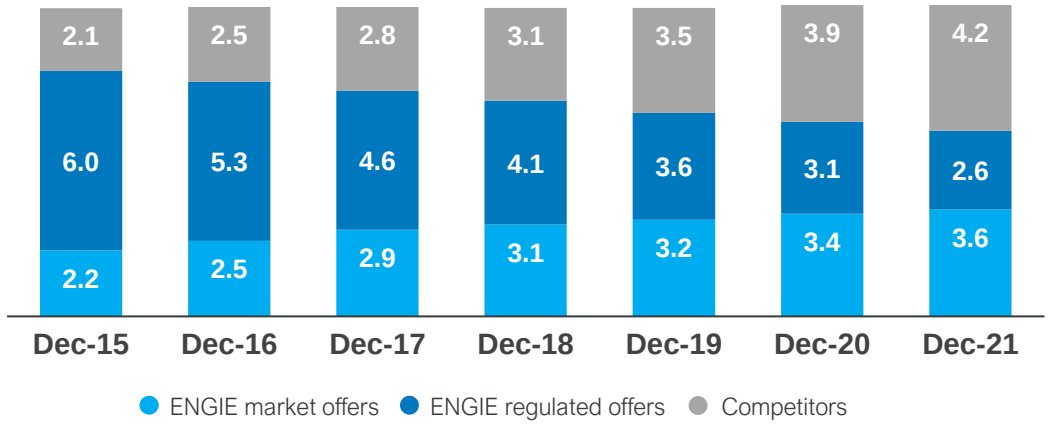
FY 2020

(k)	Gas	Power	Services	TOTAL
France	6,539	4,783	1,613	**12,934**
o/w Regulated tariffs	*3,065*			***3,065***
o/w Green Power		*3,470*		***3,470***
Rest of Europe	4,274	3,178	940	**8,392**
Middle East, Asia & Africa	312	427		**739**
TOTAL	**11,124**	**8,388**	**2,553**	**22,066**

FRANCE – Residential and Small Business Customers Portfolio

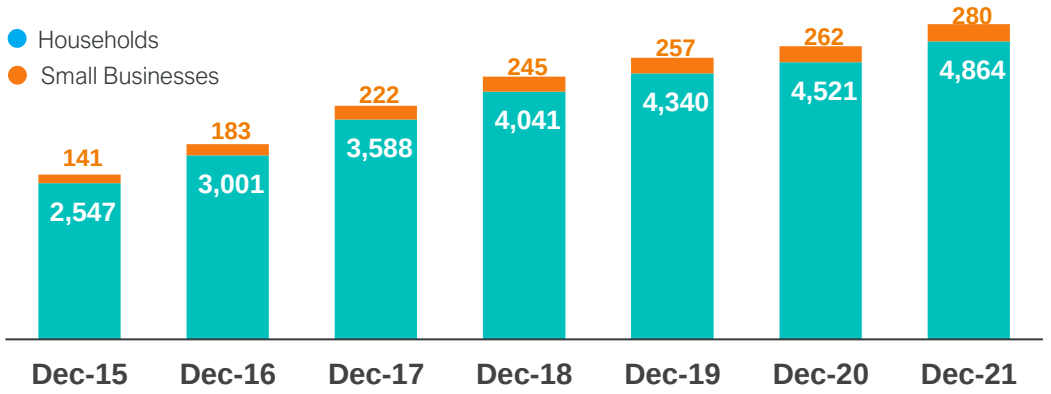
GAS – Household

Millions of contracts



Electricity – Household & Small Business

Thousands of contracts



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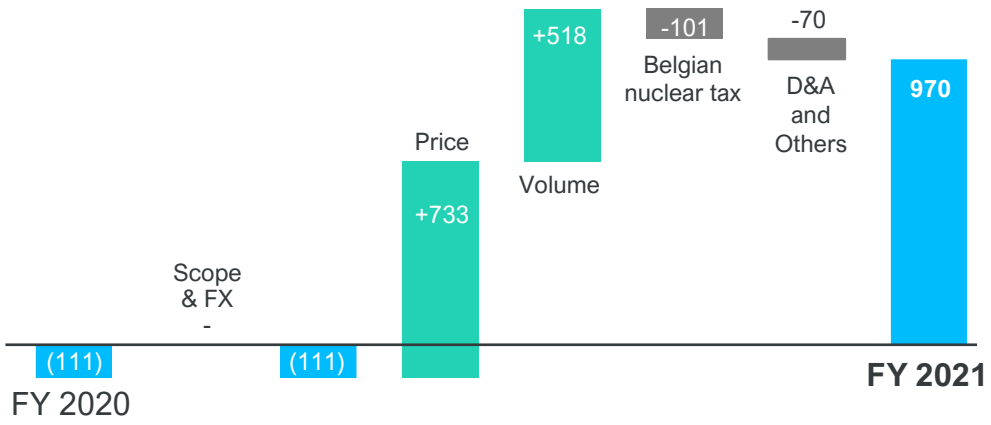
Nuclear

EBIT FY 2020 vs FY 2021
(€m)



- **Price:** higher power prices captured
- **Volume:** higher availability in Belgium
- **Belgian nuclear tax**: higher due to floor exceeded for second-generation units
- **D&A and Others:** mainly lower depreciation following the 2020 impairment

KFIs (€m)	FY 2020	**FY 2021**	Δ 21/20	Δ org
Revenue	39	**56**	+44.3%	+44.3%
EBITDA	415	**1,413**	n.a.	n.a.
EBIT	(111)	**970**	n.a.	n.a.
Growth Capex	0	**0**	-	-
Maintenance Capex	401	**201**	-49.9%	-

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KPIs and nuclear phase out in Belgium

Indicative theorical total nuclear production

47.4 TWh (2021) → **c.44 TWh**[1] (2022) → **c.33 TWh**[1] (2023) → **c.32 TWh**[1] (2024) → **c.23 TWh**[1] (2025) → **c.9 TWh**[1] (2026)

KPIs	FY 2020	FY 2021
Achieved price (€/MWh)	40.8	**59.6**
Total production @conso share (TWh)	36.5	**47.4**
Belgium (TWh) @100%	32.6	**47.9**
France (TWh) @100%	6.9	**7.0**
Drawing rights Belgium (TWh) @100%	(3.0)	**(7.5)**
Availability Belgium @100%	62.6%	**91.8%**

Nuclear reactors	Operator	Installed capacity @100% (MW)	ENGIE capacity (MW)	End of operations / contracts
Doel 3	ENGIE	1,006	903	10/01/2022
Tihange 2	ENGIE	1,008	905	02/01/2023
Doel 1	ENGIE	445	445	02/15/2025
Doel 4	ENGIE	1,038	932	07/01/2025
Tihange 3	ENGIE	1,038	932	09/01/2025
Tihange 1	ENGIE	962	481	10/01/2025
Doel 2	ENGIE	445	445	12/01/2025
Chooz B (swap)	EDF	-	(100)	2025
Chooz B (drawing rights)[2]	EDF	-	750	2037
Tricastin (drawing rights)[3]	EDF	-	468	2031
TOTAL			**6,161**	

1. Belgium + France. Indicative volumes @ ENGIE share assuming a theorical 85% availability
2. Chooz: 750 MW* average availability of total EDF nuclear fleet in France (excl. Tricastin)
3. Tricastin: 468 MW* local availability of Tricastin units

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Belgian nuclear provisions

As at 31 December 2021

Synatom provisions[1]

c. €14.4bn in total:

- c. €8.0bn for waste management
- c. €6.3bn for dismantling

Dedicated asset

c. €5.5bn

Discount rates

3.25% for waste management

2.50% for dismantling

Review pattern

Triennial review

Next review expected in H2 2022

Funding

Funding of c. €6bn expected over 2022-2024

Funding commitments:

- 100% for dismantling by 2030 (from 25% in 2021)[2]
- 100% for waste management by 2025 (from 25% in 2019)

Sensitivities

Sensitivity of the provisions for waste management of the nuclear fuel cycle

- a change of **10 basis points in the discount rate** used could lead to an **adjustment** of approximately **€260 million** in provisions for the back-end of the nuclear fuel cycle. A fall in discount rates would lead to an increase in outstanding provisions, while a rise in discount rates would reduce the provision amount.
- **10% increase in fees above the royalty rate** for the waste management would lead to an **increase** in provisions of approximately **€175 million;**
- a **five-year advance in expenditure** on temporary storage, conditioning and long-term storage for high-level and/or long-lived radioactive waste would lead to an **increase** in provisions of approximately **€170 million.** A five-year delay in the payment schedule for these various expenses would lead to a decrease of less than that amount;

Sensitivity of the provisions for dismantling nuclear facilities

- a change of **10 basis points in the discount rate** used could lead to an **adjustment** of approximately **€62 million** in dismantling provisions. A fall in discount rates would lead to an increase in outstanding provisions, while a rise in discount rates would reduce the provision amount.

1. Excluding €0.7bn nuclear provisions booked at the level of Electrabel for dismantling related to French drawing rights and low radioactive waste related to ONDRAF
2. Assuming Draft Law is voted through in Belgium

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Belgian nuclear tax

Nuclear reactor	Conditions	Applicable law
Tihange 2 **Tihange 3** **Doel 3** **Doel 4**	38% on Y nuclear margin[1], paid in Y+1 • Current floor at c. €70m p.a. (at ENGIE share) for 2019-21 (floor revised every 3 years) • *Previous floor at c. €150m p.a. (at ENGIE share) for 2016-18*	**2015 convention and 2016 law**
Doel 1 **Doel 2**	Royalties: €20m p.a. (fixed)	
Tihange 1	Profit Sharing 70% (State) / 30% (ENGIE) for profits above a certain level (with loss carry forward)	**2013 law**

1. EBIT-like margin

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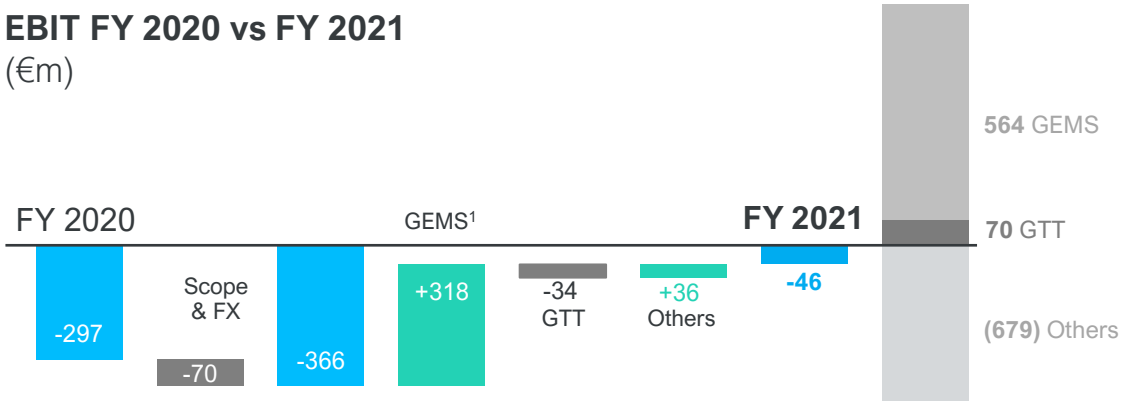
Others (GEMS[1], GTT and Others)

EBIT FY 2020 vs FY 2021
(€m)



- **Scope & FX:** mainly 10% partial disposal of GTT in May 2021 triggering a change of consolidation method as from June 2021 (from full consolidation to equity method)
- **GEMS[1]:**
  - strong commercial and trading performance in a context of exceptional market conditions
  - Covid recovery
  - colder temperature
- **GTT:** contribution's normalization after strong 2020
- **Others:** mainly lower Corporate costs

KFIs (€m)	FY 2020	**FY 2021**	Δ 21/20	Δ org
Revenue	11,664	**20,183**	+73.0%	+77.9%
EBITDA	189	**457**	+141.6%	n.a.
EBIT	(297)	**(46)**	n.a.	+86.7%
Growth Capex	2	**218**	n.a.	-
Maintenance Capex	299	**274**	-8.4%	-

Normative temperature effects – French Supply B2B activities[1]

		Q1	Q2	Q3	Q4	**FY**
Volumes (TWh)	2020	(1.3)	(0.3)	0.0	(0.1)	**(1.7)**
	2021	(0.3)	0.9	0.0	0.3	**0.9**
	Δ 21/20	+1.0	+1.2	+0.0	+0.4	**+2.6**
EBITDA / EBIT (€m)	2020	(13)	(3)	0	(1)	**(17)**
	2021	(3)	9	0	3	**9**
	Δ 21/20	+10	+12	+0	+4	**+26**

1. GEMS = GEM + main Supply B2B activities

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KPIs and GEMS volumes

KPIs	FY 2020	FY 2021
GEM – Gas sales (TWh)	66.4	**72.1**
GEM – Electricity sales (TWh)	27.8	**36.3**
Supply B2B – Gas sales (TWh)	81.5	**83.5**
Supply B2B– Electricity sales (TWh)	80.7	**82.0**

FY 2021 (TWh)	Gas	Power	TOTAL
GEMS	155.6	118.2	**273.8**
TOTAL	**155.6**	**118.2**	**273.8**

FY 2020 (TWh)	Gas	Power	TOTAL
GEMS	147.9	108.4	**256.3**
TOTAL	**147.9**	**108.4**	**256.3**

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Detailed reporting description

ACTIVITIES	DETAILS
Renewables	Hydro (excl. pumped storage), wind (onshore and offshore), solar, biomass and geothermal
Networks	Gas and power infrastructure (distribution, transport, storage, LNG terminals, power transmission lines), biomethane activities
Energy Solutions	Distributed energy infrastructure and related services, Tractebel, ENGIE Impact, EVBox
Thermal & Supply	Gas, coal, pumped storage, cogeneration, desalination, hydrogen Supply B2C, Services B2C, remaining Supply B2B
Nuclear	Belgium and France (drawing rights)
Others	Corporate, GEMS (GEM + main Supply B2B activities) and GTT

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02

POWER GENERATION CAPACITY AND OUTPUT

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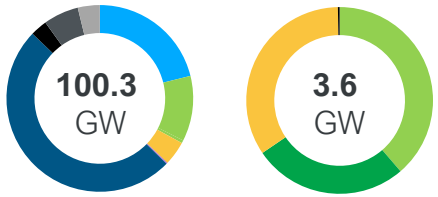
Breakdown of generation capacity by technology[1]

As at 31 December 2021

	At 100%		In % of consolidation[2]		Net ownership[3]	
(MW)	In operation	Under construction	In operation	Under construction	In operation	Under construction
Hydro	21,207	11	16,153	11	11,986	6
o/w RoR[4]	*13,308*	*11*	*9,337*	*11*	*6,767*	*6*
o/w Dam	*4,139*	-	*3,329*	-	*2,255*	-
o/w Pumped storage	*3,305*	-	*3,305*	-	*2,783*	-
o/w Hybrid pumped storage & RoR[4]	*454*	-	*182*	-	*182*	-
Onshore wind	11,315	1,377	7,866	1,342	6,091	1,106
Offshore wind	512	953	53	269	53	269
Solar	4,190	1,218	2,878	1,208	2,500	1,097
Other renewables	483	-	361	-	332	-
Natural gas	49,973	-	24,639	-	23,631	-
Nuclear	6,163	-	6,163	-	6,163	-
Coal	2,910	-	2,076	-	1,442	-
Other non renewables	3,542	-	2,920	-	2,454	-
TOTAL	**100,294**	**3,559**	**63,108**	**2,830**	**54,652**	**2,478**

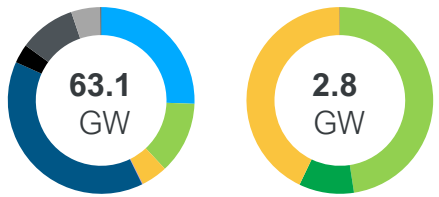
- Hydro
- Onshore wind
- Offshore wind
- Solar
- Other renewables
- Natural gas
- Coal
- Nuclear
- Other non renewables

At 100%



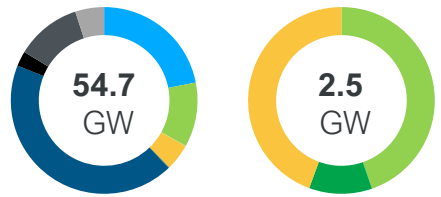
In operation | Under construction

In % of consolidation[2]



In operation | Under construction

Net ownership[3]



In operation | Under construction

1. Excluding Energy Solutions capacity
2. % of consolidation for full operations affiliates and % holding for joint operations and equity consolidated companies
3. ENGIE ownership
4. RoR = Run of River

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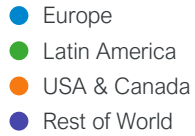
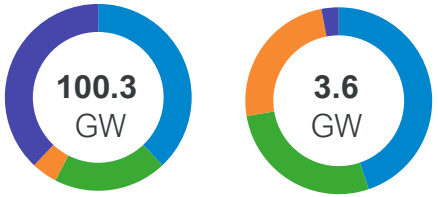
Breakdown of generation capacity by geography[1]

As at 31 December 2021

	At 100%		In % of consolidation[2]		Net ownership[3]	
(MW)	In operation	Under construction	In operation	Under construction	In operation	Under construction
France	7,833	469	6,099	464	4,216	455
Rest of Europe	30,256	139	25,486	119	24,790	119
Latin America	19,680	986	15,639	986	11,231	644
USA & Canada	4,483	880	3,661	880	2,454	880
Middle East, Asia & Africa	37,529	132	12,169	111	11,908	111
Others[4]	512	953	53	269	53	269
TOTAL	**100,294**	**3,559**	**63,108**	**2,830**	**54,652**	**2,478**

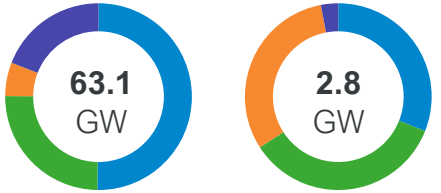


At 100%



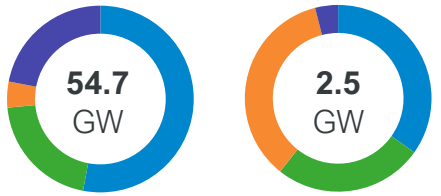
In operation | Under construction

In % of consolidation[2]



In operation | Under construction

Net ownership[3]



In operation | Under construction

1. Excluding Energy Solutions capacity
2. % of consolidation for full operations affiliates and % holding for joint operations and equity consolidated companies
3. ENGIE ownership
4. Offshore wind

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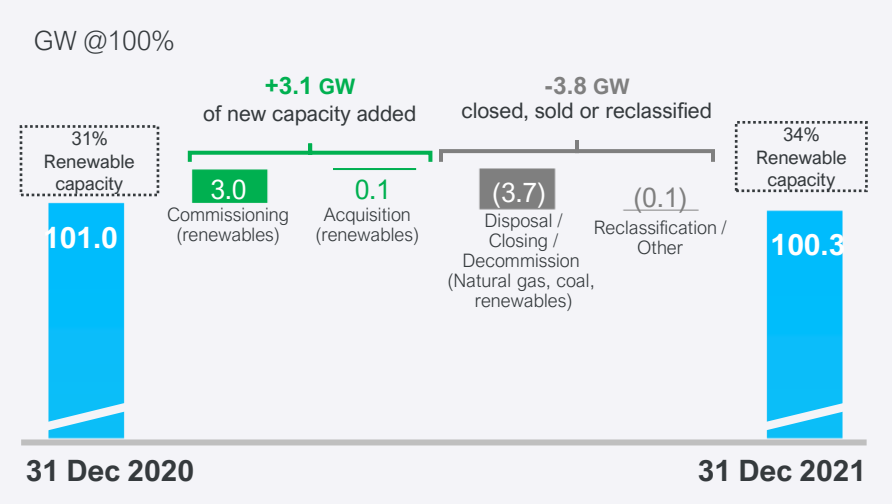
Installed capacity[1] evolution vs 31 Dec 2020



Decommission & Other (MW)			(1,712)
Pego	Portugal	Coal	(576)
Al-Rusail	Oman	Natural gas	(480)
Al Kamil Site	Oman	Natural gas	(280)
Senoko	Singapore	Natural gas	(158)
Kwinana	Australia	Natural gas	(123)
Various projects			(84)
Various projects	France	Onshore wind	(11)

Disposal / sold (MW)			(2,079)
Ankara	Turkey	Natural gas	(763)
Jorge Lacerda	Brazil	Coal	(675)
Viota 2 Heron II	Greece	Natural gas	(422)
Various projects	France	Solar	(123)
Waterbury	USA	Natural gas	(96)

1. Excluding Energy Solutions capacity

Capacity added by geography (MW)

Commissioning			2,990
France of which			**433**
Various projects	France	Solar	277
Various projects	France	Onshore wind	156
Rest of Europe of which			**147**
Various projects	Benelux	Onshore wind	131
Various projects	Benelux	Solar	16
Latin America of which			**924**
Nueva Xcala	Mexico	Solar	176
Tamaya	Chile	Solar	114
Various projects	Latin America	Solar	122
Calama	Chile	Onshore wind	151
Various projects	Latin America	Onshore wind	361
USA & Canada of which			**809**
Various projects	USA	Solar	165
Iron Star	USA	Onshore wind	298
Priddy	USA	Onshore wind	192
Dakota Range	USA	Onshore wind	154
Middle East, Asia & Africa of which			**425**
Raghanesda	India	Solar	200
Various projects	MESCATA	Onshore wind & Solar	225
Other of which			**252**
Seamade	Other	Offshore wind	252

Acquisition			100
Middle East, Asia & Africa of which			**100**
Xina Solar One	South Africa	Solar	100

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Expected commissioning of capacity[1] under construction

As at 31 December 2021, at 100%

By geographic area (MW)	2022	2023	**TOTAL**
France	412	46	**458**
Rest of Europe	139		**139**
Latin America	379	607	**986**
o/w Brazil	*87*	*347*	***434***
o/w Chile	*268*		***268***
o/w Mexico	*24*		***24***
o/w Peru		*260*	***260***
USA & Canada	880		**880**
Middle East, Asia & Africa	132		**132**
o/w Asia	*132*		***132***
Others	953		**953**
TOTAL	**2,894**	**654**	**3,548**

By technology (MW)	Country	2022	2023	**TOTAL**
Onshore wind		**723**	**654**	**1,376**
Priddy	USA	110		**110**
Santo Agostinho	Brazil	81	347	**428**
Limestone	USA	299		**299**
Punta Lomitas	Peru		260	**260**
Other		233	46	**279**
Offshore wind		**953**		**953**
Moray East	UK	953		**953**
Solar		**1,218**		**1,218**
Sun Valley	USA	250		**250**
Coya	Chile	180		**180**
LSS3	Malaysia	100		**100**
Other		688		**688**
TOTAL		**2,894**	**654**	**3,548**

1. Excluding Energy Solutions capacity

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Total capacity[1] by geography and by technology

As at 31 Dec 2021

At 100%

(MW)	France	Rest of Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	Other	TOTAL
Hydro[2]	3,890	5,206	12,110	*11,811*	*45*		*255*							**21,207**
Onshore wind	2,774	2,630	1,607	*1,263*	*199*	*145*		3,165	1,140		*470*	*670*		**11,315**
Offshore wind													512	**512**
Solar	1,169	137	1,139	*255*	*169*	*674*	*41*	662	1,083		*806*	*278*		**4,190**
Other renewables		205	101	*101*					177		*177*			**483**
Natural gas		14,593	1,847		*629*	*301*	*917*	656	32,876	*28,524*	*4,353*			**49,973**
Coal			1,660	*317*	*1,218*		*125*		1,250			*1,250*		**2,910**
Nuclear		6,163												**6,163**
Other non renewables		1,321	1,218		*54*		*1,164*		1,003			*1,003*		**3,542**
TOTAL	**7,833**	**30,256**	**19,680**	*13,746*	*2,314*	*1,120*	*2,500*	**4,483**	**37,529**	*28,524*	*5,806*	*3,200*	**512**	**100,294**

1. Excluding Energy Solutions assets' output
2. Includes pumped storage

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Total capacity[1] by geography and by technology

As at 31 Dec 2021

In % of consolidation

(MW)	France	Rest of Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	Other	TOTAL
Hydro[2]	3,831	4,156	8,166	*7,867*	*45*		*255*							**16,153**
Onshore wind	1,688	1,451	1,582	*1,263*	*199*	*120*		2,620	525		*223*	*302*		**7,866**
Offshore wind													53	**53**
Solar	580	99	1,076	*255*	*169*	*611*	*41*	650	473		*357*	*116*		**2,878**
Other renewables		205	92	*92*					64		*64*			**361**
Natural gas		12,091	1,847		*629*	*301*	*917*	391	10,310	*7,752*	*2,558*			**24,639**
Coal			1,660	*317*	*1,218*		*125*		416			*416*		**2,076**
Nuclear		6,163												**6,163**
Other non renewables		1,321	1,218		*54*		*1,164*		381			*381*		**2,920**
TOTAL	**6,099**	**25,486**	**15,639**	*9,793*	*2,314*	*1,032*	*2,500*	**3,661**	**12,169**	*7,752*	*3,202*	*1,216*	**53**	**63,108**

1. Excluding Energy Solutions assets' output
2. Includes pumped storage

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Total capacity[1] by geography and by technology

As at 31 Dec 2021

Net ownership

(MW)	France	Rest of Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	Other	TOTAL
Hydro[2]	2,313	3,614	6,059	*5,874*	*27*		*157*							**11,986**
Onshore wind	1,365	1,386	1,107	*868*	*119*	*120*		1,729	504		*201*	*302*		**6,091**
Offshore wind													53	**53**
Solar	538	91	981	*243*	*102*	*611*	*25*	417	473		*357*	*116*		**2,500**
Other renewables		205	63	*63*					64		*64*			**332**
Natural gas		12,010	1,245		*377*	*301*	*566*	307	10,070	*7,752*	*2,318*			**23,631**
Coal			1,026	*218*	*731*		*77*		416			*416*		**1,442**
Nuclear		6,163												**6,163**
Other non renewables		1,321	751		*32*		*719*		381			*381*		**2,454**
TOTAL	**4,216**	**24,790**	**11,231**	*7,266*	*1,388*	*1,032*	*1,545*	**2,454**	**11,908**	*7,752*	*2,941*	*1,216*	**53**	**54,652**

1. Excluding Energy Solutions assets' output
2. Includes pumped storage

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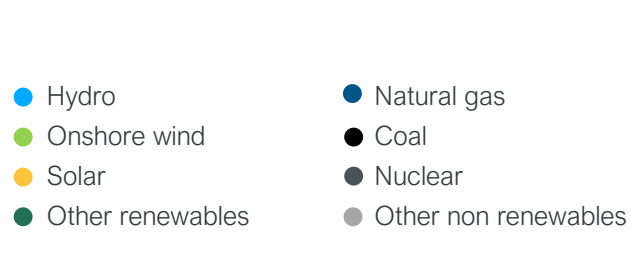
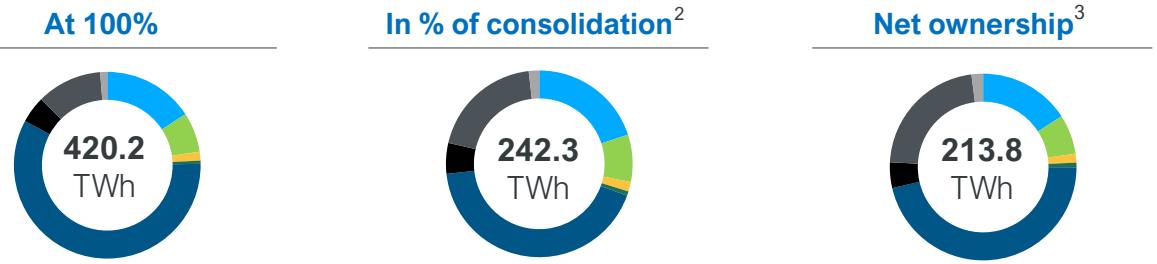
Breakdown of generation output by technology[1]

FY 2021

(TWh)	At 100%	In % of consolidation[2]	Net ownership[3]
Hydro	66.1	48.3	33.9
o/w RoR[4]	*52.9*	*37.6*	*26.0*
o/w Dam	*10.3*	*8.1*	*5.6*
o/w Pumped storage	*2.4*	*2.4*	*2.0*
o/w Hybrid pumped storage & RoR[4]	*0.5*	*0.2*	*0.2*
Onshore wind	28.8	19.8	14.6
Offshore wind	1.6	0.2	0.2
Solar	6.3	4.0	3.3
Other renewables	2.3	1.8	1.7
Natural gas	243.3	103.5	99.0
Nuclear	47.4	47.4	47.4
Coal	19.3	12.9	9.5
Other non renewables	5.1	4.4	4.3
TOTAL	**420.2**	**242.3**	**213.8**





1. Excluding Energy Solutions capacity
2. % of consolidation for full operations affiliates and % holding for joint operations and equity consolidated companies
3. ENGIE ownership
4. RoR = Run of River

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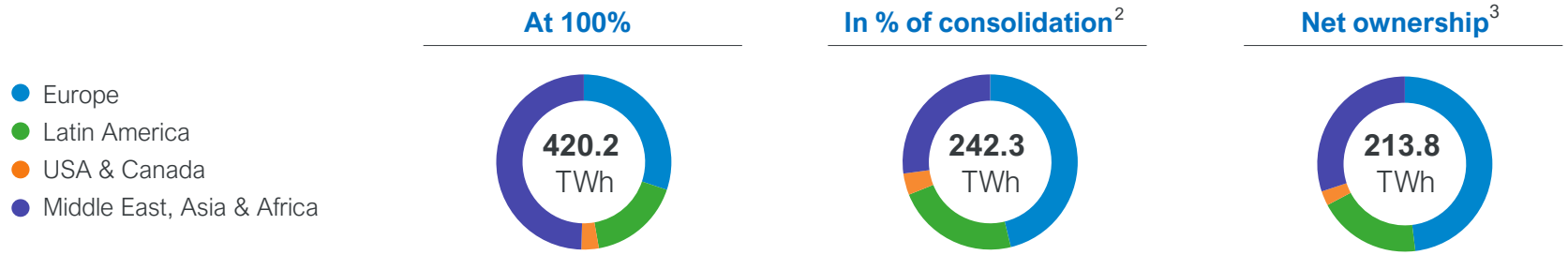
Breakdown of generation output by geography[1]

FY 2021

(TWh)	At 100%	In % of consolidation[2]	Net ownership[3]
France	21.9	18.8	11.3
Rest of Europe	106.2	92.8	91.8
Latin America	71.2	55.2	40.1
USA & Canada	13.2	9.8	5.9
Middle East, Asia & Africa	206.1	65.6	64.6
Others	1.6	0.2	0.2
TOTAL	**420.2**	**242.3**	**213.8**



1. Excluding Energy Solutions capacity
2. % of consolidation for full operations affiliates and % holding for joint operations and equity consolidated companies
3. ENGIE ownership

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Electricity output[1] by geography and by technology

For FY 2021

At 100%

(TWh)	France	Rest of Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	Other	TOTAL
Hydro[2]	**15.2**	**6.1**	**44.8**	*43.3*	*0.1*		*1.4*							**66.1**
Onshore wind	**5.2**	**5.7**	**5.2**	*4.5*	*0.2*	*0.5*		**8.6**	**4.1**		*1.3*	*2.8*		**28.8**
Offshore wind													**1.6**	**1.6**
Solar	**1.5**	**0.2**	**1.7**	*0.6*	*0.2*	*0.9*	*0.1*	**1.1**	**1.8**		*1.4*	*0.4*		**6.3**
Other renewables		**1.2**	**0.4**	*0.4*					**0.7**		*0.7*	-		**2.3**
Natural gas		**41.2**	**9.5**		*2.2*	*2.2*	*5.1*	**3.4**	**189.2**	*169.9*	*19.3*	-		**243.3**
Coal		**0.7**	**9.5**	*4.4*	*5.1*		*0.0*		**9.1**			*9.1*		**19.3**
Nuclear		**47.4**												**47.4**
Other non renewables		**3.8**	**0.1**	*0.0*	*0.1*		*0.0*		**1.2**	*0.1*	*0.1*	*1.0*		**5.1**
TOTAL	**21.9**	**106.2**	**71.2**	*53.3*	*7.8*	*3.6*	*6.6*	**13.2**	**206.1**	*170.0*	*22.8*	*13.3*	**1.6**	**420.2**

1. Excluding Energy Solutions assets' output
2. Includes pumped storage

PUBLIC

Electricity output[1] by geography and by technology

For FY 2021

In % of consolidation

(TWh)	France	Rest of Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	Other	TOTAL
Hydro[2]	**15.2**	**4.1**	**29.0**	*27.6*	*0.1*		*1.4*						**0.2**	**48.3**
Onshore wind	**3.1**	**2.9**	**5.1**	*4.5*	*0.2*	*0.4*		**6.9**	**1.9**		*0.6*	*1.3*		**19.8**
Offshore wind													**0.2**	**0.2**
Solar	**0.6**	**0.1**	**1.5**	*0.6*	*0.2*	*0.7*	*0.1*	**1.1**	**0.7**		*0.5*	*0.2*		**4.0**
Other renewables		**1.2**	**0.4**	*0.4*					**0.3**		*0.3*			**1.8**
Natural gas		**33.2**	**9.5**		*2.2*	*2.2*	*5.1*	**1.7**	**59.2**	*46.6*	*12.6*			**103.5**
Coal		**0.2**	**9.5**	*4.4*	*5.1*		*0.0*		**3.2**			*3.2*		**12.9**
Nuclear		**47.4**												**47.4**
Other non renewables		**3.8**	**0.1**	*0.0*	*0.1*		*0.0*		**0.5**	*0.0*	*0.1*	*0.4*		**4.4**
TOTAL	**18.8**	**92.8**	**55.2**	*37.5*	*7.8*	*3.3*	*6.6*	**9.8**	**65.6**	*46.6*	*13.9*	*5.0*	**0.2**	**242.3**

1. Excluding Energy Solutions assets' output
2. Includes pumped storage

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Electricity output[1] by geography and by technology

For FY 2021

Net ownership

(TWh)	France	Rest of Europe	Latin America	*o/w Brazil*	*o/w Chile*	*o/w Mexico*	*o/w Peru*	USA & Canada	Middle East, Asia & Africa	*o/w Middle East and Turkey*	*o/w Asia*	*o/w Africa*	Other	TOTAL
Hydro[2]	**8.3**	**3.6**	**21.9**	*21.0*	*0.1*		*0.8*							**33.9**
Onshore wind	**2.5**	**2.7**	**3.6**	*3.1*	*0.1*	*0.4*		**4.0**	**1.8**		*0.5*	*1.3*		**14.6**
Offshore wind													**0.2**	**0.2**
Solar	**0.5**	**0.1**	**1.4**	*0.5*	*0.1*	*0.7*	*0.1*	**0.7**	**0.7**		*0.5*	*0.2*		**3.4**
Other renewables		**1.2**	**0.3**	*0.3*					**0.3**		*0.3*			**1.7**
Natural gas		**32.8**	**6.7**		*1.3*	*2.2*	*3.2*	**1.2**	**58.3**	*46.6*	*11.7*			**99.0**
Coal		**0.2**	**6.1**	*3.0*	*3.1*		*0.0*		**3.2**			*3.2*		**9.5**
Nuclear		**47.4**												**47.4**
Other non renewables		**3.8**	**0.1**	*0.0*	*0.1*		*0.0*		**0.5**	*0.0*	*0.0*	*0.4*		**4.3**
TOTAL	**11.3**	**91.8**	**40.0**	*28.0*	*4.7*	*3.3*	*4.1*	**5.9**	**64.6**	*46.6*	*13.0*	*5.0*	**0.2**	**213.8**

1. Excluding Energy Solutions assets' output
2. Includes pumped storage

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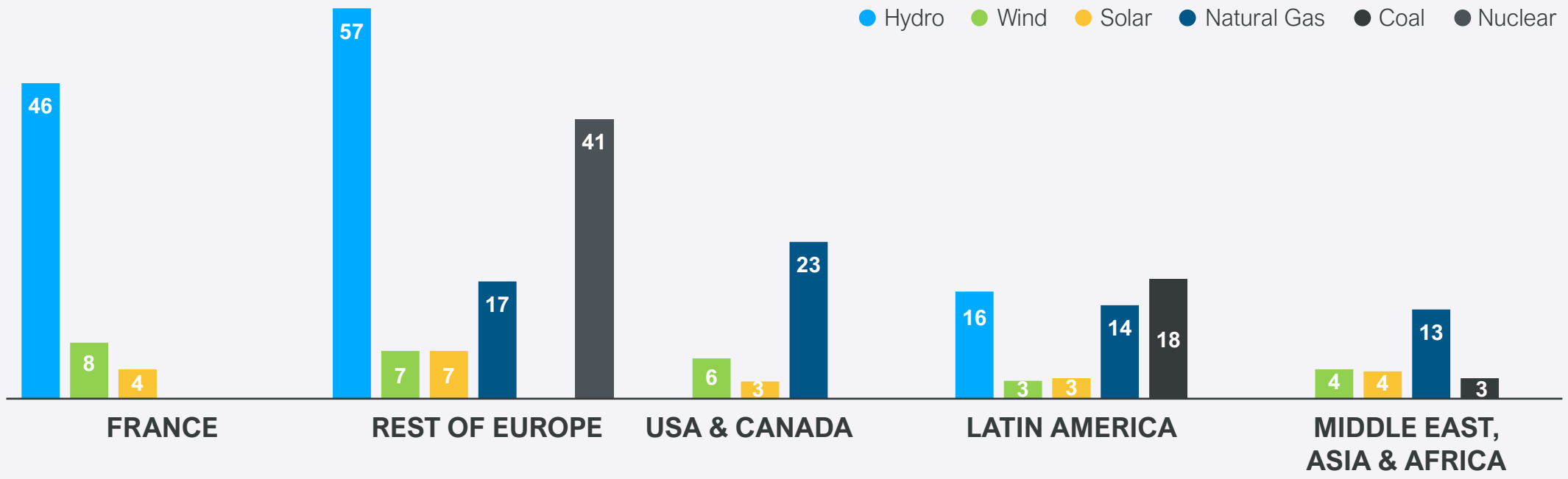
Average age of fleet

By technology
Years



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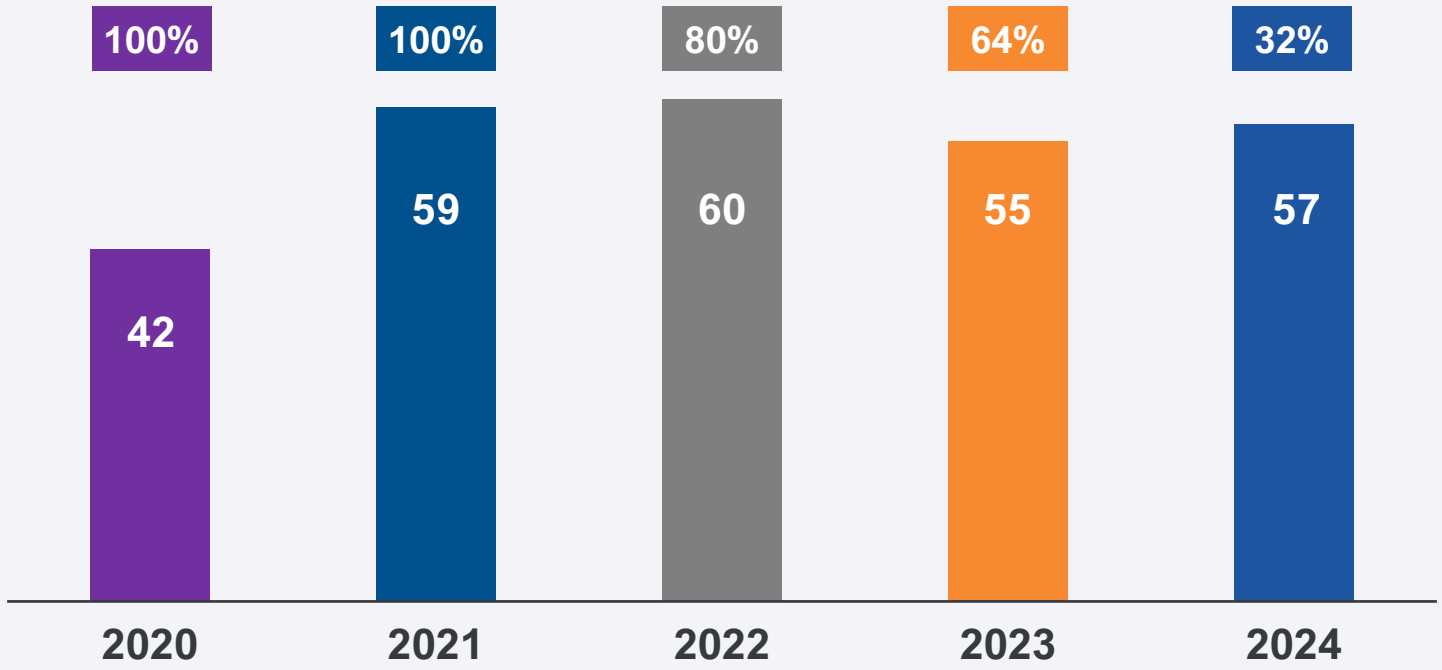
Outright power generation in Europe

Nuclear & Hydro

Hedging positions & captured prices

(% and €/MWh)



As at 31 December 2021
Belgium and France

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03

ENVIRONMENTAL, SOCIAL & GOVERNANCE

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ENGIE's purpose aligning financial and non financial performance

Planet

Respecting planetary limits by acting in particular for the Paris Agreement

Tier 1 objectives	2020	2021	Objective 2030
GHG emissions related to energy production (Scope 1 and 3) in line with the SBT commitments ($MtCO_2$ eq)	67.5	66.7	43
GHG emissions from the use of sold products, in line with the SBT commitments ($MtCO_2$ eq)	61.5	65.5	52
Share of renewable electricity capacities, in line with the SBT commitments (%)	31%	34%	58%
Avoided GHG emissions by our products and services ($MtCO_2$ eq)	21	28	45
Share of preferred suppliers (excluding energy purchase) certified or aligned SBT (%)	15%	20%	100%

People

Building a new and more inclusive world of energy together

Tier 1 objectives		2020	2021	Objective 2030
Lost time injury frequency rate for Group employees and subcontractor employees on closed sites		2.7	2.9	≤ 2.3
Percentage of women in Group management (%)		24%	25%	50%
Gender Equality Index	France	87	89	100
	International	80	82	100

Profit

Ensuring responsible performance shared between employees, shareholders and stakeholders

	2020	2021	Objective
Economic net debt to EBITDA ratio	4.0x[2]	3.6x	below or equal to 4.0x
Dividend policy payout ratio	75%	66%	65-75%
Guidance NRIgs *(€bn)*	Achieved	Achieved	objective per year

1. Net of DBSO and US tax equity proceeds
2. As published in February 2021

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ENGIE's contribution to the Sustainable Development Goals:

■ Key contribution ■ Relevant contribution via Tier 2 objectives

Operationalising decarbonisation

Our ambition:
NET ZERO
BY 2045
across all scopes

A clear climate strategy

- A trajectory aligned with Paris Agreement and SBT certified
- A dedicated governance, incentivized on Group climate ambition success
- A Group Strategy focused on development of renewables & green gases in addition to full coal exit by 2027

A strong GHG emissions steering

- GHG annual forecasts until 2030 fully aligned with Group mid-term financial plan
- GHG management targets for 2022, 2025, 2030 and 2045 at Group and GBU levels
- Analysis of GHG emissions alignment with above targets for all new investments
- Integration of GHG emissions in all GBU Quarterly Business Reviews (QBRs)

A dedicated governance process for new investments

- Analysis of carbon prices impact on new investment and long-term energy prices forecasts
- Bi-monthly reporting to Excom on GHG emissions budget for new investments

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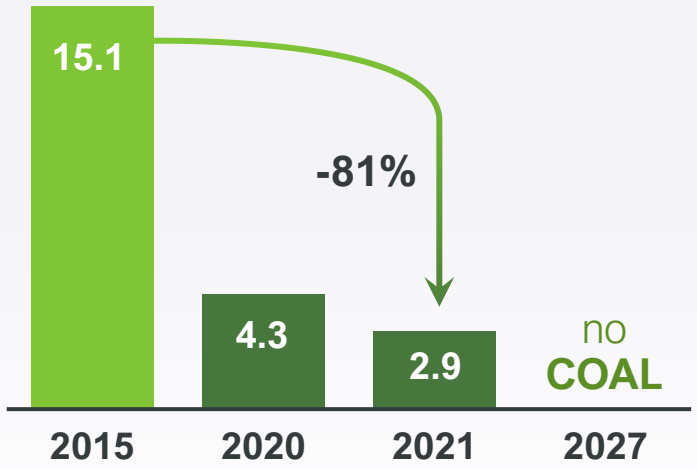
Commitment to phase out coal by 2025 in Europe and 2027 globally

Merit order for a 'just transition' that benefits all stakeholders

1. Closing
2. Conversion
3. Disposal

Coal power generation

(GW@100%[1])



2021 achievements

2 coal power plants exited

Brazil – Jorge Lacerda

0.7 GW sold

Sale of the asset conducive to ensuring the gradual transition of the regional economy, reducing potential local socio-economic impacts when compared to a process of operational decommissioning.

Portugal – Tejo

0.6 GW - closed

1 As of 31 December

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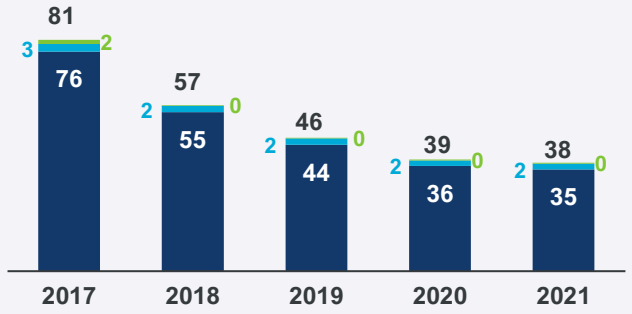
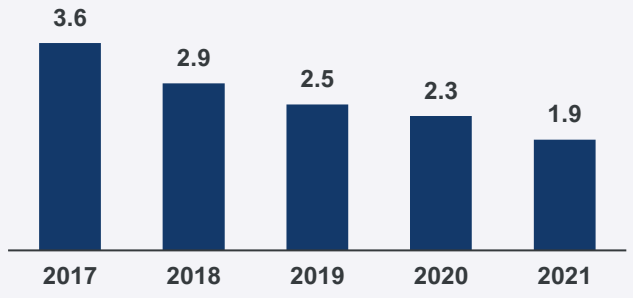
-30% of total GHG emissions since 2017

Scope 1 (direct emissions)
($MtCO_2$ eq.)



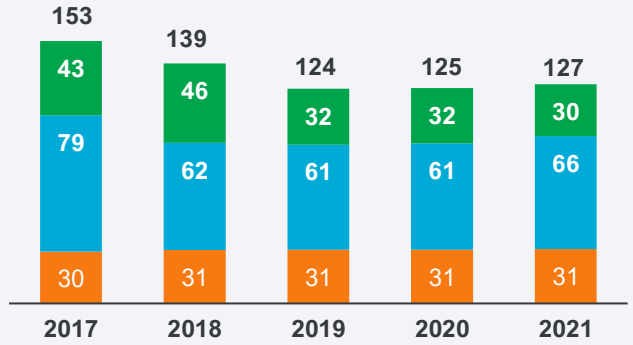
- Energy production (controlled assets)
- Gas networks
- Other Scope 1 categories

Scope 2 (indirect emissions)
($MtCO_2$ eq.)



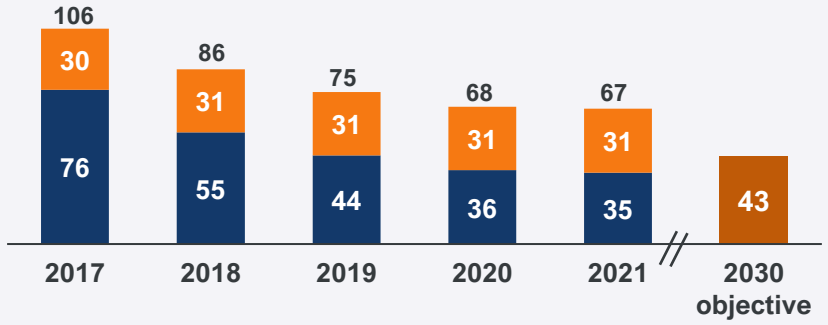
- Consumption of electricity, steam, heating or cooling

Scope 3 (indirect emissions)
($MtCO_2$ eq.)



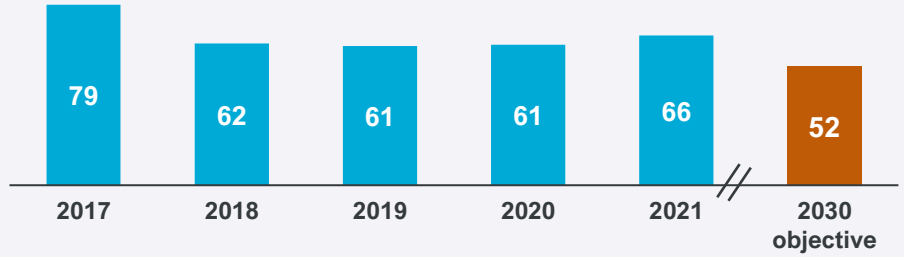
- Energy production (non controlled assets)
- Use of sold products
- Other Scope 3 categories

GHG emissions from energy production
($MtCO_2$ eq.)



- Emissions Scope 3
- Emissions Scope 1

GHG emissions from use of sold products
($MtCO_2$ eq.)

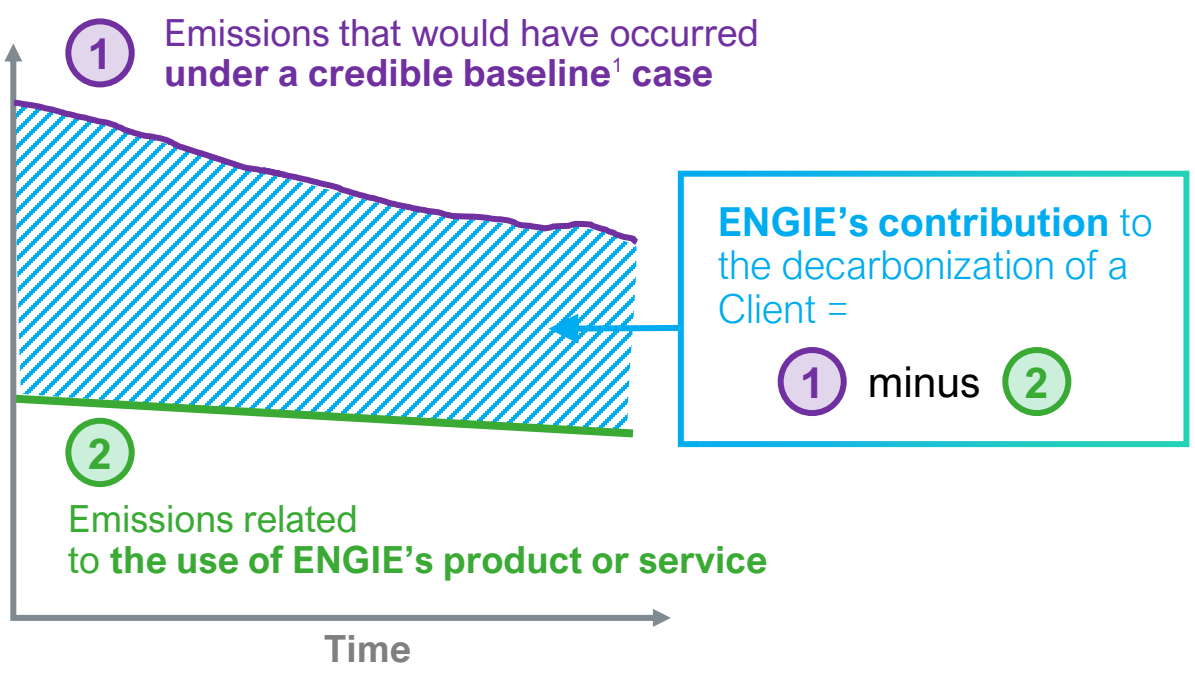


- Use of products sold

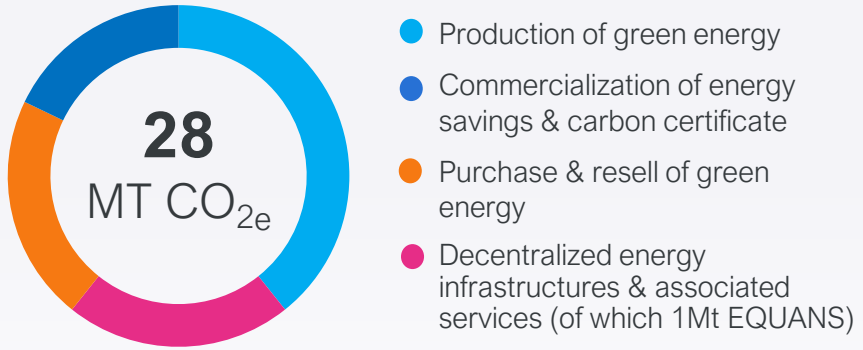
PUBLIC

Decarbonisation of Clients emissions through ENGIE products and services

Helping clients incrementally reduce their carbon emissions with a robust methodology



~28 Mt CO_{2e}
avoided for clients in 2021
(21 Mt CO_{2e} in 2020)



~45 Mt CO_{2e}
avoided / year by 2030

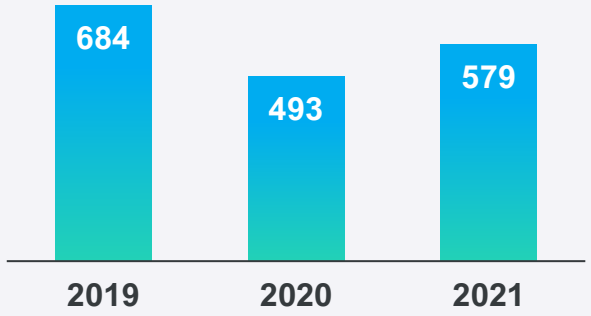
1. The baseline is the most likely alternative in the absence of the product or service provided by ENGIE

PUBLIC

Developing a culture to reduce CO_2 for ENGIE as a workplace

CO_2 emissions related to the ways of working

($ktCO_2$ eq.)



CO_2 emissions related to ways of working need 100% of ENGIE employees' commitment

Target: Net-zero carbon by 2030 related to business travel, corporate fleet, commuting, buildings, digital uses and devices.

2021 emissions are 15% below 2019 emissions *(2020 data is not considered relevant due to the pandemic)*.

Employees have endorsed ENGIE's CO_2 reduction target and walk the talk notably strongly limiting their business travel compared to 2019 beyond travel restrictions due to Covid crisis.

ENGIE's Sustainability Academy to support employees' engagement to be active players of ENGIE's strategy through:

- Regular events connecting people and experts to exchange on strategic choices and their impact on business
- Annual Sustainability Learning Days gathering people from all GBUs and Regions
- Learning programs to master sustainability challenges at ENGIE and be able to accompany our business partners' ambitions.

PUBLIC

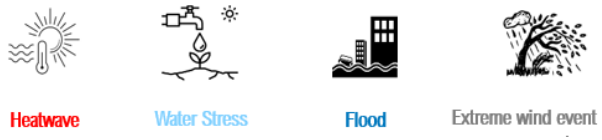
Adapting to climate change

Scenario Analysis

Partnership with IPSL (Institut Pierre Simon Laplace) to better understand 2030 and 2050 climatic events

Study based on our main production technologies and mapping of the evolution of their performance due to climate change

4 main extreme climate events studied



Impacts on Group's strategy

Assessment of the impact of climate change on ENGIE's strategy with review of all our countries / regions

3 key issues:

- Country vulnerability to climate change
- Value of current assets with regards to climate change
- Resilience of 2030 strategic objectives

Operational Preparedness

Identification of ENGIE sites with high vulnerability to climate change

Current build up of Group adaptation plans to reduce vulnerability to climate change

PUBLIC

ENGIE's commitment for a just transition

For ENGIE, transitioning to net zero by 2045 means taking into account the social impacts of the energy transition. Therefore, the just transition principles must be embedded in all our projects at local level and must be developed in partnership with workers, unions, communities and suppliers.

In line with the Paris Agreement on Climate Change, ENGIE commits to decarbonise while ensuring a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities.

① **EMPLOYMENT**	Processes and initiatives to boost job opportunities, skills development and employee retention, along with measures to support employees affected by decarbonisation
② **REGIONAL BENEFITS**	Initiatives to create economic value for the regions and benefits for the communities
③ **STAKEHOLDER INCLUSION**	Stakeholder inclusion to promote a just transition in a co-constructive way; seeking cooperation-based solutions between the company, government and civil society

PUBLIC

Committed to Just Transition for workers, communities, customers & citizens: examples

Coal phase-out in Chile

- Workplan to reconvert 5 units of coal (800 MW) in 1000 MW of renewable projects (work in progress until 2024)
- **Challenge:** solution to include all stakeholders (communities, unions, local authorities, workers, contractors)
- Closing of the 2 first units without social conflicts, 100% of direct workers (33) relocated
- **Workplan taken for example** for other decarbonization projects by the Chilean Ministry of Energy

COP 26

- ENGIE signatory of the Pledge on energy crisis and just transition coordinated by **C40 Cities Climate Leadership Group, ITUC (International Trade Union Confederation) & BTeam** calling for government leadership in climate crisis and spiraling energy prices

Organic backyards in Mexico

- Construction of a 306 km natural gas transmission pipeline which runs through 3 states
- Workshops with the 89 impacted communities to develop a common social investment program
- For 5 consecutive years training and transfer of knowledge to 100 women & their families to develop backyard gardens in their homes and in community areas.
- **Generation of additional income to the family economy.** With a total investment of $262,000, women have installed 750 m² of greenhouses, develop 4,500 m² of productive land, and generate revenues in the order of $6,200 in 2021

Commercial offers in supply in France

- **“Mon programme pour agir”** gives customers access to a loyalty program: the more their control their consumption, the more points (called KiloActs) they earn. Once enough KiloActs accumulated, customers can invest them in projects that promote energy transition or exchange them for eco-responsible objects that help them consume better

Crowdfunding and shared governance at ENGIE Green

- **Banyuls wind park (**provisional commissioning in 2026) / 6 wind turbines / 13 MW
  40% of the project owned by a citizen cooperative
- **Marcoussis PV park** (commissioned in September 2021) / 20 MW (largest PV park in the Region IDF)
  €18.8m - 20% community / 60% ENGIE / 20% citizens
- **La Tieule PV park , Drôme** (commissioned in mars 2021) / 15 MW on 18 ha

  Inclusive development of PV park with positive social & economic impacts on the territory. Co-activities (apiaries, honey plants), work with persons with disabilities for the production of organic honey and aromatic hedge cultivated by a local company, eco-grazing

  €100,000 raised as part of a crowdfunding campaign

PUBLIC

ENGIE renews its commitment on biodiversity in 2021

act4nature
Les entreprises pour la biodiversité

Avoid Reduce Compensate

100% of the files submitted to the Group's CDE in 2022

Application of the "avoid-reduce-compensate" sequence on development projects presented to the Committee on Commitments (CDE), throughout the world, in concertation with stakeholders.

To act simultaneously on the challenges of climate change and biodiversity, contribution to the implementation of nature-based solutions (NbS) in territories

Nature-based solutions

10 projects identified that meet the IUCN NbS standard by 2022

Ecological site management

2025: 50% sites

Implementation of an ecological site management for all of the Group's industrial activities, with a minimum of 0 phytosanitary products and maintenance of green spaces that respects nature.

Continued development of action plans for sites located in or near a biodiversity hotspot by applying the new definition of priority sites, throughout the world.

Priority sites for biodiversity

2025: 50% priority sites with an action plan established with relevant stakeholders

Supply chain

Analysis at least 2 activities per year by 2025

Integrating biodiversity criteria into life cycle assessments to carry out an in-depth analysis of the impacts and dependencies with regard to biodiversity for the Group's activities throughout the value chain, in order to identify the challenges and the appropriate solutions to meet them.

- *Delivery of biodiversity awareness modules for all employees*
- *Creation of a platform for sharing good practices*

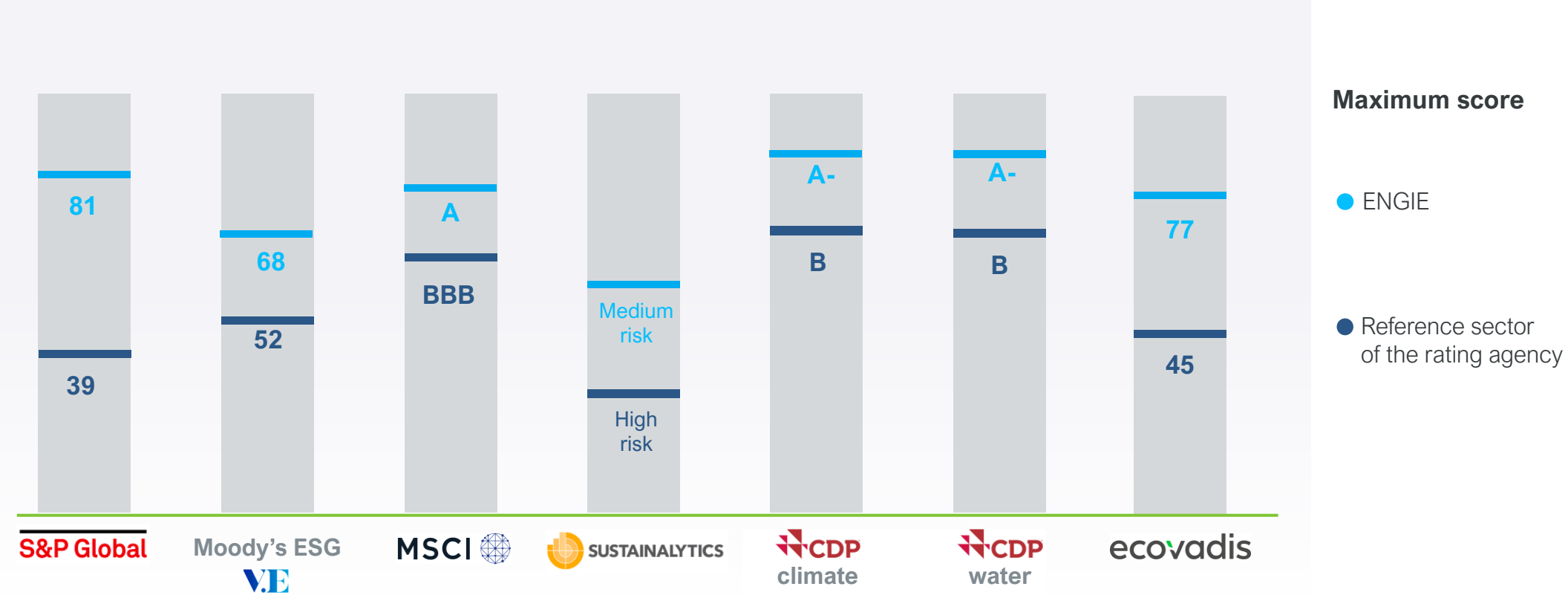
Awareness-raising and sharing good practices

2 modules minimum per year by 2025 - 2022 - 2023: 3000 employees/year

PUBLIC

ENGIE CSR ratings and indexes

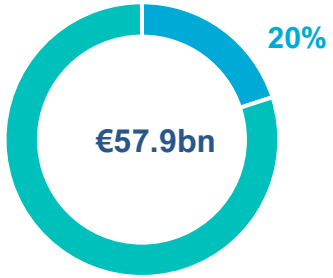
ENGIE listed in main indexes: DJSI World, DJSI Europe, Euronext Vigeo World 120, Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Euronext Vigeo France 20, STOXX® Europe 600 ESG-X, STOXX® Europe 600 ESG Broad Market, STOXX® Global 1800 ESG Broad Market,STOXX® Global 1800 ESG-X, MSCI EUROPE ESG Universal Select, MSCI EUROPE Climate Change CTB, MSCI EMU ESG, MSCI World ESG Universal Select, MSCI World Climate Change CTB, CAC 40 ESG, Bloomberg Gender-Equality Index



PUBLIC

Eligibility of activities for the European taxonomy

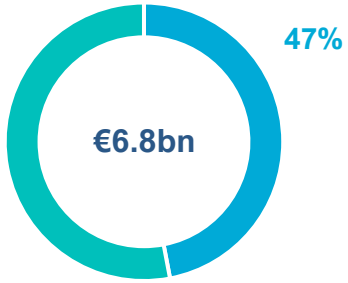
Turnover Taxonomy 2021



Low eligible turnover (20%) due to the weight of trading activities in a high commodity price environment (€20 billion not covered by the taxonomy) and energy supply (12 out of €13 billion not covered)

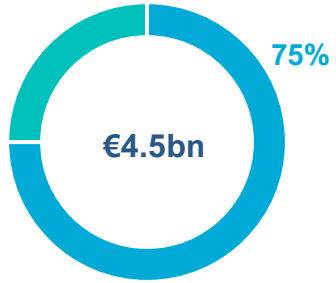
- Eligible for taxonomy
- Not covered by taxonomy

Capex Taxonomy 2021

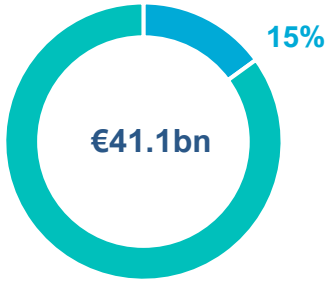


Capex (maintenance & growth) eligible at 47% thanks to the Renewables (€2.4 billion) and Energy Solutions (€0.8 billion) GBUs offset by the not covered Capex of the Networks GBU (€2.3 billion).

Growth Capex 2021



Opex[1] Taxonomy 2021



Low eligible Opex (15%) due to energy purchases in a high commodity price environment included in Others and, to a lesser extent, uncovered expenses of the Networks and Thermal & Supply GBUs

1. Opex includes expenses related do day-to-day servicing & operating of assets

PUBLIC

Committed to increase Group financing through sustainable finance instruments

A pioneer & leader on the Green Bond market

with **€14.25bn**
of green bonds issued since 2014

ESG related bonds' share of outstanding bond financing expected to climb further **over the next 10 years to reach more than 60%**

€9bn

of Sustainability-linked Revolving Credit Facility. Margin indexed on two climate change KPIs

€2.5bn

of Green Project Finance (not financed by the Group's Green bonds)

21,500

employees invested in solidarity fund *Rassembleurs d'énergies*

>75%

of assets funding pension liability invested with asset managers signatories of UN PRI

Financing in Chile

In the context of CO_2 reduction by **80%** by 2026 and **€1.5bn** investment by 2025, ENGIE Chile and Inter-American Development Bank put in place an innovative financing structure allowing ENGIE Chile to monetize the cost of decarbonisation.

Adherence to the B Team principles

THE B TEAM

Responsible taxation recognized by the World Benchmarking Alliance

€2.5bn
of assets funding Group's French pension liabilities with **integrated ESG criteria**

€41m of investments in gender equality funds for French pension liabilities

100% of Money Market funds invested by Group's treasury with ESG investment screening

PUBLIC

ENGIE's commitment to the green bond market (1/2)

ENGIE is one of the world's top issuers in green bonds
with >€14bn issued since 2014, of which €2.3bn in 2021

2014

Inaugural green bond issuance

May **€1.2bn 6Y** 1.375%
May **€1.3bn 6Y** 2.375%

1. Renewable Energy
2. Energy Efficiency

2017

Publication of the green bond framework

Mar **€0.7bn 7Y** 0.875%
Mar **€0.8bn 11Y** 1.500%
Sept **€0.5bn 6Y** 0.375%
Sep **€0.75bn 12Y** 7.375%

1. Renewable Energy
2. Energy Efficiency
3. Natural Resources Preservation

2018

Update of the green bond framework

Jan **€1bn Perp.** 1.375%

1. Renewable Energy (inc T&D)
2. Energy Efficiency (inc E.Storage)
3. Natural Resources Preservation

2019

Update of the green bond framework

Jan **€1bn Perp.** 3.250%
June **€0.75bn 8Y** 0.375%
June **€0.75bn 20Y** 1.375%
Oct **€0.9bn 11Y** 0.500%

1. Renewable Energy (inc T&D)
2. Energy Efficiency (inc E.Storage)
3. Natural Resources Preservation
4. Clean Transportation

2020

Publication of the green financing framework

Mar **€0.75bn 8Y** 1.750%
Mar **€0.75bn 12Y** 2.125%
Nov **€0.85bn Perp.** 1.5%

1. Renewable Energy (inc T&D)
2. Energy Storage
3. T&D Infrastructure
4. Energy Efficiency
5. CCS & CCU
6. Green Buildings
7. Clean Transportation
8. Environmentally sustainable management of living natural resources and land use

2021

75% of Group's growth capex plan over 2021-2023 to be eligible to EU taxonomy

Jul **€0.75bn Perp.**1.875%
Oct **€0.75bn 8Y** 0.375%
Oct **€0.75bn 15Y** 1.00%

1. Renewable Energy (inc T&D)
2. Energy Storage
3. T&D Infrastructure
4. Energy Efficiency
5. CCS & CCU
6. Green Buildings
7. Clean Transportation
8. Environmentally sustainable management of living natural resources and land use

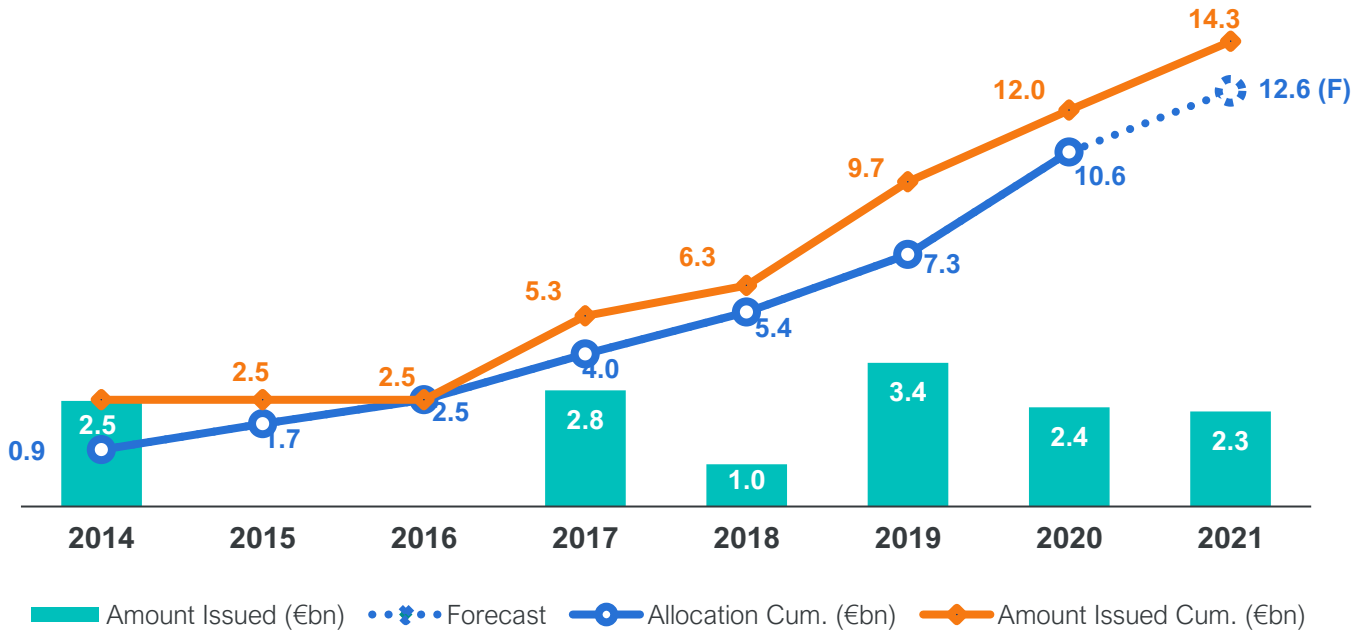
PUBLIC

ENGIE's commitment to the green bond market (2/2)

ENGIE is one of the world's top issuers in green bonds
with >€14bn issued since 2014, of which €2.3bn in 2021

Historical issuance and allocation

€bn as at Dec 2021



A green bond (GB) is a bond that is specifically earmarked to raise financing for climate and environmental projects. Allocations to green projects are verified and reported annually (in the URD). These bonds carry the same credit rating as the issuers' other debt obligations.

PUBLIC

ENGIE committed to social improvements

Diversity

Gender Equality Index

- France: 89[1] ; International: 82[1]
- Target 2030: 100 globally

Gender Diversity

- 24.6%[1] of women in management
- Target 2030: 50% of women in management

Afnor diversity label extended to October 2022 in France

ENGIE is starting to be recognized among the largest companies in France, Europe and the world in terms of efforts on gender diversity, as shown by the results below:

- 7th in the List of Women in Leadership Led by the Ministry Responsible for Equality between Women and Men (out of 120 SBF companies);
- 47th in the European Gender Diversity Index Report 2021 issued by European Women on Boards - EWOB (out of 668 European companies evaluated) and 7th among French companies
- Nominated at the 2022 Bloomberg Gender Equality Index among 418 internationally recognized companies

Hiring, Training, Engagement

Apprenticeship[3]

- ~ 6,000 apprentices[1]
- Target 2030: ≥ 10% of workforce in Europe
- ENGIE's "Apprenticeship training center" dedicated to energy transition and climate businesses, count over 100 young trainees in just one year since its creation.

Training

- ~82%[1] of employees trained
- Target 2030: 100%

Employee commitment[2]

- 80%[1] would recommend ENGIE as a good place to work
- > 83% fully committed

Health & Safety

Safety

- Prevent serious and fatal accidents: "No life at risk" program
- Injury frequency rate = 2.9[1]
- Target: ≤ 2.3 by 2030

Well-being at work

- "No mind at risk" program
- 9 commitments for workplace wellbeing

ENGIE Care

- Social protection for all Group employees worldwide by 2023

1. 2021 figures
2. ENGIE internal survey
3. In Europe

PUBLIC

ENGIE Rassembleurs d'Energies

A robust track record

A GLOBAL & DIVERSIFIED PORTFOLIO

- 21 active investments
- €38m invested as of end of 2021

OFFGRID CLEAN COLLECTIVE ENERGY
HUSK Powering Possibilities, estera, cds

HOUSEHOLDS CLEAN ENERGY SOLUTIONS
BBOXX, AMPED, PEG, kingo, ILUMEXICO, Frontier Markets

CLEAN COOKING
ENVIROFIT, ATEC, SOLAR BROTHER, SISTEMA.bio

CIRCULAR ECONOMY
Gecco, QARNOT COMPUTING, AXIBIO

ENERGY EFFICIENCY AND SOBRIETY
Fonderie CHENELET, CYCLO POWER FACTORY, les toits de l'espoir, LivingStones

SUSTAINABLE MOBILITY
Teebike

SOCIAL LEADERSHIP

Certified B Corporation — B.Corp certification

PACTE — French '*Société à Mission*' status

HIGH SOCIAL & ENVIRONMENTAL IMPACT

- 6.5 million beneficiaries for energy access
- 27,000 jobs created of which 50% women
- 4 women CEOs, a gender equality focus
- 0.5 $MtCO_2$ eq avoided per year

EMPLOYEE ENGAGEMENT

21,500 employees
invested in Rassembleurs d'énergies solidarity fund

PUBLIC

04

FINANCIAL APPENDICES

PUBLIC

Change in number of shares

	As at 31 Dec 2020	**As at 31 Dec 2021**
Existing shares	2,435,285,011	**2,435,285,011**

	FY 2020	**FY 2021**
Average number of shares[1]	2,416 million	**2,419 million**
Recurring EPS[2]	€ 0.71	€ 1.21
Recurring EPS[2] - post hybrids coupons[3]	€ 0.64	€ 1.16

1. Undiluted, excluding treasury stock
2. Considering Net Recurring Income relating to continuing operations, Group share
3. Including hybrids refinancing costs 2020 & 2021

PUBLIC

Main changes in consolidation scope

Acquisitions

Movhera (Hidroelétricas) – Portugal (RENEWABLES)
Equity consolidated since 18/12/2020

TAG - Brazil (NETWORKS)
Equity consolidated since 13/06/2019
10% additional acquisition at 20/07/2020

Georgetown University (ENERGY SOLUTIONS)
Acquisition on 01/07/2021

Disposals / Partial disposals

Renvico – France/Italy (RENEWABLES)
Fully consolidated up to 10/03/2020 ; Held for sale from 10/03/2020
Equity consolidated since 08/12/2020 (France) and 10/12/2020 (Italy)

MultiTech – Canada (ENERGY SOLUTIONS)
Sold since 01/09/2020

Izgaz – Turkey (NETWORKS)
Sold since 09/03/2021

Indian solar assets – India (RENEWABLES)
Held for sale from 17/01/2020
Equity consolidated since 22/03/2021 and 05/05/2021

Willogoleche Power – Australia (RENEWABLES)
Fully consolidated until 29/10/2020
Equity consolidated since 30/10/2020

SUEZ – France (OTHERS)
Success of OPA 07/01/2022 and recognition of the earn-out FY 2021

Disposals / Partial disposals

GTT – France (OTHERS)
Full consolidation until 26/05/2021
Partial disposal and equity consolidated since 26/05/2021

ENGIE EPS – France/Italy (OTHERS)
Full consolidation until 30/06/21
Held for sale since 30/06/21
Sold since 20/07/2021

EVBox – Netherlands (ENERGY SOLUTIONS)
Held for sale since December 2020
No more Held for sale since December 2021

GRTgaz – France (NETWORKS)
Partial disposal on 22/12/2021

Georgetown University - US (ENERGY SOLUTIONS)
Partial disposal and equity consolidated since 01/07/2021

ENDEL – FRANCE (ENERGY SOLUTIONS)
Held for sale since 27/08/2021

Jorge Lacerda – Brazil (THERMAL)
Sold since 18/10/2021

Discontinued operations

EQUANS
Discontinued operations since 05/11/2021

PUBLIC

Foreign exchange

Impact of foreign exchange evolution

(€m), Δ 21/20	USD	BRL	GBP	AUD	Other[1]	TOTAL
Revenue	-210	-168	+52	+44	-59	**-342**
EBITDA	-41	-87	+5	+6	+1	**-116**
EBIT	-28	-75	+4	+4	+2	**-94**
Total net debt	+222	+21	-3	-4	+71	**+306**
Total equity	+611	+26	+150	+5	+197	**+989**

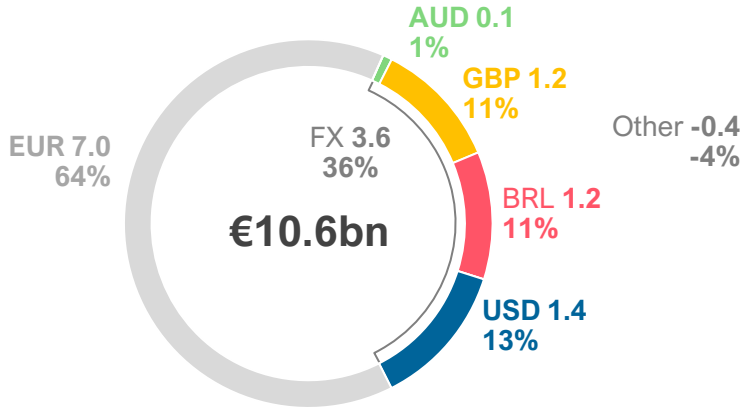
	USD	BRL	GBP	AUD
FY 2021 average rate	**0.85**	**0.16**	**1.16**	**0.63**
FY 2020 average rate	0.88	0.17	1.12	0.60
Δ Average rate	-3.4%	-7.5%	+3.5%	+5.1%

The average rate applies to the **income statement** and to the **cash flow statement**

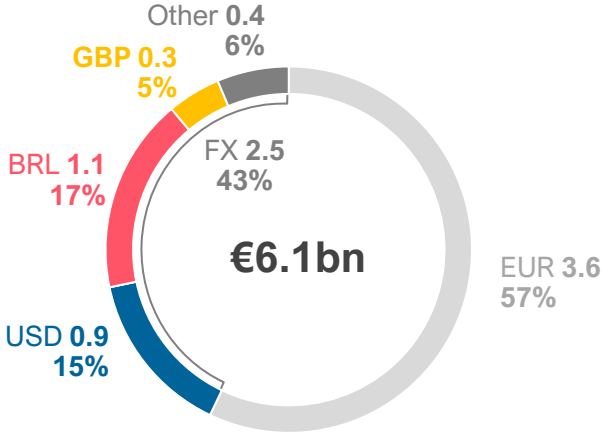
	USD	BRL	GBP	AUD
Closing rate as of 31 December 2021	**0.88**	**0.16**	**1.19**	**0.64**
Closing rate as of 31 Dec 2020	0.81	0.16	1.11	0.63
Δ Closing rate	+8.3%	+0.9%	+7.0%	+1.8%

The closing rate applies to the **balance sheet**

FY 2021 EBITDA breakdown by currency



FY2021 EBIT breakdown by currency



1. Mainly MXN, ARS, INR, RON, UAED, PLN, TRY, CLP

PUBLIC

Summary balance sheet

Assets (€bn)	31 Dec 2020	31 Dec 2021
NON-CURRENT ASSETS	**93.1**	**117.4**
CURRENT ASSETS	**60.1**	**107.9**
o/w cash and equivalents	13.0	13.9
TOTAL	**153.2**	**225.3**

Liabilities & Equity (€bn)	31 Dec 2020	31 Dec 2021
Equity, Group share	28.9	37.0
Non-controlling interests	4.9	5.0
TOTAL EQUITY	**33.9**	**42.0**
Provisions	27.1	25.5
Financial debt	37.9	41.0
Other liabilities	54.3	116.8
TOTAL	**153.2**	**225.3**

PUBLIC

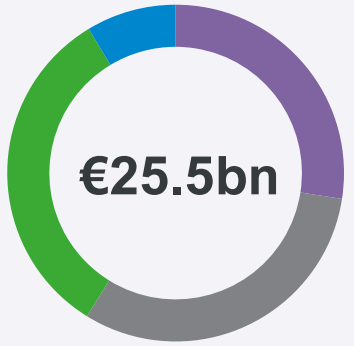
Details of some financial assets and provisions

Details of some financial assets
As at 31 December 2021

- **€2.3bn** Equity instruments at fair value through equity
- **€0.5bn** Equity instruments at fair value through income
- **€2.3bn** Debt instruments at fair value through equity
- **€2.2bn** Debt instruments at fair value through income
- **€6.2bn** Loans & receivables at amortized cost

- **€8.5bn** Investments in associates and joint ventures
- **€8.4bn** Assets from contracts with customers
- **€13.4bn** Other financial assets

Provisions
As at 31 December 2021



- **€7.0bn** Pensions
- **€8.0bn** Recycling & storage
- **€8.3bn** Dismantling & site rehabilitation
- **€2.2bn** Others

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Summary income statement

(€m)	FY 2020	FY 2021
REVENUE	**44,306**	**57,866**
Purchases & operating derivatives	(28,088)	(38,861)
Personnel costs	(7,503)	(7,692)
Amortization depreciation and provisions	(4,477)	(4,840)
Taxes	(1,207)	(1,479)
Other operating incomes and expenses	971	1,122
Share in net income of entities accounted for using the equity method	553	800
CURRENT OPERATING INCOME INCLUDING OPERATING MTM & SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**4,554**	**6,916**
Impairment, restructuring, disposals and others	(2,996)	(194)
INCOME FROM OPERATING ACTIVITIES	**1,558**	**6,722**
Financial result	(1,634)	(1,350)
o/w recurring cost of net debt	*(788)*	*(851)*
o/w cost of lease liabilities	*(40)*	*(35)*
o/w non-recurring items included in financial income/(loss)	*(256)*	*144*
o/w others	*(550)*	*(608)*
Income tax	(666)	(1,695)
Non-controlling interests	(642)	(97)
Net income / (loss) relating to discontinued operations, Group share	(153)	79
NET INCOME / (LOSS) GROUP SHARE	**(1,536)**	**3,661**
EBITDA	**8,908**	**10,563**
EBIT	**4,493**	**6,145**

PUBLIC

Summary recurring income statement

(€m)	FY 2020	FY 2021
EBITDA	**8,908**	**10,563**
o/w recurring share in net income of equity method entities	*690*	*751*
Depreciation, amortization and others	(4,415)	(4,418)
EBIT	**4,493**	**6,145**
Recurring financial result	(1,377)	(1,494)
o/w recurring cost of net debt	*(788)*	*(851)*
o/w cost of lease liabilities	*(40)*	*(35)*
o/w others	*(550)*	*(608)*
Income tax	(741)	(1,142)
Net recurring income from non-controlling interests relating to continuing operations	(650)	(581)
Net recurring income relating to continuing operations, Group share	**1,725**	**2,927**
Net recurring income relating to discontinued operations, Group share	(22)	231
NET RECURRING INCOME GROUP SHARE	**1,703**	**3,158**

PUBLIC

From EBIT to net income Group share

(€m)	FY 2020	FY 2021
EBIT	**4,493**	**6,145**
MtM	198	721
Non-recurring share in net income of equity method entities	(137)	50
CURRENT OPERATING INCOME INCLUDING OPERATING MtM AND SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**4,554**	**6,916**
Impairment	(3,502)	(1,028)
Restructuring costs	(257)	(204)
Asset disposals & others	762	1,039
INCOME FROM OPERATING ACTIVITIES	**1,558**	**6,722**
Financial result	(1,634)	(1,350)
Income tax	(666)	(1,695)
Non-controlling interests relating to continuing operations	(642)	(96)
NET INCOME / (LOSS) RELATING TO CONTINUING OPERATIONS, GROUP SHARE	**(1,384)**	**3,582**
Net income / (loss) relating to discontinued operations, Group share	(153)	79
NET INCOME / (LOSS) GROUP SHARE	**(1,536)**	**3,661**

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From net income Group share to net recurring income Group share

(€m)	FY 2020	**FY 2021**
NET INCOME GROUP SHARE	**(1,536)**	**3,661**
MtM commodities	(198)	(721)
Impairment	3,502	1,028
Restructuring costs	257	204
Asset disposals & others	(762)	(1,039)
Financial result (non-recurring items)	256	(144)
Non-recurring share in net income of equity method entities	137	(50)
Income tax on non-recurring items	(75)	552
Non-controlling interests on above items	(8)	(486)
Non-recurring items relating to discontinued operations, Group share	131	152
NET RECURRING INCOME GROUP SHARE	**1,703**	**3,158**

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ROCE

(€m)	FY 2021
AVERAGE CAPITAL EMPLOYED	**46,264**
Scope effects	(1,387)
AVERAGE CAPITAL EMPLOYED - adjusted[1]	**44,877**
EBIT EXCLUDING SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**5,394**
Other income and financial expenses[2]	(784)
Normative income tax[3]	(1,278)
Share in net recurring income of entities accounted for using the equity method	751
NOPAT	**4,082**
ROCE= NOPAT / CE (average)	**9.1%**

1 Adjusted to make the composition of capital employed consistent with that of NOPAT for main scope changes
2 Mainly unwinding effect of long-term provisions and interest cost of employee benefits
3 EBIT excluding share in net income of entities accounted for using the equity method plus other income and financial expenses, multiplied by the statutory tax rates in force in the underlying jurisdictions

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Cash flow statement

(€m)	FY 2020	FY 2021
Gross cash flow before financial loss and income tax	8,506	9,806
Income tax paid (excl. income tax paid on disposals)	(494)	(603)
Change in operating working capital	(902)	(2,377)
Cash flow from (used in) operating activities relating to continuing operations	**7,110**	**6,826**
Cash flow from (used in) operating activities relating to discontinued operations	**479**	**486**
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**7,589**	**7,312**
Net tangible and intangible investments	(4,832)	(5,902)
Financial investments	(3,090)	(2,310)
Disposals and other investment flows	4,051	173
Cash flow from (used in) investing activities relating to continuing operations	**(3,872)**	**(8,039)**
Cash flow from (used in) investing activities relating to discontinued operations	**(175)**	**(3,003)**
CASH FLOW FROM (USED IN) INVESTMENT ACTIVITIES	**(4,046)**	**(11,042)**
Dividends paid	(621)	(1,859)
Balance of reimbursement of debt/new debt	1,306	3,299
Net interests paid on financial activities	(595)	(667)
Capital increase/hybrid issues	181	226
Other cash flows	(560)	1,330
Cash flow from (used in) financial activities relating to continuing operations	**(290)**	**2,329**
Cash flow from (used in) financial activities relating to discontinued operations	**(272)**	**2,519**
CASH FLOW FROM (USED IN) FINANCIAL ACTIVITIES	**(561)**	**4,848**
Impact of currency and other relating to continuing operations	(518)	223
Impact of currency and other relating to discontinued operations	(11)	10
Impact of currency and other	(528)	233
TOTAL CASH FLOWS FOR THE PERIOD	**2,453**	**1,350**
Reclassification of cash and cash equivalents relating to discontinued activities	9	(440)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**10,519**	**12,980**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**12,980**	**13,890**

PUBLIC

Reconciliation between EBITDA and operating cash flow

(€m)	FY 2020	**FY 2021**
EBITDA	**8,908**	**10,563**
Restructuring costs cashed out	(212)	(243)
Provisions	(240)	160
Share in net income of entities accounted for using the equity method	(690)	(751)
Dividends and others	741	77
CASH GENERATED FROM OPERATIONS BEFORE INCOME TAX AND WORKING CAPITAL REQUIREMENTS	**8,506**	**9,806**

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Tax position

(€m)	FY 2020	**FY 2021**
Consolidated income before tax, share in entities accounted for using the equity method and discontinued operations	(392)	**4,588**
Consolidated income tax	(666)	**(1,695)**
Effective tax rate	n.a.	36.9%
Recurring effective tax rate	30.5%	**29.3%**

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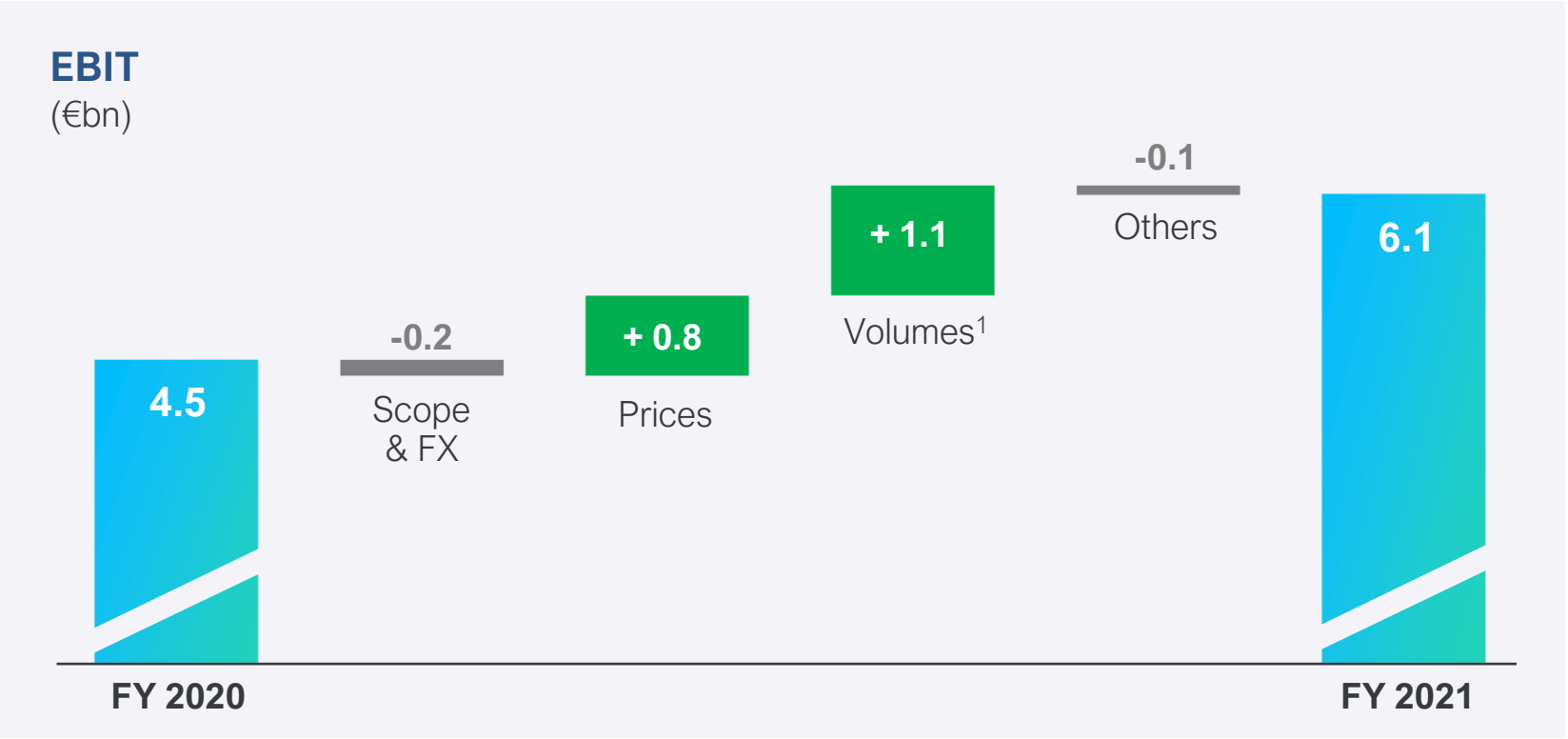
EBIT bridge by effect



1 Including Covid recovery and temperature effects

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Cash flow

From EBITDA to Free Cash Flow

Free Cash Flow generation from FY 2020 to FY 2021

1. From 1 January 2021 nuclear provisions funding are included in the FCF

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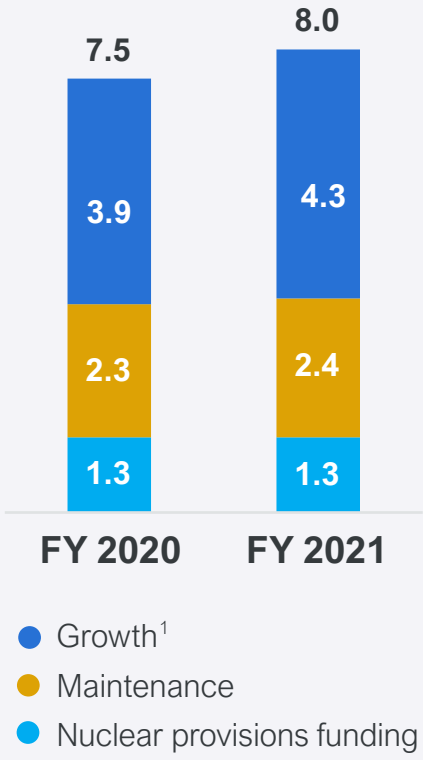
Breakdown of total Capex by activity

FY 2021

(€m)	Growth[1]	Maintenance	Nuclear provisions funding	TOTAL
Renewables	1,887	120		**2,007**
Networks	1,320	1,205		**2,525**
Energy Solutions	712	189		**901**
Thermal	(17)	284		**268**
Supply	155	145		**299**
Nuclear		201	1,261	**1,462**
Others	218	274		**492**
TOTAL	**4,274**	**2,418**	**1,261**	**7,953**

Breakdown by nature
(€bn)



1. Net of DBSO and US tax equity proceeds

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Detail of FY 2021 growth[1] Capex

€4.3bn growth[1] Capex of which more than 90% focused on strategic priorities

Growth[1] Capex by activity

(€bn)

- **44%** Renewables
- **31%** Networks
- **17%** Energy Solutions
- **0%** Thermal
- **4%** Supply
- **5%** Others

Main growth projects (€bn)

Renewables	**1.9**
o/w North America Wind & Solar	**0.8**
o/w France Wind, Solar & Hydro	**0.3**
o/w Latin America Wind & Solar (Chile, Peru & Mexico)	**0.3**
o/w Brazil Wind & Hydro	**0.2**
Networks	**1.3**
o/w GRDF (mainly smart meters + networks dev.)	**0.6**
o/w Brazil power lines Novo Estado / Gralha Azul	**0.4**
o/w GRTgaz	**0.1**
Energy Solutions	**0.7**
o/w North America Infrastructure (Georgetown University)	**0.2**
o/w North America Distributed PV Solar	**0.2**

1. Net of DBSO and US tax equity proceeds

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05

CREDIT

PUBLIC

Strong 'Investment grade' category rating

As at 15 February 2022

S&P		
Long-term issuer rating		
A+		
A	Verbund (stable)	13/12/2019
A-	EnBW (stable)	20/06/2017
BBB+	EDF (CW negative)	17/01/2022
	ENEL (stable)	06/12/2017
	ENGIE (stable)	**24/04/2020**
	Iberdrola (stable)	22/04/2016
	Orsted (stable)	15/05/2014
	SSE (stable)	20/12/2018
	Vattenfall (positive)	26/11/2021
BBB	EDP (stable)	16/03/2021
	E.ON (stable)	15/03/2017
	Fortum (stable)	05/07/2021
	Naturgy (stable)	09/08/2021
BBB-		

Moody's		
Senior long-term unsecured rating		
A1		
A2		
A3	EDF (CW negative)	17/01/2022
	Vattenfall (stable)	06/07/2021
	Verbund (stable)	13/01/2020
Baa1	EnBW (stable)	18/05/2021
	ENEL (stable)	14/01/2021
	ENGIE (stable)	**09/11/2020**
	Iberdrola (stable)	14/03/2018
	Orsted (stable)	13/06/2017
	SSE (stable)	17/11/2021
Baa2	E.ON (stable)	17/05/2018
	Fortum (stable)	08/07/2021
	Naturgy (stable)	08/08/2017
	RWE (stable)	15/04/2021
Baa3	EDP (positive)	11/05/2021

Fitch		
Issuer default rating		
A+		
A		
A-	**ENGIE (stable)**	**14/03/2021**
BBB+	EDF (RW negative)	17/01/2022
	ENEL (stable)	04/02/2022
	E.ON (stable)	24/08/2018
	Iberdrola (stable)	25/03/2014
	Orsted (stable)	21/02/2014
	RWE (stable)	28/01/2020
BBB	EDP (stable)	12/05/2021
	Fortum (stable)	28/06/2021
	Naturgy (stable)	28/01/2020
	SSE (stable)	24/02/2020
BBB-		

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Economic net debt / EBITDA

Bridge financial to economic net debt

(€bn)	FY 2020	FY 2021
EBITDA	**8,908**	**10,563**
IFRS NET FINANCIAL DEBT	**22,458**	**25,350**
IFRS NFD / EBITDA	**2.52**	**2.40**
ARO provisions	15,790	16,291
Post-employment provisions (minus deferred tax assets) w/o regulated subsidiaries	3,652	2,674
(-) Nuke dedicated assets	-4,479	-6,014
ECONOMIC NET DEBT	**37,420**	**38,300**
ECONOMIC NET DEBT / EBITDA	**4.20**	**3.62**

Net financial debt of €25.3bn is calculated as financial debt of €41.0bn - cash & equivalents of €13.9bn - other financial assets of €1.6bn (incl. in non-current assets) - derivative instruments hedging items included in the debt of (€0.2bn)

Economic net debt incorporates additional commitments monitored by the Group, in line with rating agencies adjustments – although differences in definitions exist

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Split of gross debt[1] & debt maturity profile[2]

Split of gross debt[1]
(€bn, excluding leases[5])

Average cost of gross debt

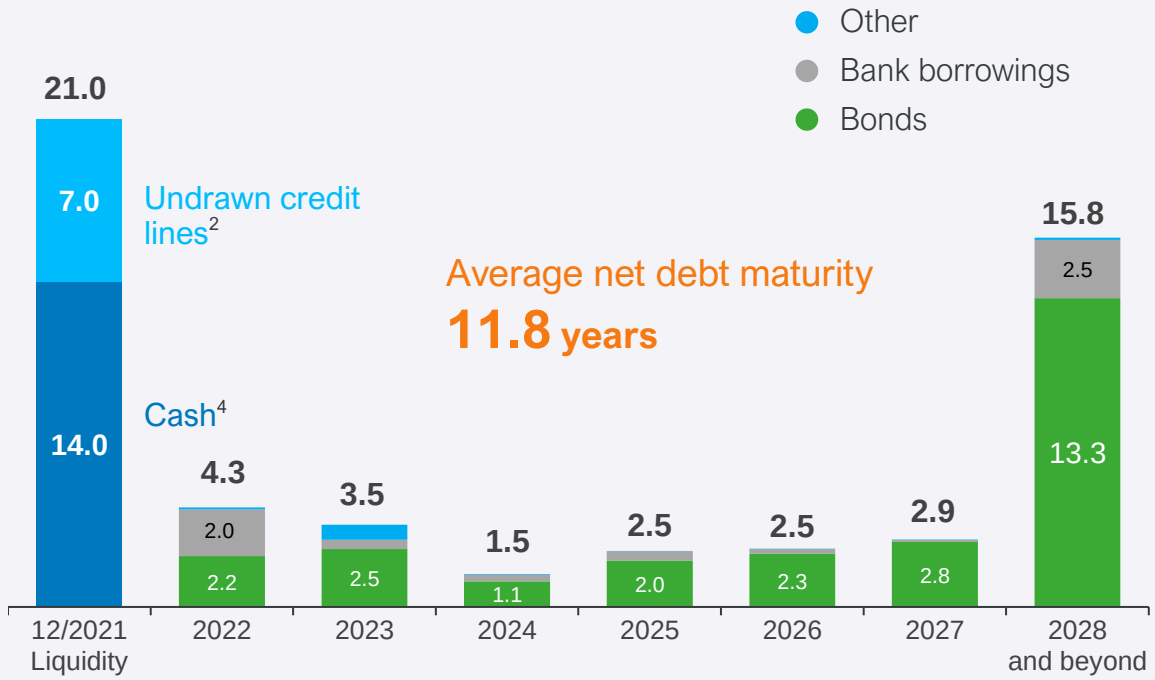
2.63%
as at 31 December 2021

VS

2.38%
as at 31 December 2020

- **€26.2bn** Bonds
- **€5.8bn** Bank borrowings
- **€5.0bn** NEU CP[3] / US CP
- **€0.7bn** Drawn credit lines
- **€0.2bn** Other borrowings

Debt maturity profile[2]
(€bn)



1. Without IFRS 9 (+€0.9bn) without bank overdraft (+€0.5bn)
2. Excluding/net of €5.0bn of NEU CP/US CP
3. Negotiable European Commercial Paper
4. Cash & cash equivalents (€13.9bn), plus financial assets qualifying or designated at faire value through income (€0.6bn), net of bank overdraft (€0.5bn)
5. Financial and operational leases (+2.0bn€)

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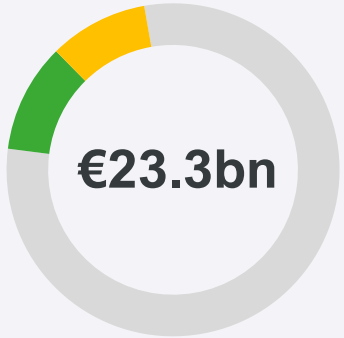
Net debt[1] breakdown by rate and currency

31 December 2021 by rate

- **91%** Fixed rate
- **9%** Floating and capped rates

31 December 2021 by currency



- **83%** EUR
- **11%** USD
- **10%** BRL
- **(4)%** Other[2]

1. After hedging and without leases
2. Cash positive position for other currencies

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Hybrids

Issuer	Currency	Coupon	Issue date	First Reset date / First Call date	Non-Call period (years)	Outstanding amount (€m)[2]	Annual coupon payment (€m)
GDF SUEZ	EUR	3.875%	02/06/2014	02/06/2024	10	393	15
ENGIE[1]	EUR	1.375%	16/01/2018	16/04/2023	5.25	274	4
ENGIE[1]	EUR	3.250%	28/01/2019	28/02/2025	6.1	1,000	33
ENGIE	EUR	1.625%	08/07/2019	08/07/2025	6	500	8
ENGIE[1]	EUR	1.500%	30/11/2020	30/11/2028	8	850	13
ENGIE[1]	EUR	1.875%	02/07/2021	02/07/2031	10	750	14
TOTAL						**3,767**	**86**

Highlights:

- Most of ENGIE's outstanding hybrids are green bonds
- Lower cost of funding of ENGIE in the debt capital market in recent years has resulted in significantly lower coupons
- Hybrids are accounted as equity under IFRS 9, explaining why the costs of the hybrids are not included in ENGIE's NRIgs, hence not impacting ENGIE's dividend policy

1. Green bonds
2. Outstanding hybrids as at 31 December 2021

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06

DISCLAIMER, ADR & CONTACTS

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Disclaimer

Important notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although ENGIE management believes that these forward-looking statements are reasonable, investors and ENGIE shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of ENGIE and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by ENGIE with the French Financial Markets Authority (AMF), including those listed in the “Risk Factors” section of the ENGIE (ex GDF SUEZ) Universal Registration Document filed with the AMF on March 17, 2021 (under number D.21-142). Investors and ENGIE shareholders should note that if some or all of these risks are realized they may have a significant unfavourable impact on ENGIE.

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ADR program

American Depositary Receipt

Symbol	ENGIY
CUSIP	29286D105
Platform	OTC
Type of programme	Level 1 sponsored
ADR ratio	1:1
Depositary bank	Citibank, NA

FOR MORE INFORMATION, GO TO

http://www.citi.com/dr

For more information about ENGIE

Ticker: ENGI

+33 1 44 22 66 29

ir@engie.com

https://www.engie.com/en/financial-results

FOR MORE INFORMATION ABOUT FY 2021 RESULTS:

https://www.engie.com/en/finance/results/2021

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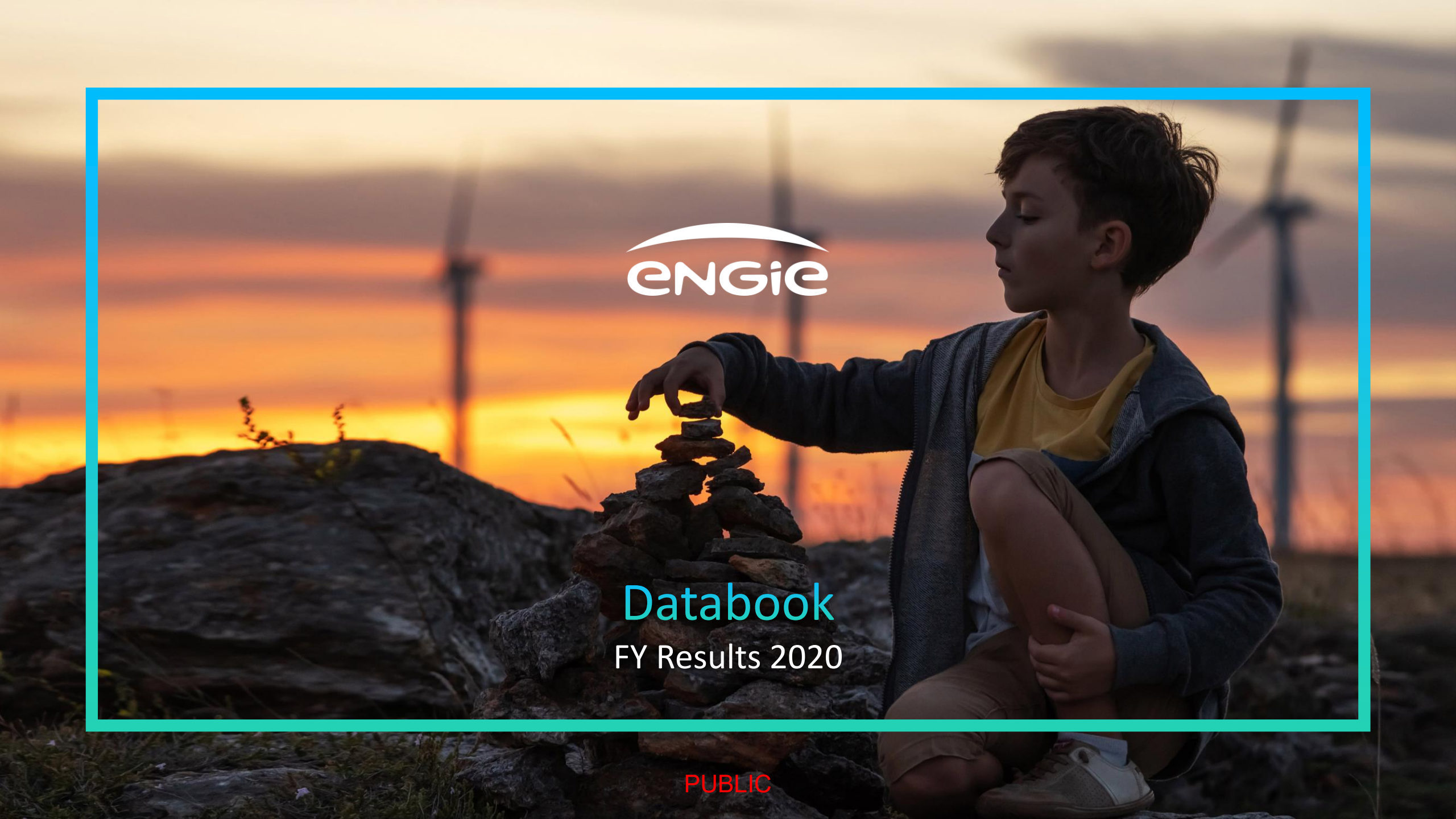

Databook

FY Results 2020

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GENERATION CAPACITY
&
ELECTRICITY OUTPUT

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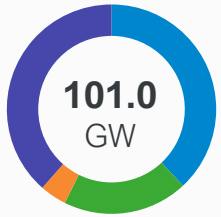
Breakdown of generation capacity by geographic area[1]

As at 31 Dec 2020

In operation (MW)

At 100%

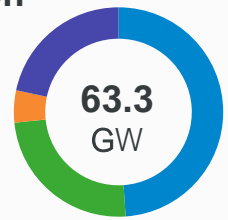
62% International
38% Europe



38%
19%
4%
39%

% consolidation[2]

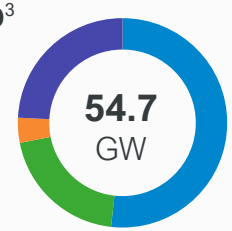
51% International
49% Europe



49%
24%
5%
22%

Net ownership[3]

48% International
52% Europe



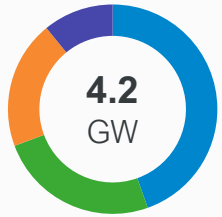
52%
20%
4%
24%

Europe
Latin America
USA & Canada
Rest of World

Under construction (MW)

At 100%

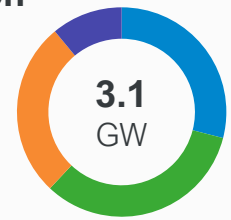
55% International
45% Europe



45%
25%
20%
11%

% consolidation[2]

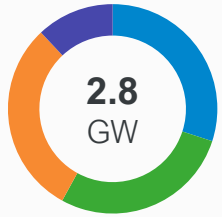
71% International
29% Europe



29%
33%
27%
11%

Net ownership[3]

70% International
30% Europe



30%
28%
30%
12%

1 Excluding Client Solutions capacities
2 % of consolidation for full consolidated and joint operations affiliates and % holding for equity consolidated companies
3 ENGIE ownership

Breakdown of generation capacity by technology[1]

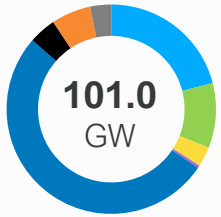
As at 31 Dec 2020

In operation (MW)

At 100%

93% Low CO_2 emissions

31% Renewable[2]

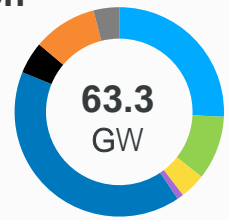


21%	52%
10%	4%
0%	6%
3%	3%
0%	

% consolidation[3]

91% Low CO_2 emissions

35% Renewable[2]

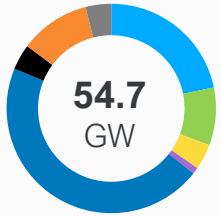


26%	41%
10%	5%
0%	10%
4%	4%
1%	

Net ownership[4]

92% Low CO_2 emissions

30% Renewable[2]



22%	46%
9%	4%
0%	11%
4%	4%
1%	

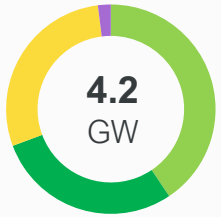
- Hydro[5]
- Onshore wind
- Offshore wind
- Solar
- Other renewables
- Natural gas
- Coal
- Nuclear
- Other non renewables

Under construction (MW)

At 100%

100% Low CO_2 emissions

100% Renewable[2]

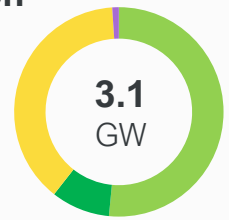


0%	0%
41%	0%
29%	0%
29%	0%
2%	

% consolidation[3]

100% Low CO_2 emissions

100% Renewable[2]

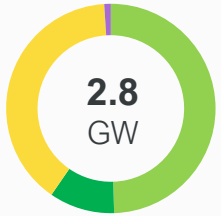


0%	0%
51%	0%
9%	0%
38%	0%
1%	

Net ownership[4]

100% Low CO_2 emissions

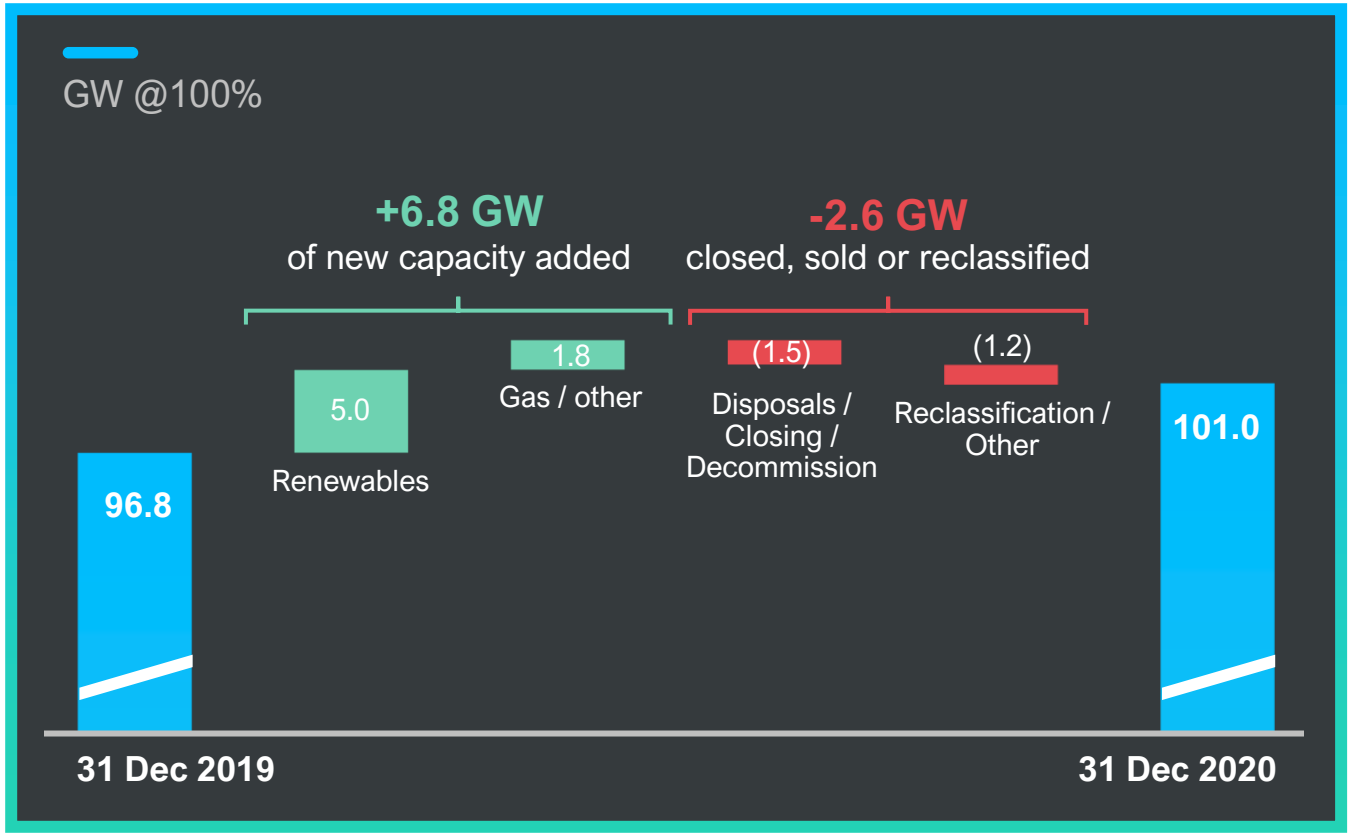
100% Renewable[2]



0%	0%
49%	0%
10%	0%
39%	0%
1%	

1 Excluding Client Solutions capacities
2 Excluding pumped storage
3 % of consolidation for full consolidated and joint operations affiliates and % holding for equity consolidated companies
4 ENGIE ownership
5 Includes pumped storage

Installed capacity[1] evolution vs 2019



Capacity added by geography

EUROPE of which			**3,171 MW**
	Portugal	Hydro	1,700 MW
	France	Onshore wind	310 MW
Vilvoorde GT1	Belgium	Gas	255 MW
Seamade Mermaid WF1	Belgium	Offshore wind	235 MW
Tonstad	Norway	Onshore wind	208 MW
	Spain	Onshore wind	169 MW
	Italy	Onshore wind	142 MW
LATIN AMERICA of which			**200 MW**
Tres Mesa 4	Mexico	Onshore wind	101 MW
Akin SF1	Mexico	Solar	99 MW
USA & CANADA of which			**1,781 MW**
Prairie Hill	USA	Onshore wind	300 MW
Triple H	USA	Onshore wind	250 MW
King Plains	USA	Onshore wind	248 MW
Long Draw 1	USA	Solar	225 MW
Las Lomas	USA	Onshore wind	202 MW
Anson	USA	Solar	200 MW
East Fork WF	USA	Onshore wind	196 MW
Jumbo Hill WF	USA	Onshore wind	161 MW
REST OF WORLD of which			**1,651 MW**
Fadhili	Saudi Arabia	Gas	1,507 MW

Disposals / Closing / Decommissioning of which			**(1,463) MW**
Astoria	USA	Gas	(1,150) MW
Tamaya	Chile	Other non-RES	(99) MW
Various projects	USA	Biomass & biogas	(108) MW
Awirs 4	Belgium	Biomass & biogas	(95) MW

Reclassification & other of which			**(1,150) MW**
Virtual Power Plant[2]	Italy	Gas	(1,100) MW

1 Excluding Client Solutions capacities
2 Virtual Power Plant removed from the "installed capacity" scope

PUBLIC ENGIE

Total capacity[1] by reportable segment

As at 31 Dec 2020

	At 100%			% CONSOLIDATION[2]			NET OWNERSHIP[3]		
MW	In operation	Under construction	TOTAL	In operation	Under construction	TOTAL	In operation	Under construction	TOTAL
FRANCE	**7,527**	**507**	**8,034**	**5,772**	**495**	**6,266**	**3,903**	**449**	**4,353**
REST OF EUROPE	**30,632**	**173**	**30,805**	**25,147**	**112**	**25,259**	**24,393**	**112**	**24,505**
LATIN AMERICA	**19,518**	**1,036**	**20,554**	**15,477**	**1,036**	**16,513**	**11,046**	**782**	**11,828**
Brazil	14,199	361	14,560	10,246	361	10,607	7,590	248	7,838
Chile	2,048	353	2,401	2,048	353	2,401	1,229	212	1,440
Mexico	770	322	1,092	682	322	1,004	682	322	1,004
Peru	2,500	-	2,500	2,500	-	2,500	1,545	-	1,545
USA & CANADA	**4,163**	**849**	**5,012**	**3,145**	**849**	**3,994**	**2,117**	**849**	**2,966**
MIDDLE EAST, ASIA & AFRICA	**38,896**	**457**	**39,353**	**13,710**	**351**	**14,061**	**13,252**	**351**	**13,604**
Middle East and Turkey	30,133	-	30,133	8,987	-	8,987	8,851	-	8,851
Asia - Pacific	5,722	397	6,118	3,550	291	3,841	3,228	291	3,519
Africa	3,041	60	3,101	1,173	60	1,233	1,173	60	1,233
OTHERS	**260**	**1,205**	**1,465**	**31**	**291**	**322**	**31**	**291**	**322**
TOTAL	**100,996**	**4,226**	**105,222**	**63,280**	**3,134**	**66,414**	**54,742**	**2,834**	**57,576**

1 Excluding Client Solutions capacities
2 % of consolidation for full and joint operations affiliates and % holding for equity consolidated companies
3 ENGIE ownership

PUBLIC ENGIE

Total capacity[1] by reportable segment and by technology

As at 31 Dec 2020, at 100%

MW	Hydro[2]	Onshore wind	Offshore wind	Solar	Other renewables	Natural gas	Coal	Nuclear	Other non renewables	TOTAL
FRANCE	**3,890**	**2,622**	**-**	**1,015**	**-**	**-**	**-**	**-**	**-**	**7,527**
REST OF EUROPE	**5,197**	**2,508**	**-**	**136**	**205**	**14,779**	**576**	**6,163**	**1,069**	**30,632**
LATIN AMERICA	**12,110**	**1,094**	**-**	**763**	**101**	**1,796**	**2,436**	**-**	**1,218**	**19,518**
Brazil	11,811	901	-	292	101	-	1,094	-	-	14,199
Chile	44	48	-	55	-	629	1,218	-	54	2,048
Mexico	-	145	-	375	-	250	-	-	-	770
Peru	255	-	-	41	-	917	125	-	1,164	2,500
USA & CANADA	**-**	**2,521**	**-**	**497**	**-**	**1,145**	**-**	**-**	**-**	**4,163**
MIDDLE EAST, ASIA & AFRICA	**-**	**1,066**	**-**	**723**	**85**	**34,768**	**1,250**	**-**	**1,004**	**38,896**
Middle East and Turkey	-	-	-	-	-	30,133	-	-	-	30,133
Asia - Pacific	-	396	-	606	85	4,635	-	-	-	5,722
Africa	-	670	-	118	-	-	1,250	-	1,004	3,041
OTHERS	**-**	**-**	**260**	**-**	**-**	**-**	**-**	**-**	**-**	**260**
TOTAL	**21,197**	**9,811**	**260**	**3,134**	**391**	**52,487**	**4,262**	**6,163**	**3,290**	**100,996**

1 Excluding Client Solutions capacities

2 Including pumped storage

PUBLIC ENGIE

Total capacity[1] by reportable segment and by technology

As at 31 Dec 2020, in % of consolidation

MW	Hydro[2]	Onshore wind	Offshore wind	Solar	Other renewables	Natural gas	Coal	Nuclear	Other non renewables	TOTAL
FRANCE	**3,835**	**1,561**	**-**	**376**	**-**	**-**	**-**	**-**	**-**	**5,772**
REST OF EUROPE	**4,147**	**1,381**	**-**	**89**	**205**	**11,972**	**162**	**6,163**	**1,029**	**25,147**
LATIN AMERICA	**8,166**	**1,069**	**-**	**700**	**92**	**1,796**	**2,436**	**-**	**1,218**	**15,477**
Brazil	7,867	901	-	292	92	-	1,094	-	-	10,246
Chile	44	48	-	55	-	629	1,218	-	54	2,048
Mexico	-	120	-	312	-	250	-	-	-	682
Peru	255	-	-	41	-	917	125	-	1,164	2,500
USA & CANADA	**-**	**1,976**	**-**	**485**	**-**	**684**	**-**	**-**	**-**	**3,145**
MIDDLE EAST, ASIA & AFRICA	**-**	**488**	**-**	**657**	**30**	**11,716**	**438**	**-**	**381**	**13,710**
Middle East and Turkey	-	-	-	-	-	8,987	-	-	-	8,987
Asia - Pacific	-	186	-	606	30	2,729	-	-	-	3,550
Africa	-	302	-	52	-	-	438	-	381	1,173
OTHERS	**-**	**-**	**31**	**-**	**-**	**-**	**-**	**-**	**-**	**31**
TOTAL	**16,147**	**6,475**	**31**	**2,308**	**326**	**26,166**	**3,036**	**6,163**	**2,628**	**63,280**

1 Excluding Client Solutions capacities

2 Including pumped storage

PUBLIC ENGIE

Expected commissioning of capacity[1] under construction

As at 31 Dec 2020 at 100%

By geographic area (MW)	2021	2022	TOTAL
FRANCE	**378**	**128**	**507**
REST OF EUROPE	**92**	**81**	**173**
LATIN AMERICA	**1,036**	**-**	**1,036**
Brazil	361	-	361
Chile	353	-	353
Mexico	322	-	322
USA & CANADA	**849**	**-**	**849**
MIDDLE EAST, ASIA & AFRICA	**407**	**50**	**457**
Asia - Pacific	347	50	397
Africa	60	-	60
OTHERS	**252**	**953**	**1,205**
TOTAL	**3,014**	**1,212**	**4,226**

By technology (MW)	Country	2021	2022	TOTAL
ONSHORE WIND of which		**1,498**	**216**	**1,714**
Campo Largo	Brazil	361	-	361
Priddy	USA	300	-	300
Iron Star	USA	298		298
Calama Wind farm	Chile	151	-	151
Dakota Range II	USA	151	-	151
SECI 4 WF3	India	56	-	56
SECI 4 WF4	India	-	50	50
OFFSHORE WIND of which		**252**	**953**	**1,205**
Moray East	UK	-	953	953
Seamade Seastar WF1	Belgium	252	-	252
SOLAR of which		**1,163**	**44**	**1,207**
Nueva Xcala	Mexico	200	-	200
Raghanesda Ph3-R	India	200	-	200
Tamaya SF1	Chile	114	-	114
Abril	Mexico	99	-	99
Capricornio	Chile	88	-	88
OTHER of which		**101**	**-**	**101**
Rantau Dedap	Indonesia	91	-	91
TOTAL		**3,014**	**1,212**	**4,226**

1 Excluding Client Solutions capacities

PUBLIC ENGIE

Total generation output[1] breakdown by geographic area and technology

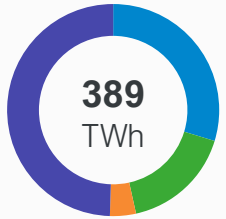
For FY 2020

- Europe
- Latin America
- USA & Canada
- Rest of World

By Geographic area

At 100%

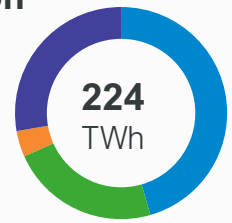
70% International
30% Europe



30% · 17% · 4% · 50%

% consolidation[2]

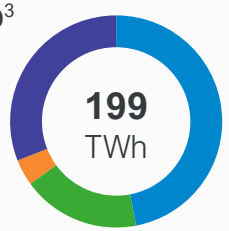
54% International
46% Europe



46% · 23% · 4% · 28%

Net ownership[3]

53% International
47% Europe

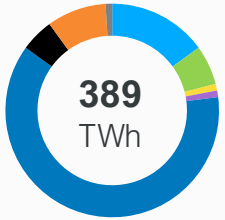


47% · 18% · 4% · 31%

By Technology

At 100%

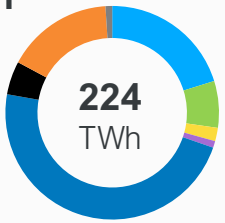
95% Low CO_2 emissions
23% Renewable[4]



15% · 62% · 6% · 5% · 0% · 9% · 1% · 1% · 1%

% consolidation[2]

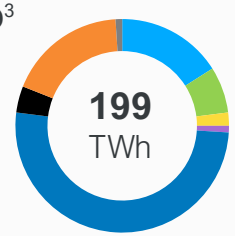
94% Low CO_2 emissions
29% Renewable[4]



20% · 47% · 7% · 5% · 0% · 16% · 2% · 1% · 1%

Net ownership[3]

95% Low CO_2 emissions
24% Renewable[4]



16% · 51% · 7% · 4% · 0% · 18% · 2% · 1% · 1%

- Hydro[5]
- Onshore wind
- Offshore wind
- Solar
- Other renewables
- Natural gas
- Coal
- Nuclear
- Other non renewables

1 Excluding Client Solutions assets' output
2 % of consolidation for full and joint operations affiliates and % holding for equity consolidated companies
3 ENGIE ownership
4 Excluding pumped storage for renewable hydro output
5 Includes pumped storage

PUBLIC ENGIE

Electricity output[1] by reportable segment

For FY 2020

TWh	At 100%	% consolidation[2]	Net ownership[3]
FRANCE	**22.3**	**19.5**	**12.0**
REST OF EUROPE	**93.6**	**83.1**	**82.1**
LATIN AMERICA	**64.9**	**50.6**	**36.2**
Brazil	49.3	35.3	26.2
Chile	6.4	6.4	3.5
Mexico	2.8	2.5	2.5
Peru	6.4	6.4	3.9
USA & CANADA	**14.0**	**7.9**	**7.7**
MIDDLE EAST, ASIA & AFRICA	**194.2**	**62.7**	**61.4**
Middle East and Turkey	160.5	43.6	43.6
Asia - Pacific	21.6	14.6	13.3
Africa	12.1	4.5	4.5
OTHERS	**-**	**-**	**-**
TOTAL	**388.9**	**223.8**	**199.3**

1 Excluding Client Solutions assets' output
2 % of consolidation for full and joint operations affiliates and % holding for equity consolidated companies
3 ENGIE ownership

PUBLIC ENGIE

Electricity output[1] by reportable segment and by technology

For FY 2020, at 100%

GWh	Hydro[2]	Onshore wind	Offshore wind	Solar	Other renewables	Natural gas	Coal	Nuclear	Other non renewables	TOTAL
FRANCE	**15,257**	**5,698**	**-**	**1,303**	**-**	**-**	**-**	**-**	**-**	**22,258**
REST OF EUROPE	**2,766**	**5,222**	**-**	**168**	**1,685**	**45,103**	**319**	**36,455**	**1,863**	**93,581**
LATIN AMERICA	**40,949**	**3,923**	**-**	**1,398**	**525**	**8,905**	**9,080**	**-**	**73**	**64,852**
Brazil	39,594	3,513	-	518	525	-	5,122	-	20	49,291
Chile	106	87	-	129	-	2,123	3,947	-	45	6,437
Mexico	-	323	-	647	-	1,790	-	-	-	2,760
Peru	1.249	-	-	104	-	4,991	11	-	8	6,364
USA & CANADA	**-**	**5,420**	**-**	**154**	**264**	**8,141**	**-**	**-**	**8**	**13,987**
MIDDLE EAST, ASIA & AFRICA	**-**	**3,572**	**-**	**1,645**	**675**	**178,986**	**8,354**	**-**	**942**	**194,175**
Middle East and Turkey	-	-	-	-	-	160,398	-	-	126	160,524
Asia - Pacific	-	911	-	1,268	675	18,588	-	-	155	21,598
Africa	-	2,660	-	377	-	-	8,354	-	661	12,053
OTHERS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**58,972**	**23,834**	**-**	**4,668**	**3,149**	**241,135**	**17,754**	**36,455**	**2,886**	**388,853**

1 Excluding Client Solutions assets' output
2 Includes pumped storage

PUBLIC ENGIE

Electricity output[1] by reportable segment and by technology

For FY 2020, in % of consolidation

GWh	Hydro[2]	Onshore wind	Offshore wind	Solar	Other renewables	Natural gas	Coal	Nuclear	Other non renewables	TOTAL
FRANCE	**15,257**	**3,772**	**-**	**513**	**-**	**-**	**-**	**-**	**-**	**19,543**
REST OF EUROPE	**2,684**	**3,014**	**-**	**94**	**1,685**	**37,263**	**92**	**36,455**	**1,857**	**83,144**
LATIN AMERICA	**26,968**	**3,831**	**-**	**1,258**	**472**	**8,905**	**9,080**	**-**	**73**	**50,586**
Brazil	25,613	3,513	-	518	472	-	5,122	-	20	35,257
Chile	106	87	-	129	-	2,123	3,947	-	45	6,437
Mexico	-	231	-	507	-	1,790	-	-	-	2,527
Peru	1,249	-	-	104	-	4,991	11	-	8	6,364
USA & CANADA	**-**	**3,630**	**-**	**136**	**264**	**3,887**	**-**	**-**	**8**	**7,925**
MIDDLE EAST, ASIA & AFRICA	**-**	**1,799**	**-**	**1,440**	**236**	**55,863**	**2,924**	**-**	**421**	**62,684**
Middle East and Turkey	-	-	-	-	-	43,537	-	-	23	43,560
Asia - Pacific	-	605	-	1,268	236	12,326	-	-	147	14,582
Africa	-	1,194	-	172	-	-	2,924	-	251	4,541
OTHERS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**44,909**	**16,046**	**-**	**3,441**	**2,658**	**105,918**	**12,096**	**36,455**	**2,358**	**223,882**

1 Excluding Client Solutions assets' output

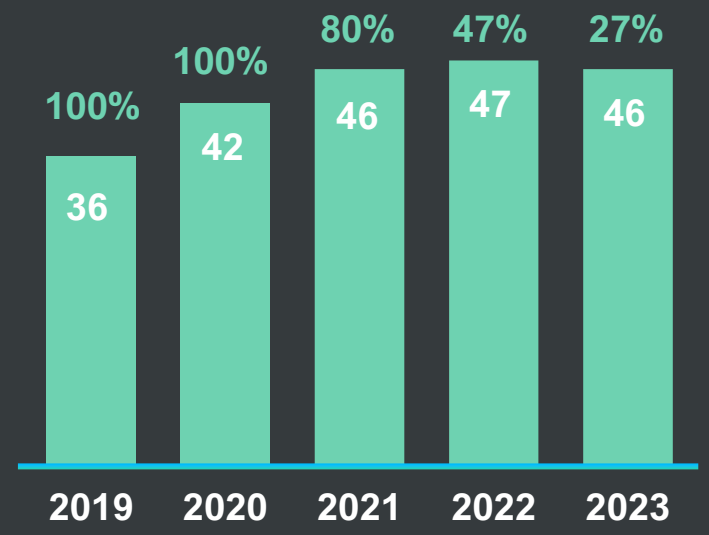
2 Includes pumped storage

Outright power generation in Europe

Nuclear & Hydro

Outright hedges: volumes & prices[1]

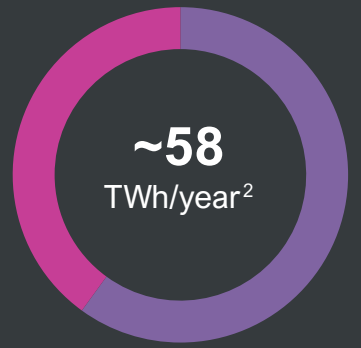
(% and €/MWh)



3-year rolling hedging policy

CWE outright:

COI price sensitivity



- ~60% Belgium
- ~40% France

- +/- €1/MWh in achieved price
- ↔ ca. +/- €55m COI impact before hedging
- 3-year rolling hedging policy

1 As at 12/31/20, Belgium and France (+ Germany until April 2019)

2 Estimates, average hydro conditions and c. 80% nuclear availability

ANALYSIS BY BUSINESS LINE

PUBLIC

Revenues breakdown

2020[1] (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[2]	TOTAL
France	993	5,429	9,307	-	4,566	-	-	**20,295**
Rest of Europe	132	243	7,456	744	7,041	39	-	**15,655**
Latin America	1,123	906	258	1,616	872	-	-	**4,774**
USA & Canada	54	-	1,576	18	2,581	-	-	**4,229**
Middle East, Asia & Africa	115	106	550	792	819	-	-	**2,382**
Others	44	-	955	-	5,030	-	2,388	**8,417**
TOTAL	**2,462**	**6,683**	**20,101**	**3,169**	**20,909**	**39**	**2,388**	**55,751**

2019 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[2]	TOTAL
France	991	5,559	9,820	-	5,053	-	-	**21,423**
Rest of Europe	92	267	7,861	1,077	7,929	41	-	**17,267**
Latin America	1,470	602	371	1,764	1,135	-	-	**5,341**
USA & Canada	29	-	1,392	22	2,699	-	315	**4,457**
Middle East, Asia & Africa	152	127	590	1,197	871	-	-	**2,937**
Others	(17)	-	922	-	4,700	-	3,028	**8,633**
TOTAL	**2,717**	**6,556**	**20,957**	**4,060**	**22,385**	**41**	**3,343**	**60,058**

1 Unaudited figures throughout Databook
2 Including corporate, GTT, LNG activities in Noram and GEM

PUBLIC ENGIE

EBITDA breakdown

2020 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[1]	TOTAL
France	389	3,291	750	-	250	-	-	**4,680**
Rest of Europe	140	114	361	531	190	415	-	**1,750**
Latin America	897	445	17	600	54	-	-	**2,014**
USA & Canada	97	2	59	46	39	-	1	**245**
Middle East, Asia & Africa	75	4	59	472	(10)	-	-	**600**
Others	(41)	(6)	(38)	(3)	(84)	-	159	**(14)**
TOTAL	**1,559**	**3,850**	**1,208**	**1,646**	**439**	**415**	**159**	**9,276**

2019 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[1]	TOTAL
France	422	3,537	959	-	294	-	-	**5,212**
Rest of Europe	151	137	578	443	255	192	-	**1,757**
Latin America	1,035	341	35	748	62	-	-	**2,221**
USA & Canada	70	1	42	32	63	-	61	**269**
Middle East, Asia & Africa	94	16	44	564	6	-	-	**725**
Others	(48)	(8)	178	(23)	(42)	-	125	**182**
TOTAL	**1,724**	**4,026**	**1,836**	**1,763**	**638**	**192**	**186**	**10,366**

1 Including corporate, GTT, LNG activities in Noram and GEM

PUBLIC ENGIE

COI breakdown

2020 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[1]	TOTAL
France	150	1,610	363	-	106	-	-	**2,229**
Rest of Europe	87	71	131	370	100	(111)	-	**648**
Latin America	750	384	(3)	359	53	-	-	**1,542**
USA & Canada	62	2	24	43	(8)	-	1	**124**
Middle East, Asia & Africa	65	3	41	441	(32)	-	-	**518**
Others	(43)	(6)	(97)	(3)	(109)	-	(225)	**(483)**
TOTAL	**1,070**	**2,063**	**459**	**1,209**	**112**	**(111)**	**(224)**	**4,578**

2019 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[1]	TOTAL
France	182	1,957	575	-	149	-	-	**2,862**
Rest of Europe	96	96	347	293	189	(314)	-	**707**
Latin America	851	284	(1)	501	61	-	-	**1,696**
USA & Canada	47	1	8	26	25	-	49	**155**
Middle East, Asia & Africa	70	14	25	523	(13)	-	-	**619**
Others	(50)	(8)	129	(23)	(65)	-	(203)	**(221)**
TOTAL	**1,195**	**2,344**	**1,082**	**1,320**	**345**	**(314)**	**(154)**	**5,819**

1 Including corporate, GTT, LNG activities in Noram and GEM

PUBLIC ENGIE

Breakdown of total capex net of DBSO[1] and tax equity proceeds

2020 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[2]	TOTAL
France	247	1,743	384	-	123	-	-	**2,496**
Rest of Europe	75	83	178	118	104	1,740	-	**2,298**
Latin America	649	672	23	166	4	-	-	**1,514**
USA & Canada	132	(0)	268	1	49	-	-	**450**
Middle East, Asia & Africa	(452)	4	25	(99)	51	-	-	**(470)**
Others	981	-	112	1	27	-	273	**1,394**
TOTAL	**1,633**	**2,502**	**992**	**187**	**357**	**1,740**	**273**	**7,683**

2019 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[2]	TOTAL
France	481	1,709	423	-	151	-	-	**2,764**
Rest of Europe	35	77	416	174	95	636	-	**1,433**
Latin America	541	1,651	46	254	7	-	-	**2,499**
USA & Canada	968	1	301	8	73	-	-	**1,351**
Middle East, Asia & Africa	267	9	80	-	93	-	-	**449**
Others	183	-	355	81	38	-	889	**1,547**
TOTAL	**2,475**	**3,446**	**1,621**	**517**	**458**	**636**	**889**	**10,042**

1 DBSO: Develop, Build, Share and Operate
2 Including corporate, GTT, LNG activities in Noram and GEM

PUBLIC ENGIE

Breakdown of share in net recurring income of equity method entities

2020 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[1]	TOTAL
France	23	4	3	-	(1)	-	-	**29**
Rest of Europe	18	22	-	99	2	-	-	**143**
Latin America	(21)	184	1	-	1	-	-	**165**
USA & Canada	26	2	19	44	-	-	-	**91**
Middle East, Asia & Africa	15	(1)	52	268	-	-	-	**335**
Others	(6)	-	(56)	-	2	-	(11)	**(72)**
TOTAL	**55**	**211**	**20**	**411**	**4**	**-**	**(11)**	**690**

2019 (€m)	Renewables	Networks	Client solutions	Thermal	Supply	Nuclear	Others[1]	TOTAL
France	17	4	3	-	(2)	-	-	**22**
Rest of Europe	23	25	7	27	(6)	-	-	**77**
Latin America	(48)	55	-0	-	2	-	-	**10**
USA & Canada	45	1	(7)	30	(7)	-	-	**63**
Middle East, Asia & Africa	9	14	43	243	-	-	-	**308**
Others	(7)	-	104	(9)	4	-	22	**113**
TOTAL	**39**	**100**	**149**	**291**	**(8)**	**-**	**22**	**592**

1 Including corporate, GTT, LNG activities in Noram and GEM

PUBLIC ENGIE

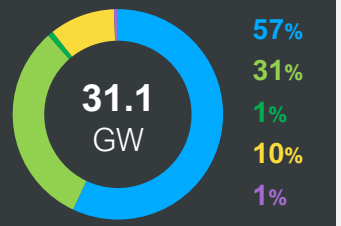
KPI
Renewables

Renewables[1]	2019	2020
Total installed capacities @ 100% (GW) o/w	**26.4**	**31.1**
Hydro	16.2	17.8
Onshore wind	7.4	9.8
Offshore wind	-	0.3
Solar	2.6	3.1
Other	0.3	0.4
Total installed capacities net ownership (GW)	14.7	16.5
Capa commissioned @100%	3.0	3.0
Capa under contruction @100%	4.8	4.2
DBSO Margins	177	98
CNR – Production (TWh)	13.7	13.6
CNR – Achieved prices (€/MWh)	39.4	43.9
Brazil – GSF (%)	81%	80%
Brazil – PLD (BRL/MWh)	226	177

- Hydro
- Onshore wind
- Offshore wind
- Solar
- Other RES

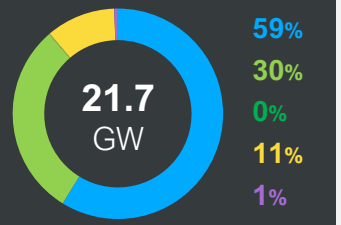
Installed capacity by geography

At 100%
GW installed



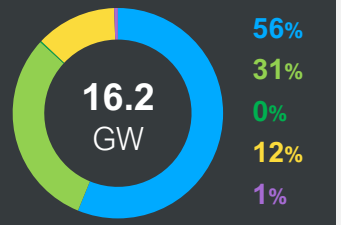
in MWL	Hydro	Onshore wind	Offshore wind	Solar	Other RES	TOTAL
Europe	5,649	5,130	260	1,151		**12,189**
Latin America	12,110	1,094	0	763	101	**14,068**
USA & Canada		2,521	0	497		**3,018**
Rest of World		1,066		723	85	**1,874**
TOTAL	**17,758**	**9,811**	**260**	**3,134**	**186**	**31,149**

At % consolidation[2]
GW installed



in MW	Hydro	Onshore wind	Offshore wind	Solar	Other RES	TOTAL
Europe	4,580	2,941	31	465		**8,018**
Latin America	8,166	1,069	0	700	92	**10,027**
USA & Canada		1,976	0	485		**2,461**
Rest of World		488		657	30	**1,175**
TOTAL	**12,746**	**6,475**	**31**	**2,308**	**121**	**21,681**

Net ownership[3]
GW installed



in MW	Hydro	Onshore wind	Offshore wind	Solar	Other RES	TOTAL
Europe	3,041	2,562	31	425		**6,058**
Latin America	6,058	768	0	652	63	**7,541**
USA & Canada		1,162	0	277		**1,438**
Rest of World		467		657	30	**1,154**
TOTAL	**9,099**	**4,958**	**31**	**2,011**	**93**	**16,192**

1 Excluding hydro capacities managed by Thermal business line (mainly pumped storage) and client solutions capacities
2 % of consolidation for full and joint operations affiliates and % holding for equity consolidated companies
3 ENGIE ownership

PUBLIC ENGIE

Capacity and output by reportable segment and by technology

Renewables

As at 31 Dec 2020, at 100%

	INSTALLED CAPACITY[1] (MW)						ELECTRICITY OUTPUT[1] (GWh)					
	Hydro	Onshore wind	Offshore wind	Solar	Other RES	TOTAL	Hydro	Onshore wind	Offshore wind	Solar	Other RES	TOTAL
FRANCE	**3,890**	**2,622**	**-**	**1,015**	**-**	**7,527**	**15,257**	**5,698**	**-**	**1,303**	**-**	**22,258**
REST OF EUROPE	**1,758**	**2,508**	**-**	**136**	**-**	**4,402**	**307**	**5,221**	**-**	**168**	**-**	**5,695**
LATIN AMERICA	**12,110**	**1,094**	**-**	**763**	**101**	**14,068**	**40,949**	**3,923**	**-**	**1,398**	**525**	**46,795**
Brazil	11,811	901	-	292	101	13,105	39,594	3,513	-	518	525	44,150
Chile	44	48	-	55	-	147	106	87	-	129	-	322
Mexico	-	145	-	375	-	520	-	323	-	647	-	970
Peru	255	-	-	41	-	295	1,249	-	-	104	-	1,354
USA & CANADA	**-**	**2,521**	**-**	**497**	**-**	**3,018**	**-**	**5,420**	**-**	**154**	**272**	**5,846**
MIDDLE EAST, ASIA & AFRICA	**-**	**1,066**	**-**	**723**	**85**	**1,874**	**-**	**3,572**	**-**	**1,645**	**675**	**5,892**
Middle East and Turkey	-	-	-	-	-	-	-	-	-	-	-	-
Asia Pacific		396	-	606	85	1,087	-	911	-	1,268	675	2,855
Africa		670	-	118		788	-	2,660	-	377	-	3,037
OTHERS	**-**	**-**	**260**	**-**	**-**	**260**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**17,758**	**9,811**	**260**	**3,134**	**186**	**31,149**	**56,513**	**23,833**	**-**	**4,668**	**1,472**	**86,487**

1 Excluding hydro and other renewable capacities managed by Thermal business line (mainly pumped storage) and client solutions capacities and output

PUBLIC ENGIE

Capacity and output by reportable segment and by technology

Renewables

As at 31 Dec 2020, in % of consolidation

	INSTALLED CAPACITY[1] (MW)						ELECTRICITY OUTPUT[1] (GWh)					
	Hydro	Onshore wind	Offshore wind	Solar	Other RES	TOTAL	Hydro	Onshore wind	Offshore wind	Solar	Other RES	TOTAL
FRANCE	**3,835**	**1,561**	**-**	**376**	**-**	**5,772**	**15,257**	**3,772**	**-**	**513**	**-**	**19,543**
REST OF EUROPE	**746**	**1,381**	**-**	**89**	**-**	**2,216**	**307**	**3,014**	**-**	**94**	**-**	**3,415**
LATIN AMERICA	**8,166**	**1,069**	**-**	**700**	**92**	**10,027**	**26,968**	**3,831**	**-**	**1,258**	**472**	**32,529**
Brazil	7,867	901	-	292	92	9,152	25,613	3,513	-	518	472	30,116
Chile	44	48	-	55	-	147	106	87	-	129	-	322
Mexico	-	120	-	312	-	432	-	231	-	507	-	738
Peru	255	-	-	41	-	295	1,249	-	-	104	-	1,354
USA & CANADA	**-**	**1,976**	**-**	**485**		**2,461**	**-**	**3,630**	**-**	**136**	**272**	**4,037**
MIDDLE EAST, ASIA & AFRICA	**-**	**488**	**-**	**657**	**30**	**1,175**	**-**	**1,799**	**-**	**1,440**	**236**	**3,475**
Middle East and Turkey	-	-	-	-	-	-	-	-	-	-	-	-
Asia Pacific	-	186	-	606	30	821	-	605	-	1,268	236	2,109
Africa	-	302	-	52	-	354	-	1,194	-	172	-	1,366
OTHERS	**-**	**-**	**31**	**-**	**-**	**31**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**12,746**	**6,475**	**31**	**2,308**	**121**	**21,681**	**42,532**	**16,046**	**-**	**3,441**	**980**	**63,000**

1 Excluding hydro and other renewable capacities managed by Thermal business line (mainly pumped storage) and client solutions capacities and output

PUBLIC ENGIE

KPI
Networks

Networks	2019	2020
Gas distribution		
RAB France 01/01 (€bn)	14.8	**14.9**
France, return on RAB (%)[1]	5.00%	**4.10%**
France, volume distributed (TWh)	280.1	**275.5**
International, volumes distributed (TWh)	141.2	**131.9**
Gas transport		
RAB France 01/01 (€bn)	8.9	**8.8**
France, return on RAB (%)[2]	5.25%	**4.25%**
France, volume transported (TWh)	700.8	**638.5**
International, volume transported (TWh)	160.5	**222.6**
Gas storage		
RAB France 01/01 (€bn)	3.7	**3.7**
France, return on RAB (%)[2]	5.75%	**4.75%**
France, capacity sold (TWh)	95.5	**97.1**
International, capacity sold (TWh)	22.7	**23.1**
Regasification		
RAB France 01/01 (€bn)	1.0	**0.9**
France, return on RAB (%)[3]	7.25%	**7.25%**
Subscribed volume (TWh)	251.9	**264.6**
Power network		
Length @100% (km)	3,248	**3,265**

1 New return since July 1, 2020
2 New return since April 1, 2020
3 New return of 6.25% from April 1, 2021

PUBLIC ENGIE

KPI
Client Solutions

Asset-light services	2019	2020
Project		
Backlog cumulated installation - TO (€bn)	11.1	**11.7**
Order Intake Installation - TO (€bn)	12.4	**12.5**
Recurring services		
Cumulative, net commercial development[1] (€bn)	3.6	**2.1**

Asset-based services	2019	2020
DHC		
Net Installed capacity (GW)[2]	13.9	**15.2**
Onsite power generation		
Net installed capacity (GW)[2]	1.9	**1.9**

1 Cumulated impact of gross development, minus lost portfolio contracts and plus or minus the net impact of the renegotiated contracts (positive if growth, negative if downsizing), KPI can be volatile depending on the duration of the new contract signed

2 At 100%

PUBLIC ENGIE

Client Solutions 'Asset Based'

Selection of key assets/contracts

		Type	Description	Contract type
District Heating & Cooling				
CPCU	France - Paris	Heating	4,000 MW / 4.5 TWh /450 km of networks	95-year concession started in 1927
Tabreed	UAE	Cooling	86 plants in 5 countries 1,400 M Refrigeration Tons	40% ENGIE participation
+ Emaar	UAE	Cooling	Biggest world cooling system / 200 GWh 29 km of networks	80% acquired by Tabreed in Apr. 2020
Longwood	USA - Boston	Heating / Cooling Trigeneration / Microgrid	370 MW heating / 148 MW Cooling / 60 MW Power gen. / 4 km of networks	35-year concession started in 2016
Megajana	Malaysia	Cooling	74 MW Cooling / 2 district plants 97,500 RTh Thermal storage / 12 km of networks	49% ENGIE participation in J.V. with Cyberview Sdn Bhd
Energy performance				
Ohio State University	USA	Heating / Cooling / Geothermal Electrical & gas networks / Buildings	Power 676 GHW / Gas 3,172,036 MMBTU 485 buildings	50-year PPP, 50/50 ENGIE Axium started in 2017
Sassari City	Italy	Public lighting / Public buildings	12,000 lighting points 114 public buildings	15-year EP Contract started in 2021
Uberlandia City	Brazil	Public lighting	87,000 lighting points of which 20% Smart Lighting	20-year PPP started in 2020
On-site generation: CHP - Solar PV				
DRT (Firmenich)	France	CHP Biomass	50 MW	51% ENGIE participation 20 years since 2015
Michelin	Italy - Cuneo	CHP Gas	Gas turbine 43 MW / 270 GWh /year	15-year decentralized infra contract started in 2008
PSA	France - Sochaux	Carports Solar P.V.	29 MW / 32 GWh /year 22 ha / 63,000 panels	30 years Grid Injection through Feed-in-Tariff
EV Charging concession				
Strasbourg Eurométropole	France	Public EV charging network	150 slow and fast EV charging points on-street to increase into 1000+ over the contract duration	15-year concession started in 2020

KPI

Networks and Supply – Temperature effects in France

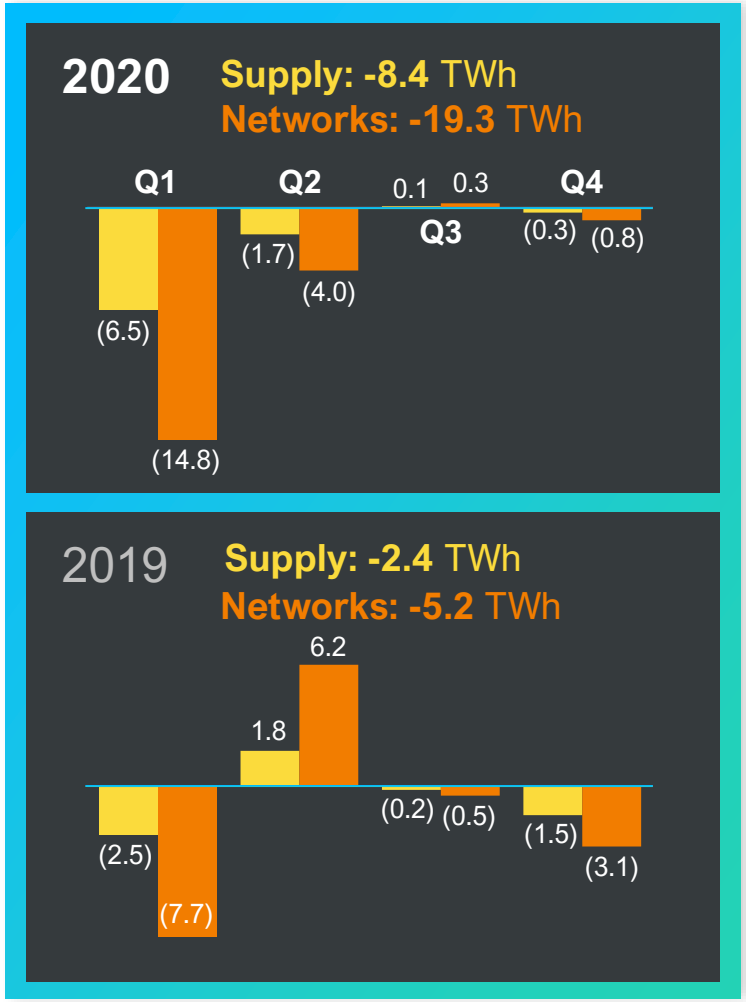
Impact on gas sales and distribution

Estimates (€m)		France B2C/B2B Gas sales	Infrastructures France GRDF	Total temperature adjustment
EBITDA / COI	2019	(23.5)	(36.3)	(59.7)
	2020	**(84.3)**	**(135.3)**	**(219.6)**
	Δ 20/19	(60.8)	(99.1)	(159.9)
Net income	2019	(15.4)	(23.8)	(39.2)
	2020	**(57.3)**	**(92.0)**	**(149.3)**
	Δ 20/19	(41.9)	(68.2)	(110.1)

EBITDA / COI SENSITIVITY

Supply: ~±€10m / TWh
Networks: ~±€7m / TWh

Cooler
Average temperature
Warmer



PUBLIC ENGIE

KPI
Supply

Supply	2019	2020
Gas (TWh)		
B2B – Gas sold	186	**204**
B2C – Gas sold	137	**126**
Power (TWh)		
B2B – Power sold	157	**159**
B2C – Power sold	36	**36**
Number of contracts		
B2C – Gas, number of customers (million)	12.8	**12.5**
B2C – Power, number of customers (million)	8.4	**8.6**
B2C – Gas number of recurrent service customers (million)	3.1	**3.3**

PUBLIC ENGIE

KPI
Thermal and Nuclear

Thermal	2019	2020
Capacities @ 100% (GW)		
Installed contracted capacities	42.7	**43.3**
Installed merchant capacities	21.6	**20.3**
Production @100% (TWh)		
Contracted	213.5	**214.5**
Merchant	69.8	**51.4**

Nuclear	2019	2020
ENGIE net capacity (GW)	6.2	**6.2**
Production Total @ conso Share (TWh)	41.7	**36.5**
Belgium (TWh) @100%	41.3	**32.6**
France (TWh) @100%	6.8	**6.9**
Drawing rights (TWh) @ 100%	(6.4)	**(3.0)**
Availability Belgium (%) @100%	79%	**63%**
Nuke Achieved Price BE (€/MWh)	36	**41**

PUBLIC ENGIE

Capacity and output by reportable segment and by technology

Thermal and Nuclear

As at 31 Dec 2020, at 100%

	INSTALLED CAPACITY[1] (MW)						ELECTRICITY OUTPUT[1] (GWh)					
	Natural gas	Hydro[2]	Nuclear	Coal	Other Thermal	TOTAL	Natural gas	Hydro[2]	Nuclear	Coal	Other Thermal	TOTAL
FRANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REST OF EUROPE	**14,779**	**3,439**	**6,163**	**576**	**1,274**	**26,230**	**45,103**	**2,459**	**36,455**	**319**	**3,548**	**87,884**
LATIN AMERICA	**1,796**	**-**	**-**	**2,436**	**1,218**	**5,450**	**8,905**	**-**	**-**	**9,080**	**73**	**18,057**
Brazil	-	-	-	1,094	-	1,094	-	-	-	5,122	20	5,141
Chile	629	-	-	1,218	54	1,901	2,123	-	-	3,947	45	6,115
Mexico	250	-	-	-	-	250	1,790	-	-	-	-	1,790
Peru	917	-	-	125	1,164	2,205	4,991	-	-	11	8	5,011
USA & CANADA	**1,145**	**-**	**-**	**-**	**-**	**1,145**	**8,141**	**-**	**-**	**-**	**0**	**8,142**
MIDDLE EAST, ASIA & AFRICA	**34,768**	**-**	**-**	**1,250**	**1,004**	**37,022**	**178,986**	**-**	**-**	**8,354**	**942**	**188,283**
Middle East and Turkey	30,133	-	-	-	-	30,133	160,398	-	-	-	126	160,524
Asia Pacific	4,635	-	-	-	-	4,635	18,588	-	-	-	155	18,743
Africa	-			1,250	1,004	2,254	-	-	-	8,354	661	9,015
OTHERS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**52,487**	**3,439**	**6,163**	**4,262**	**3,495**	**69,847**	**241,134**	**2,459**	**36,455**	**17,754**	**4,564**	**302,366**

1 Excluding Client Solutions capacities / output

2 Pumped storage (plus 143 MW of other hydro capacities managed by BL)

PUBLIC ENGIE

Capacity and output by reportable segment and by technology

Thermal and Nuclear

As at 31 Dec 2020, in % of consolidation

	INSTALLED CAPACITY[1] (MW)						ELECTRICITY OUTPUT[1] (GWh)					
	Natural gas	Hydro[2]	Nuclear	Coal	Other Thermal	TOTAL	Natural gas	Hydro[2]	Nuclear	Coal	Other Thermal	TOTAL
FRANCE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REST OF EUROPE	**11,972**	**3,401**	**6,163**	**162**	**1,234**	**22,931**	**37,263**	**2,377**	**36,455**	**92**	**3,542**	**79,729**
LATIN AMERICA	**1,796**	**-**	**-**	**2,436**	**1,218**	**5,450**	**8,905**	**-**	**-**	**9,080**	**73**	**18,057**
Brazil	-	-	-	1,094	-	1,094	-	-	-	5,122	20	5,141
Chile	629	-	-	1,218	54	1,901	2,123	-	-	3,947	45	6,115
Mexico	250	-	-	-	-	250	1,790	-	-	-	-	1,790
Peru	917	-	-	125	1,164	2,205	4,991	-	-	11	8	5,011
USA & CANADA	**684**	**-**	**-**	**-**	**-**	**684**	**3,887**	**-**	**-**	**-**	**0**	**3,887**
MIDDLE EAST, ASIA & AFRICA	**11,716**	**-**	**-**	**438**	**381**	**12,534**	**55,863**	**-**	**-**	**2,924**	**421**	**59,208**
Middle East and Turkey	8,987	-	-	-	-	8,987	43,537	-	-	-	23	43,560
Asia Pacific	2,729	-	-	-	-	2,729	12,326	-	-	-	147	12,473
Africa	-	-	-	438	381	819	-	-	-	2,924	251	3,175
OTHERS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**26,166**	**3,401**	**6,163**	**3,036**	**2,833**	**41,599**	**105,918**	**2,377**	**36,455**	**12,096**	**4,036**	**160,840**

1 Excluding Client Solutions capacities / output

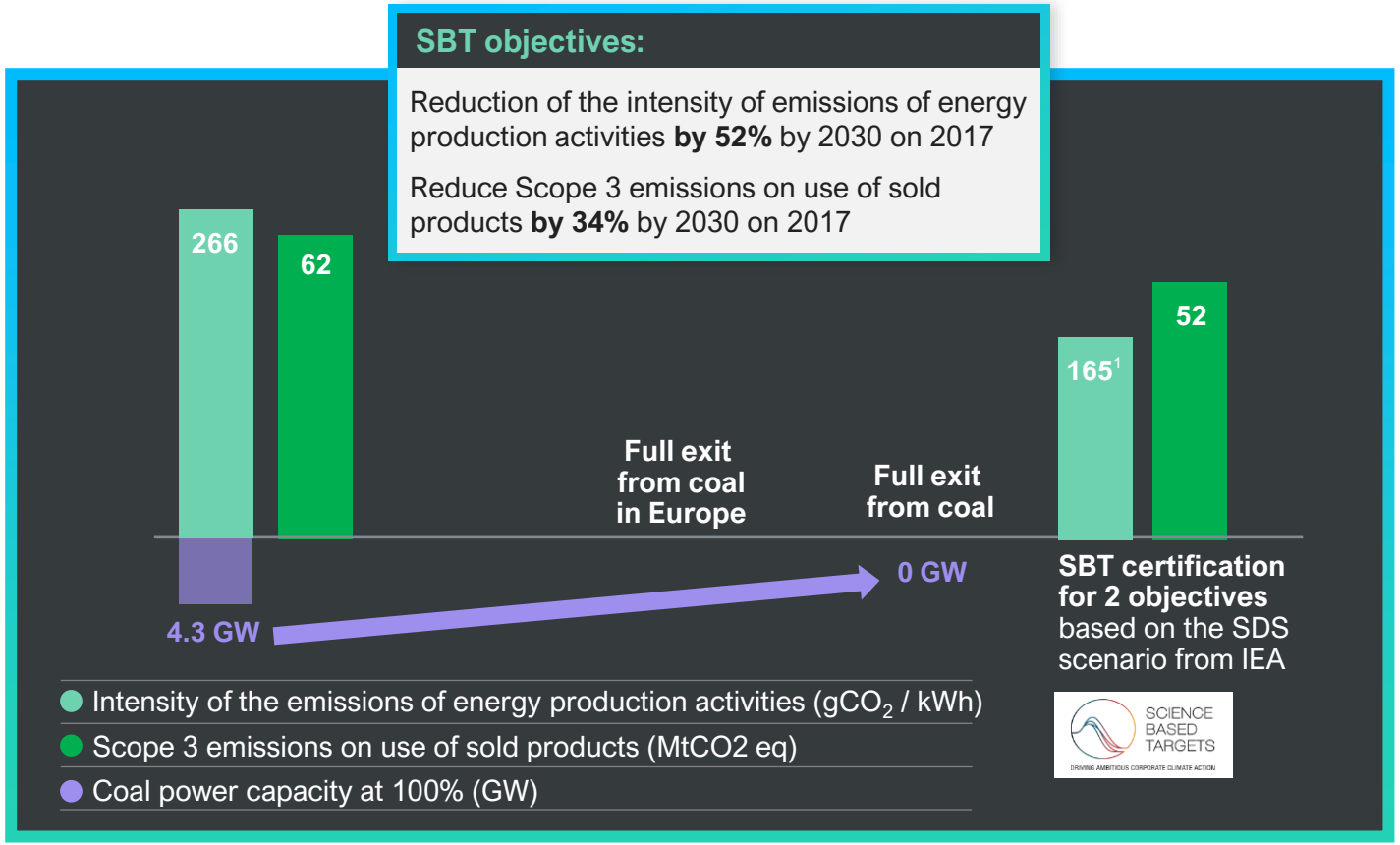
2 Pumped storage (plus 105 MW of other hydro capacities managed by BL)

PUBLIC ENGIE

ENVIRONMENTAL, SOCIAL and GOVERNANCE

PUBLIC

ENGIE's purpose to accelerate the transition towards a carbon-neutral economy



A clear decarbonization pathway in line with Group's 2 SBT targets

- Full coal phase out with a just transition approach
- Improving energy efficiency and decline in demand in accordance with the SDS scenario from IEA
- Development of renewable gases (biomethane and hydrogen) in gas sales and in power generation
- Biomass sourcing systematically Sustainable Biomass Program certified

1 Lower to **165 gCO_2/kWh** from 180 gCO_2/kWh due to 2017 figure proforma excluding emissions linked to blast furnace gases

ENGIE's purpose aligning financial and non financial performance

Planet

Respecting planetary limits by acting in particular for the Paris Agreement

Tier 1 objectives	2020 results	Objective 2030
GHG emissions related to energy production (Scope 1 and 3) in line with the SBT commitments (MtCO2 eq)	68	43
GHG emissions from the use of products sold, in line with the SBT commitments ($MtCO_2$ eq)	62	52
Share of renewable electricity capacities, in line with the SBT commitments (%)	31%	58%
Offer an alternative to customers that contributes to decarbonization (%)	51%	100%
Share of preferred suppliers (excluding energy purchase) certified or aligned SBT (%)	15%	100%

People

Building a new and more inclusive world of energy together

Tier 1 objectives		2020 results	Objective 2030
Lost time injury frequency rate for Group employees and subcontractor employees on closed sites		2.7	≤2.9
Percentage of women in Group management (%)		24%	50%
Gender Equality Index	France	87	100
	International	80	100

Profit

Ensuring responsible performance shared between employees, shareholders and stakeholders

- Economic net debt to EBITDA ratio below or equal 4.0x over the long term
- Dividend policy of a 65 - 75% based on Net Recurring income Group share pay out ratio
- 2021 guidance NRIgs € 2.3 – 2.5 bn
- 2021 expected Growth[1] Capex € 5.5 – 6.0 bn

1 Net of DBSO and US tax equity proceeds

ENGIE's contribution to the Sustainable Development Goals:

☐ **Key contribution** ☐ **Relevant contribution via Tier 2 objectives**

PUBLIC ENGIE

Contribution to 2020 CSR objectives

4 out of 6 objectives achieved

	Indicator	2020 results	Objective 2020	
Planet				
Renewables	Share of renewable energy installed capacity in the electricity generation mix (at 100%)	31%	≥25%	✓
GHG emissions	Reduction rate of specific GHG emissions rate for the energy production versus 2012	-52%	-20%	✓
People				
Stakeholders dialogue	% of industrial activities covered by a suitable dialogue and consultation mechanism	100%	100%	✓
Gender diversity	% of women in the Group's workforce	21.5%	≥25%	✗
Health & safety	Internal lost-time injury frequency rate	3.0	≤3.4	✓
Customer satisfaction	Satisfaction rate among B2C customers	76%	≥85%	✗

% of women in the Group's workforce

Lower than planed women recruitments to technical positions, changes in scope, Covid-19 crisis impacts on recruitments process

Satisfaction rate among B2C customers

Change in survey methodology since 2019: customers are questioned by e-mail and no longer by phone, which mechanically led to a 12-point drop in the indicator in 2020

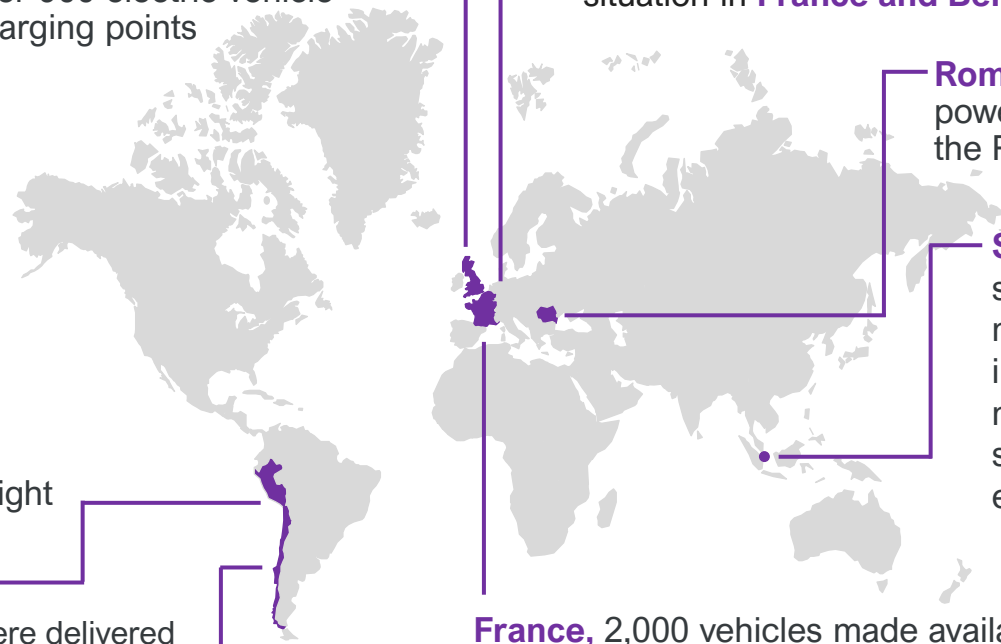
Covid-19 crisis – ENGIE social involvement

At Group level

Social security coverage for all Group employees throughout the world *(ENGIE Care)*:

- Hospital expenses – in full for Covid-19 and at least 75% for other conditions
- Life insurance equivalent to 12 months of gross salary
- This scheme will also cover, until the end of the year, employees who have been furloughed due to the crisis

Examples of local initiatives (not exclusive)



United Kingdom: key workers free access to over 900 electric vehicle charging points

Earmarking of €250 million to speed up payment of suppliers - small and very small companies – in order to help their cash flow situation in **France and Belgium**

Romania: natural gas-powered trucks provided to the Romanian Red Cross

Singapore: about 450 staff on deployment with 6 major hospitals providing integrated facilities management services to support the critical essential services

Latin America: USD 2 million to fight against Covid-19 out of which:

Chile: delivery of 'rapid tests'

Peru: 5,000 personal hygiene kits were delivered to protect girls and boys against Covid-19

France, 2,000 vehicles made available to healthcare professionals

ENGIE Foundation created a dedicated fund of €500,000 for hospitals and projects carried out by the Foundation of Hospitals of Paris

PUBLIC ENGIE

Leading position in CSR ratings and indexes

ENGIE listed in the main indexes

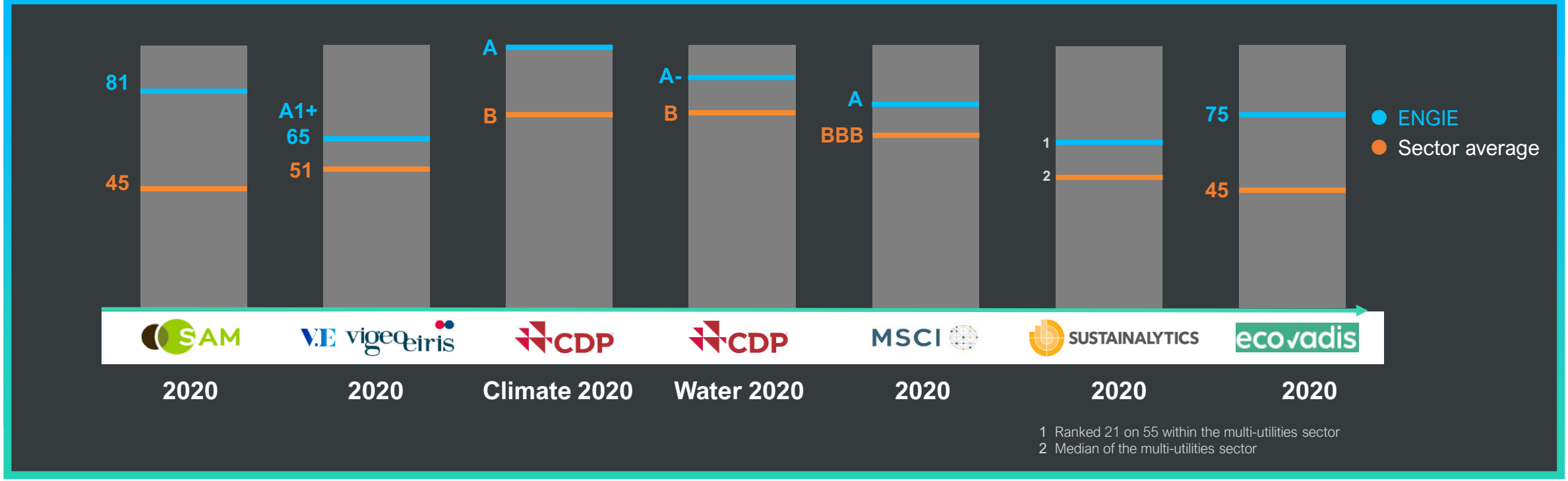
DJSI World, DJSI Europe

MSCI EMU ESG, MSCI Europe ESG

Euro Stoxx 50 ESG

Euronext Vigeo Eris Europe 120 / Eurozone 120 / France 20

Stoxx Europe 600 ESG, Stoxx Global 1800 ESG



1 Ranked 21 on 55 within the multi-utilities sector
2 Median of the multi-utilities sector

United Nations Global Compact Communication on progress: Advanced level

Committed to increase Group financing through sustainable finance tools

A pioneer & leader on the Green Bond market

with **€12bn**

of green bonds issued since 2014

Green's share of outstanding bond financing expected to climb further **over the next 10 years to reach more than 50%**

≃ 20,000

employees invested in solidarity fund *Rassembleurs d'énergies*

Adherence to the B Team principles

THE B TEAM

Responsible taxation recognized by the World Benchmarking Alliance

€5bn

of Sustainable Revolving Credit Facility. Margin index (+/- 1.5 bp) on two climate change KPIs

>70%

of assets funding pension liability invested with asset managers signatories of UN PRI

€2.5bn

of assets funding Group's French pension liabilities with **integrated ESG criteria**

€30m of investments in gender equality funds for French pension liabilities

PUBLIC ENGIE

ENGIE's commitment to the green bond market

The Group has been a pioneer in green bond issuance since 2014

2014

Inaugural green bond issuance

May **€1.2bn 6Y** 1.375%
May **€1.3bn 6Y** 2.375%

1. Renewable Energy
2. Energy Efficiency

2017

Publication of the green bond framework

Mar **€0.7bn 7Y** 0.875%
Mar **€0.8bn 11Y** 1.500%
Sept **€0.5bn 6Y** 0.375%
Sep **€0.75bn 12Y** 7.375%

1. Renewable Energy
2. Energy Efficiency
3. Natural Resources Preservation

2018

Update of the green bond framework

Jan **€1bn perpetual** 1.375%

1. Renewable Energy (incl. T&D)
2. Energy Efficiency (incl. E. Storage)
3. Natural Resources Preservation

2019

Update of the green bond framework

Jan **€1bn perpetual** 3.250%
June **€0.75bn 8Y** 0.375%
June **€0.75bn 20Y** 1.375%
Oct **€0.9bn 11Y** 0.500%

1. Renewable Energy (incl. T&D)
2. Energy Efficiency (incl. E. Storage)
3. Natural Resources Preservation
4. Clean Transportation

2020

Publication of the green financing framework

Mar **€0.75bn 8Y** 1.750%
Mar **€0.75bn 12Y** 2.125%
Nov **€0.85bn perpetual** 1.5%

1. Renewable Energy Production
2. Energy Storage
3. T&D Infrastructure
4. Energy Efficiency
5. CCS & CCU
6. Green Buildings
7. Clean Transportation
8. Environmentally sustainable management of living natural resources and land use

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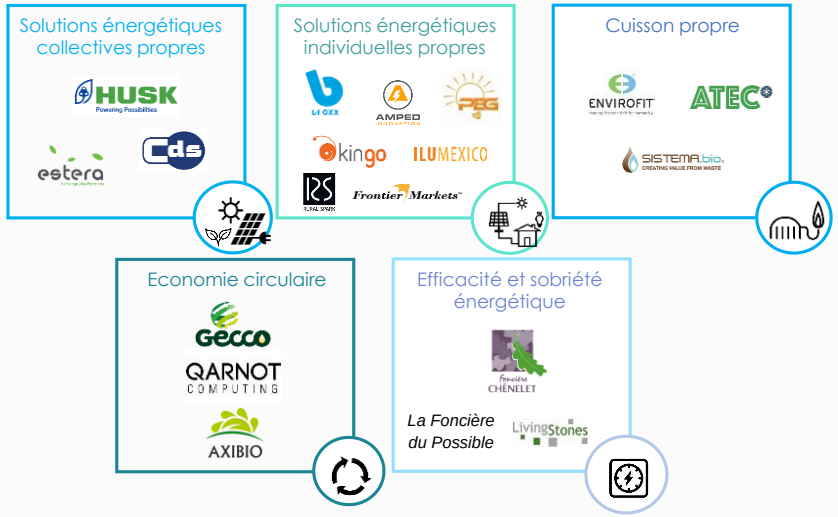
ENGIE Rassembleurs d'Energies

A robust track record

A GLOBAL & DIVERSIFIED PORTFOLIO

- 19 active investments
- €35m invested as of end of 2020



EMPLOYEE ENGAGEMENT

≃20,000 employees
invested in Rassembleurs d'énergies solidarity fund

SOCIAL LEADERSHIP

B.Corp certification

Certified B Corporation

PACTE French '*Société à Mission*' status

HIGH SOCIAL & ENVIRONMENTAL IMPACT

- 5.5 million beneficiaries for energy access
- 20,000 jobs created
- 4 women CEOs, a gender equality focus
- 2 $MtCO_2eq$ avoided per year
- 3.9 Mt of waste processed per year

FINANCIAL APPENDICES
FY 2020 RESULTS

PUBLIC

CHANGE IN NUMBER OF SHARES, SCOPE & FOREX

PUBLIC

Change in number of shares

	As at 31 Dec 2019	**As at 31 Dec 2020**
Existing shares	2,435,285,011	**2,435,285,011**

	FY 2019	**FY 2020**
Average number of shares[1]	2,413 million	**2,416 million**
Recurring EPS	€1.11	€0.70
Recurring EPS post hybrids coupons[2]	€1.04	€0.62

1 Undiluted, excluding treasury stock
2 Including hybrids refinancing costs

Main changes in consolidation scope

ACQUISITIONS

Sungevity – the Netherlands (REST OF EUROPE)
Fully consolided since 01/01/2019

Teksial – France (FRANCE)
Fully consolidated since 01/01/2019

Siradel – France (OTHERS)
Fully consolidated since 01/01/2019

Certinergy – France (FRANCE)
Fully consolidated since 01/24/2019

CN solutions – France (FRANCE)
Fully consolidated since 01/24/2019

ENDEL SRA – France (FRANCE)
Fully consolidated since 02/01/2019

OTTO Luft & Klimatechnik GmbH – Germany (REST OF EUROPE)
Fully consolidated since 02/01/2019

Systecon – USA (USA & CANADA)
Fully consolidated since 02/08/2019

RCS Engineering – Singapore (MIDDLE EAST, ASIA & AFRICA)
Fully consolidated since 02/13/2019

Tiko – Switzerland (REST OF EUROPE)
Fully consolidated since 03/01/2019

Conti Service Group – USA (USA & CANADA)
Fully consolidated since 05/07/2019

Priora – Switzerland (REST OF EUROPE)
Fully consolidated since 06/01/2019

TAG – Brazil (LATIN AMERICA)
Consolidated under equity method since 06/13/2019

Pierre Guerin – France (FRANCE)
Fully consolidated since 07/01/2019

Powerlines Group – Austria (FRANCE)
Fully consolidated since 10/01/2019

Mobisol – Africa (MIDDLE EAST, ASIA & AFRICA)
Fully consolidated since 01/01/2020

University of Iowa partnership – USA (USA & CANADA)
Consolidated under equity method since 03/20/2020

Novo Estado Transmissora de Energia – Brazil (LATIN AMERICA)
Fully consolidated since 03/03/2020

CHANGES IN METHOD

Cofely BesixFM – UAE (MIDDLE EAST, ASIA & AFRICA)
Fully consolidated since 01/01/2019

Willogoleche Power – Australia (MIDDLE EAST, ASIA & AFRICA)
Fully consolidated until 10/29/2020
Consolidated under equity method since 10/30/2020

DISPOSALS / PARTIAL DISPOSALS

ENGIE Bioz (ex. Vol-V Biomasse) – France (FRANCE)
Fully consolidated since 09/01/2019
Held for sale from 12/20/2019

Indian solar assets – India (MIDDLE EAST, ASIA & AFRICA)
Fully consolidated until 01/16/2020
Held for sale from 01/17/2020

Renvico – France/Italy (FRANCE/REST OF EUROPE)
Fully consolided since 03/10/2020
Held for sale from 03/10/2020
Equity consolidated since 12/08/2020 (France) and 12/10/2020 (Italy)

Altiservice – France (FRANCE)
Sold since 04/18/2019

Astoria 1 & 2 partnership – USA (USA & CANADA)
Sold since 06/18/2020

SUEZ – France (OTHERS)
Equity consolidated until 10/06/2020,
Partial disposal and non-consolidated for the residual percentage

PTT NGD – Thailand (MIDDLE EAST, ASIA & AFRICA)
Equity consolidated until 12/23/2020

MultiTech – Canada (USA & CANADA)
Sold since 09/01/2020

PUBLIC ENGIE

Impact of foreign exchange evolution

(€m), Δ 20/19	GBP	USD	BRL	AUD	Others[1]	TOTAL
Revenues	-53	-50	-591	-32	-225	**-1,052**
EBITDA	-4	-28	-293	-4	-37	**-366**
COI	-3	-21	-242	-3	-26	**-293**
Total net debt	-12	-356	-701	-7	-1	**-1,077**
Total equity	-142	-677	-1,038	6	-247	**-2,098**

FY 2020 average rate	**1.12**	**0.88**	**0.17**	**0.60**
FY2019 average rate	1.14	0.89	0.23	0.62
Δ Average rate	-1.3%	-2.0%	-25.2%	-2.7%

The average rate applies to the income statement and to the cash flow statement

Closing rate as at 31 Dec 2020	**1.11**	**0.81**	**0.16**	**0.63**
Closing rate as at 31 Dec 2019	1.18	0.89	0.22	0.63
Δ Closing rate	-5.4%	-8.5%	-29.0%	0.6%

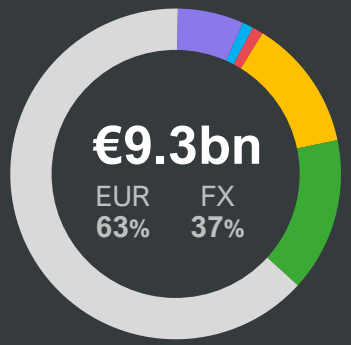
The closing rate applies to the balance sheet

1 Mainly MXN, ARS, INR, RON, UAED, PLN, TRY, CLP

FY 2020 EBITDA/COI breakdown by currency

EBITDA FY 2020

Amount in EUR after translation (average rate)



€5.9bn	EUR
€1.4bn	USD
€1.2bn	BRL
€0.1bn	GBP
€0.1bn	AUD
€0.6bn	Others

FX vs EUR

Average FY2020

USD / EUR
0.88

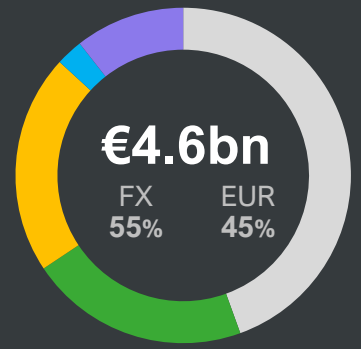
BRL / EUR
0.17

GBP / EUR
1.12

AUD / EUR
0.60

COI FY 2020

Amount in EUR after translation (average rate)



€2.1bn	EUR
€1.0bn	USD
€1.0bn	BRL
€0.1bn	AUD
€0.4bn	Others

BALANCE SHEET, P/L & CASH FLOW STATEMENT

PUBLIC

Summary balance sheet

Assets (€bn)	31 Dec 2019	**31 Dec 2020**
NON-CURRENT ASSETS	99.3	**93.1**
CURRENT ASSETS	60.5	**60.1**
of which cash and equivalents	10.5	13.0
TOTAL	**159.8**	**153.2**

Liabilities & Equity (€bn)	31 Dec 2019	**31 Dec 2020**
Equity, Group share	33.1	28.9
Non-controlling interests	5.0	4.9
TOTAL EQUITY	**38.0**	**33.9**
Provisions	25.1	27.1
Financial debt	38.5	37.9
Other liabilities	58.1	54.3
TOTAL	**159.8**	**153.2**

FY 2020 Net Debt €22.5bn = Financial debt of €37.9bn - Cash & equivalents of €13.0bn - Other financial Assets of €2.0bn (incl. in non-current assets) - Derivative instruments hedging items included in the debt of (€0.4bn)

PUBLIC ENGIE

Details of some financial assets and provisions

Details of some financial assets
As at 31 Dec 2020

- €1.2bn Equity instruments at fair value through equity
- €0.5bn Equity instruments at fair value through income
- €1.9bn Debt instruments at fair value through equity
- €1.8bn Debt instruments at fair value through income
- €6.2bn Loans & receivables at amortized cost

- €6.8bn Investments in associates and joint ventures
- €7.8bn Assets from contracts with customers
- €11.6bn Other financial assets

Provisions
As at 31 Dec 2020

- €8.9bn Pensions
- €8.2bn Recycling & storage & site rehabilitation
- €7.6bn Dismantling
- €2.4bn Others

PUBLIC ENGIE

ROCEp

(€m)	2020
AVERAGE PRODUCTIVE INDUSTRIAL CAPITAL EMPLOYED	**45,538**
Scope effects	**1,096**
AVERAGE PRODUCTIVE INDUSTRIAL CAPITAL EMPLOYED – adjusted[1] (CEP)	**46,634**
COI EXCLUDING SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**3,888**
Other income and financial expenses[2]	(825)
Normative income tax[3]	(957)
Share in net recurring income of entities accounted for using the equity method	690
NOPAT	**2,797**
ROCEp = NOPAT / CEP (average)	**6.0%**

1 Adjusted to make the composition of capital employed consistent with that of NOPAT for main scope changes
2 Mainly unwinding effect of long-term provisions and interest cost of employee benefits
3 COI excluding share in net income of entities accounted for using the equity method plus other income and financial expenses, multiplied by the statutory tax rates in force in the underlying jurisdictions

PUBLIC ENGIE

Summary recurring income statement

(€m)	FY 2019	**FY 2020**
EBITDA	**10,366**	**9,276**
of which share in net recurring income of equity method entities	*592*	*690*
Depreciation, amortization and others	(4,547)	(4,698)
CURRENT OPERATING INCOME	**5,819**	**4,578**
Financial result	(1,282)	(1,422)
of which recurring cost of net debt	*(674)*	*(772)*
of which cost of lease liabilities	*(48)*	*(47)*
of which others	*(561)*	*(603)*
Income tax	(1,111)	(801)
Non-controlling interests	(743)	(652)
NET RECURRING INCOME GROUP SHARE	**2,683**	**1,703**

PUBLIC

Summary income statement

(€m)	FY 2019	**FY 2020**
REVENUES	**60,058**	**55,751**
Purchases & operating derivatives	(39,404)	(34,964)
Personnel costs	(11,478)	(11,759)
Amortization depreciation and provisions	(4,393)	(4,778)
Taxes	(1,654)	(1,265)
Other operating incomes and expenses	1,670	1,105
Share in net income of entities accounted for using the equity method	500	552
CURRENT OPERATING INCOME INCLUDING OPERATING MTM & SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**5,300**	**4,640**
Impairment, restructuring, disposals and others	(1,623)	(3,139)
INCOME FROM OPERATING ACTIVITIES	3,676	**1,501**
Financial result	(1,387)	(1,678)
of which recurring cost of net debt	*(674)*	*(772)*
of which cost of lease liabilities	*(48)*	*(47)*
of which non-recurring items included in financial income	*(105)*	*(256)*
of which others	*(561)*	*(603)*
Income tax	(640)	(715)
Non-controlling interests	(664)	(644)
NET INCOME GROUP SHARE	**984**	**(1,536)**
EBITDA	**10,366**	**9,276**
CURRENT OPERATING INCOME (COI)	**5,819**	**4,578**

Cash flow statement

(€m)	FY 2019	**FY 2020**
Gross cash flow before financial loss and income tax	9,863	8,788
Income tax paid (excl. income tax paid on disposals)	(575)	(599)
Change in operating working capital	(1,110)	(600)
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**8,178**	**7,589**
Net tangible and intangible investments	(6,524)	(5,115)
Financial investments	(3,206)	(3,107)
Disposals and other investment flows	2,536	4,175
CASH FLOW FROM (USED IN) INVESTMENT ACTIVITIES	**(7,193)**	**(4,046)**
Dividends paid	(2,522)	(622)
Balance of reimbursement of debt/new debt	3,588	1,052
Net interests paid on financial activities	(698)	(612)
Capital increase/hybrid issues	107	181
Other cash flows	(261)	(560)
CASH FLOW FROM (USED IN) FINANCIAL ACTIVITIES	**212**	**(562)**
Impact of currency and other	623	(520)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**8,700**	**10,519**
TOTAL CASH FLOWS FOR THE PERIOD	1,819	2,461
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**10,519**	**12,980**

PUBLIC

PROFIT & LOSS DETAILS

PUBLIC

Breakdown of revenues by reportable segments

(€m)	FY 2019	**FY 2020**	Δ 20/19	Δ Organic
FRANCE excl. infrastructures	15,854	14,856	-6.3%	-8.2%
FRANCE infrastructures	5,569	5,439	-2.3%	-2.4%
REST OF EUROPE	17,267	15,655	-9.3%	-8.2%
LATIN AMERICA	5,341	4,774	-10.6%	4.4%
USA & CANADA	4,457	4,229	-5.1%	-6.2%
MIDDLE EAST, ASIA & AFRICA	2,937	2,382	-18.9%	-8.6%
OTHERS	8,633	8,417	-2.5%	-2.7%
TOTAL	**60,058**	**55,751**	**-7.2%**	**-5.7%**

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Breakdown of EBITDA by reportable segments

(€m)	FY 2019	**FY 2020**	Δ 20/19	Δ Organic
FRANCE excl. infrastructures	1,673	1,391	-16.9%	-16.9%
FRANCE infrastructures	3,539	3,290	-7.0%	-7.0%
REST OF EUROPE	1,757	1,750	-0.4%	-0.5%
LATIN AMERICA	2,221	2,014	-9.3%	2.8%
USA & CANADA	269	245	-8.8%	2.8%
MIDDLE EAST, ASIA & AFRICA	725	600	-17.2%	-3.0%
OTHERS	182	(14)	n/a	n/a
TOTAL	**10,366**	**9,276**	**-10.5%**	**-6.5%**

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Breakdown of FY 2020 EBITDA

Geographic breakdown[1]

46%	France	
9%	Belgium	
13%	Other Europe	Italy 3.6% Germany 2.3% UK 1.3% Spain 1.2%
20%	Latin America	
5%	North America	
8%	Rest of World	

Breakdown by reportable segment

(€bn)

15%	France excl infrastructures
35%	France Infrastructures
19%	Rest of Europe
22%	Latin America
3%	USA & Canada
6%	Middle East, Asia, Africa & Others

1 By origin

Breakdown of share in net recurring income of entities accounted for using equity method

Reportable segments

(€m)	FY 2019	**FY 2020**	Δ 20/19
FRANCE excl. infrastructures	18	26	44.4%
FRANCE infrastructures	3	3	0%
REST OF EUROPE	77	143	85.7%
LATIN AMERICA	10	165	n/a
USA & CANADA	63	91	44.4%
MIDDLE EAST, ASIA & AFRICA	308	335	8.8%
OTHERS	113	(72)	n/a
TOTAL	**592**	**690**	**16.6%**

Business line

(€m)	FY 2019	**FY 2020**	Δ 20/19
RENEWABLES	39	**55**	41.0%
NETWORKS	100	**211**	111.0%
CLIENT SOLUTIONS	149	**20**	-86.6%
THERMAL	291	**411**	41.2%
SUPPLY	(8)	**4**	n/a
NUCLEAR	-	**-**	n/a
OTHERS	22	**(11)**	n/a
TOTAL	**592**	**690**	**16.5%**

Breakdown of provisions included in EBITDA by reportable segments

(€m)	FY 2019	**FY 2020**
FRANCE excl. infrastructures	(95)	(63)
FRANCE infrastructures	41	57
REST OF EUROPE	198	(68)
LATIN AMERICA	12	(23)
USA & CANADA	17	(3)
MIDDLE EAST, ASIA & AFRICA	(44)	(28)
OTHERS	28	132
TOTAL PROVISIONS	**157**	**4**

PUBLIC ENGIE

Breakdown of COI by reportable segments

(€m)	FY 2019	**FY 2020**	Δ 20/19	Δ Organic
FRANCE excl. infrastructures	905	620	-31.5%	-32.0%
FRANCE infrastructures	1,957	1,609	-17.8%	-17.8%
REST OF EUROPE	707	648	-8.3%	-9.9%
LATIN AMERICA	1,696	1,542	-9.0%	2.9%
USA & CANADA	155	124	-20.3%	-6.3%
MIDDLE EAST, ASIA & AFRICA	619	518	-16.4%	0.2%
OTHERS	(221)	(483)	n/a	n/a
TOTAL	**5,819**	**4,578**	**-21.3%**	**-16.4%**

PUBLIC

From EBITDA to COI by reportable segments

(€m)	FRANCE excl infrastructures	FRANCE infrastructures	REST OF EUROPE	LATIN AMERICA	USA & CANADA	MIDDLE EAST, ASIA & AFRICA	OTHERS	**FY 2020**
EBITDA	**1,391**	**3,290**	**1,750**	**2,014**	**245**	**600**	**(14)**	**9,276**
Depreciation	(769)	(1,681)	(1,097)	(471)	(121)	(81)	(428)	(4,648)
Share based payments	(2)	-	(5)	(1)	(0)	(1)	(41)	(50)
COI after share in net income of entities accounted for using the equity method	**620**	**1,609**	**648**	**1,542**	**124**	**518**	**(483)**	**4,578**

From COI to net income Group share

(€m)	FY 2019	**FY 2020**
CURRENT OPERATING INCOME (COI)	**5,819**	**4,578**
MtM	(426)	199
Non-recurring share in net income of equity method entities	(93)	(137)
COI INCLUDING OPERATING MtM AND SHARE IN NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**5,300**	**4,640**
Impairment	(1,770)	(3,551)
Restructuring costs	(218)	(343)
Asset disposals & others	365	755
INCOME FROM OPERATING ACTIVITIES	**3,676**	**1,501**
Financial result	(1,387)	(1,678)
Income tax	(640)	(715)
Non-controlling interests	(664)	(644)
NET INCOME GROUP SHARE	**984**	**(1,536)**

Breakdown of Net income of non-controlling interests

(€m)	FY 2019	**FY 2020**
FRANCE excl. infrastructures	50	**54**
FRANCE infrastructures	89	**96**
REST OF EUROPE	113	**67**
LATIN AMERICA	280	**255**
USA & CANADA	9	**62**
MIDDLE EAST, ASIA & AFRICA	57	**25**
OTHERS	67	**85**
NON-CONTROLLING INTERESTS	664	**644**

PUBLIC ENGIE

Reconciliation between EBITDA and operating cash flow

(€m)	FY 2019	**FY 2020**
EBITDA	**10,366**	**9,276**
Restructuring costs cashed out	(349)	(296)
Provisions	(262)	(243)
Share in net recurring income of entities accounted for using the equity method	(592)	(690)
Dividends and others	700	741
CASH GENERATED FROM OPERATIONS BEFORE INCOME TAX AND WORKING CAPITAL REQUIREMENTS	**9,863**	**8,788**

From net income Group share to net recurring income Group share

(€m)	FY 2019	**FY 2020**
NET INCOME GROUP SHARE	**984**	**(1,536)**
MtM commodities	426	(199)
Impairment	1,770	3,551
Restructuring costs	218	343
Asset disposals & others	(365)	(755)
Financial result (non-recurring items)	105	256
Non-recurring share in net income of equity method entities	93	137
Income tax on non-recurring items	(470)	(85)
Non-controlling interests on above items	(78)	(9)
NET RECURRING INCOME GROUP SHARE	**2,683**	**1,703**

PUBLIC

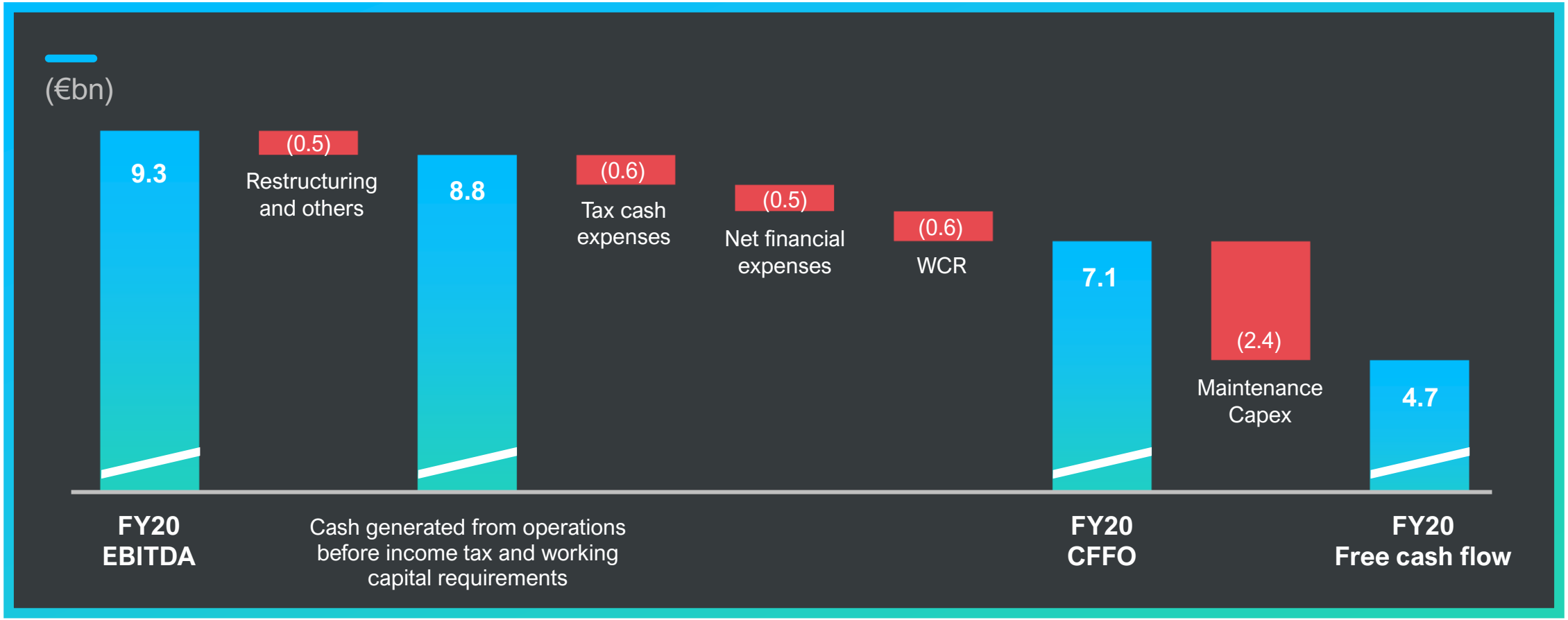
Tax position

(€m)	FY 2019	**FY 2020**
Consolidated income before tax and share in entities accounted for using the equity method	1,790	**(730)**
Consolidated income tax	(640)	**(715)**
Effective tax rate	35.8%	**n/a**
Recurrent effective tax rate	28.2%	**32.5%**

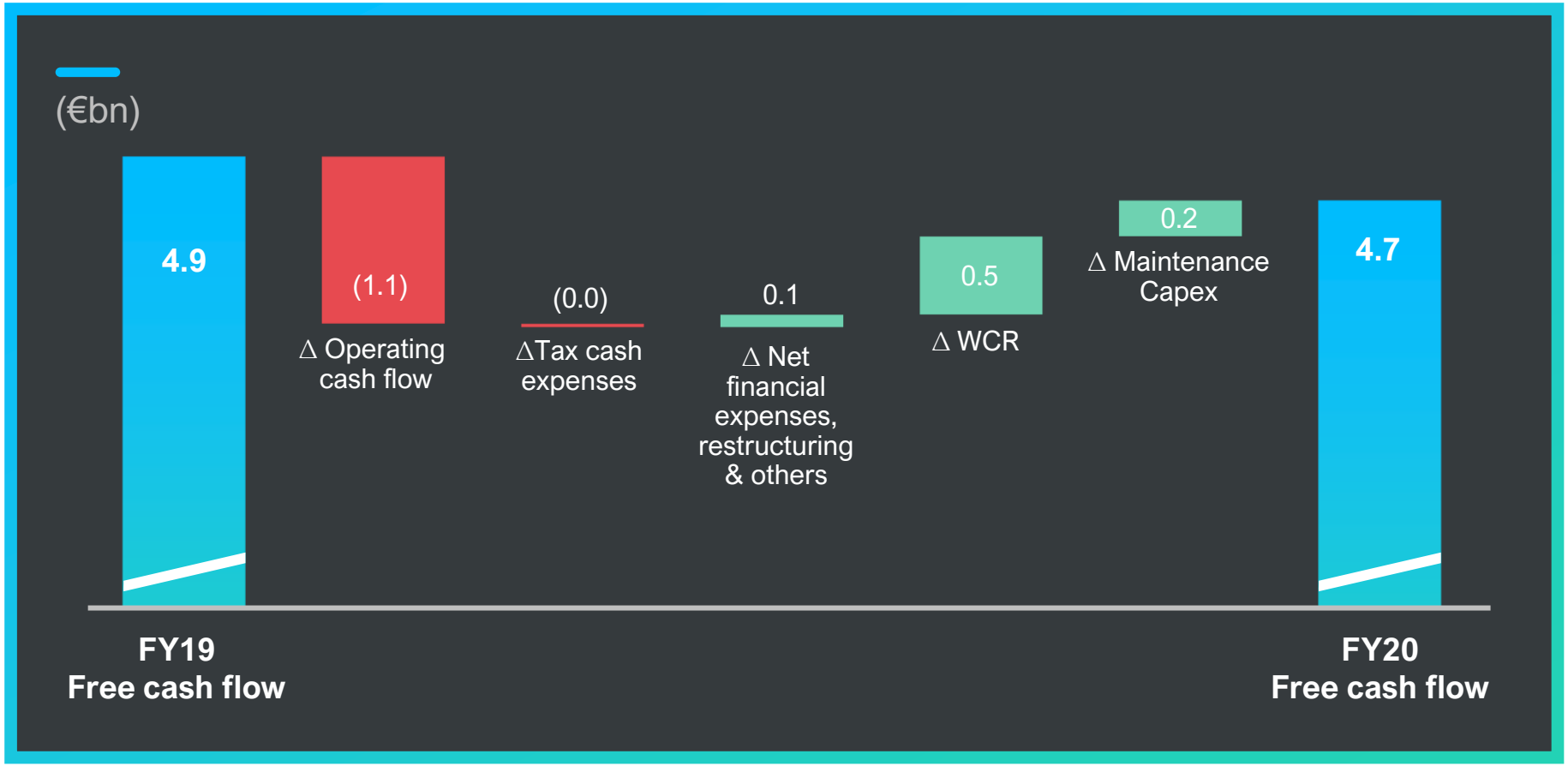
CASH FLOW DETAILS

PUBLIC

From EBITDA to free cash flow



Free cash flow[1] generation from FY 2019 to FY 2020



1 Free Cash Flow = CFFO after Maintenance Capex

Breakdown of total Capex by reportable segments

(€m)	Maintenance	Nuclear funding	Growth[1]	FY 2020
FRANCE excl. infrastructures	284		449	**734**
FRANCE infrastructures	951		812	**1,763**
REST OF EUROPE	704	1,339	256	**2,298**
LATIN AMERICA	87		1,427	**1,514**
USA & CANADA	69		386	**455**
MIDDLE EAST, ASIA & AFRICA	35		(505)	**(470)**
OTHERS	263		1,130	**1,393**
TOTAL	**2,394**	**1,339**	**3,954**	**7,687**

1 Net of DBSO proceeds and tax equity proceeds

Breakdown of total Capex by Business line

2020 (€bn)	Maintenance	Nuclear Funding	Growth[1]
RENEWABLES	0.11	-	1.53
NETWORKS	1.01	-	1.49
CLIENT SOLUTIONS	0.30	-	0.69
THERMAL	0.15	-	0.03
SUPPLY	0.19	-	0.16
NUCLEAR	0.40	1.34	-
OTHERS	0.23	-	0.04
TOTAL	**2.39**	**1.34**	**3.95**

2019 (€bn)	Maintenance	Nuclear Funding	Growth[1]
RENEWABLES	0.10	-	2.37
NETWORKS	1.05	-	2.40
CLIENT SOLUTIONS	0.33	-	1.30
THERMAL	0.34	-	0.18
SUPPLY	0.14	-	0.31
NUCLEAR	0.40	0.23	0.01
OTHERS	0.27	-	0.62
TOTAL	**2.63**	**0.23**	**7.19**

1 Net of DBSO proceeds and tax equity proceeds

PUBLIC ENGIE

Detail of FY 2020 total Capex

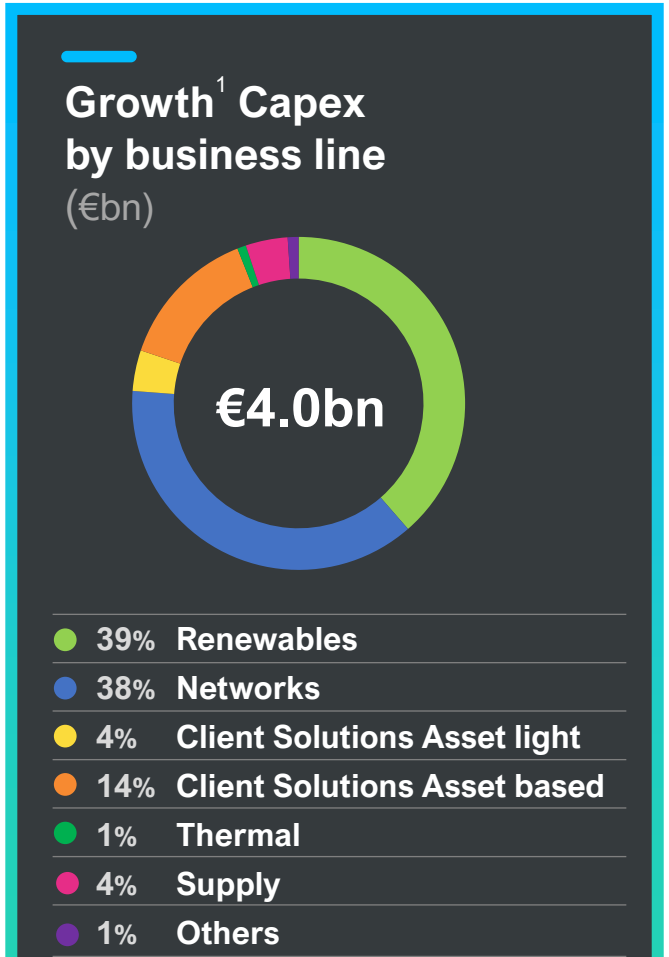
€7.7bn capex, o/w €4bn growth capex focused on strategic priorities

Breakdown by nature

(€bn)

Growth[1] Capex by business line

(€bn)



Main growth projects

(€bn)

Renewables	**~1.5**
Portugal – Hydro	~0.7
Offshore JV – Ocean Winds	~0.4
Latin America – Wind & Solar	~0.4
Networks	**~1.5**
Brazil – Power transmission lines	~0.5
GRDF (smart meters + networks dvpt)	~0.4
Elengy Fosmax SIG acquisition	~0.2
Brazil – 10% TAG	~0.1
Client Solutions	**~0.7**
USA – University of Iowa	~0.2
USA – SoCore on site solar	~0.1
France – DHC	~0.1

1 Net of DBSO and tax equity proceeds

PUBLIC ENGIE

CREDIT

PUBLIC

Economic net debt / EBITDA

Bridge financial to economic net debt

(€bn)	FY 2019	**FY 2020**
EBITDA	10.4	9.3
IFRS FINANCIAL NET DEBT	**25.9**	**22.5**
IFRS FND / EBITDA	**2.5x**	**2.4x**
ARO provisions	15.2	15.8
Post-employment provisions (minus deferred tax assets) w/o regulated subsidiaries	3.2	3.7
(-) Nuke dedicated assets	(3.2)	(4.5)
ECONOMIC NET DEBT	**41.1**	**37.4**
ECONOMIC NET DEBT / EBITDA	**4.0x**	**4.0x**

Economic Net Debt incorporates additional commitments monitored by the Group, in line with rating agencies adjustments – although differences in definitions exist

Strong 'Investment grade' category rating

As at 26 Feb 2021

S&P Long-term issuer rating		
A+		
A	Verbund (stable)	13/12/2019
A-	EnBW (stable)	20/06/2017
BBB+	EDF (stable)	22/06/2020
	ENEL (stable)	06/12/2017
	ENGIE (stable)	**24/04/2020**
	Iberdrola (stable)	22/04/2016
	Orsted (stable)	24/10/2012
	SSE (stable)	20/12/2018
	Vattenfall (stable)	07/06/2017
BBB	E.ON (stable)	15/03/2017
	Fortum (negative)	19/03/2020
	Naturgy (negative)	17/02/2021
BBB-	EDP (stable)	08/08/2017

Moody's Senior long-term unsecured rating		
A1		
A2		
A3	EDF (negative)	24/04/2020
	EnBW (negative)	12/06/2019
	Vattenfall (negative)	04/06/2019
	Verbund (stable)	13/01/2020
Baa1	ENEL (stable)	14/01/2021
	ENGIE (stable)	**09/11/2020**
	Iberdrola (stable)	12/10/2018
	Orsted (stable)	13/06/2017
	SSE (negative)	08/09/2020
Baa2	E.ON (stable)	17/05/2018
	Fortum (negative)	09/04/2020
	Naturgy (stable)	08/08/2017
Baa3	RWE (positive)	12/03/2020
	EDP (stable)	17/05/2018

Fitch Senior long-term unsecured rating		
A+		
A	**ENGIE (negative)**	**24/09/2020**
A-	EDF (negative)	22/04/2020
	EnBW (stable)	04/08/2011
	ENEL (stable)	12/02/2019
	E.ON (stable)	24/08/2018
	Iberdrola (stable)	26/01/2018
BBB+	Orsted (stable)	
BBB	Fortum (negative)	06/04/2020
	RWE (stable)	05/10/2018
	Naturgy (stable)	10/07/2019
	SSE (stable)	24/02/2020
BBB-	EDP (positive)	28/02/2020

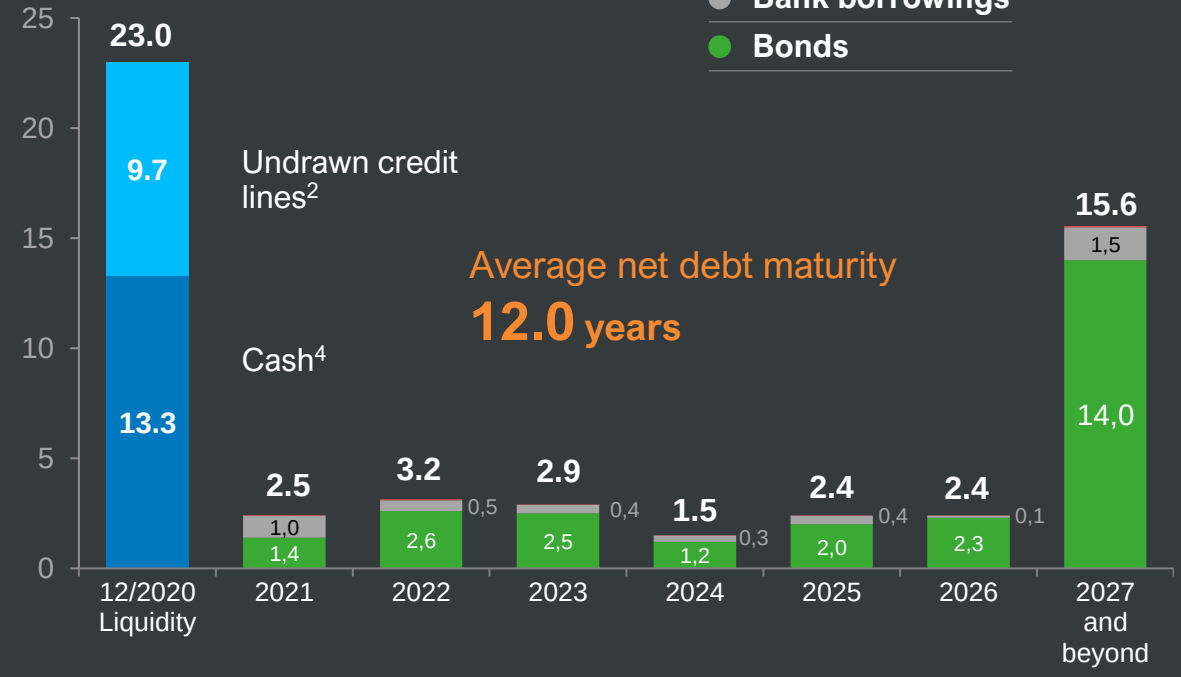
Split of gross debt[1] & debt maturity profile[2]

Split of gross debt[1]
(€bn, excluding leases[5])

Average cost of gross debt
2.38%
as at 31 Dec 2020
VS
2.70%
as at 31 Dec 2019

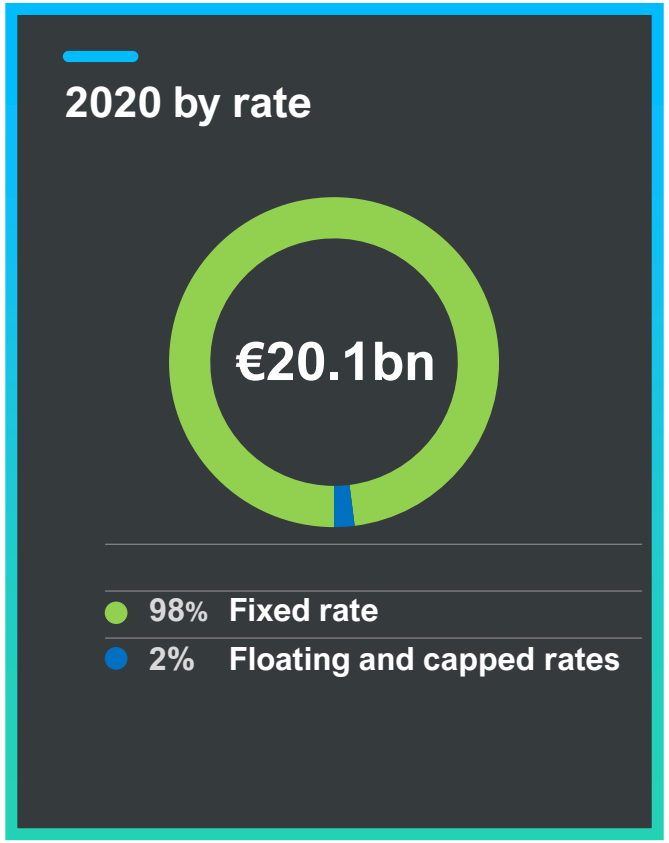
€26.2bn	Bonds
€4.1bn	Bank borrowings
€4.0bn	NEU CP[3] / US CP
€0.1bn	Drawn credit lines
€0.1bn	Other borrowings

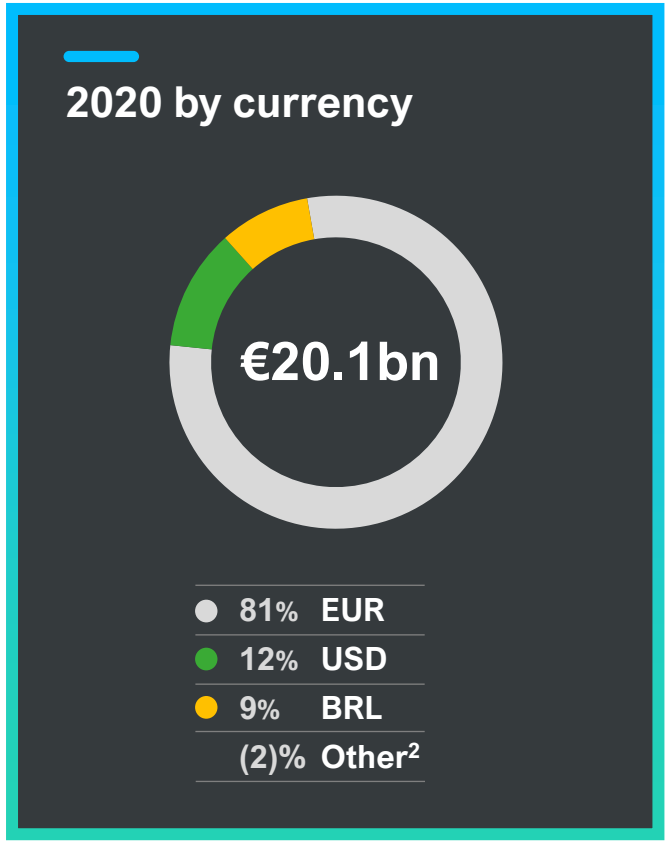
Debt maturity profile[2]
(€bn)



1 Without IFRS 9 (+€1.2bn) without bank overdraft (+€0.3bn)
2 Excluding/net of €4.0bn of NEU CP/US CP
3 Negotiable European Commercial Paper
4 Cash & cash equivalents (€13.0bn), plus financial assets qualifying or designated at faire value through income (€0.6bn), net of bank overdraft (€0.3bn)
5 Financial and operational leases (+2.4bn€)

Net debt[1] breakdown by rate and currency





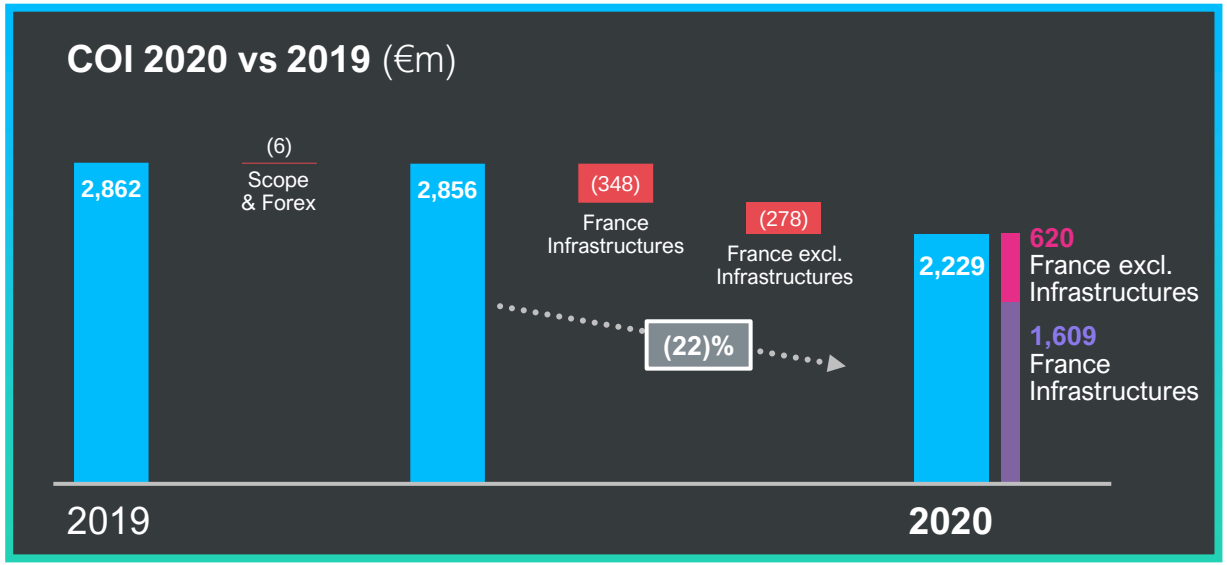
1 After hedging and without leases
2 Cash positive position for other currencies

REPORTABLE SEGMENTS

PUBLIC

France

Covid-19 and warm temperature effects on Client Solutions, Distribution and Supply activities, and lower sell down in Renewables, partly offset higher hydro prices and by higher wind generation

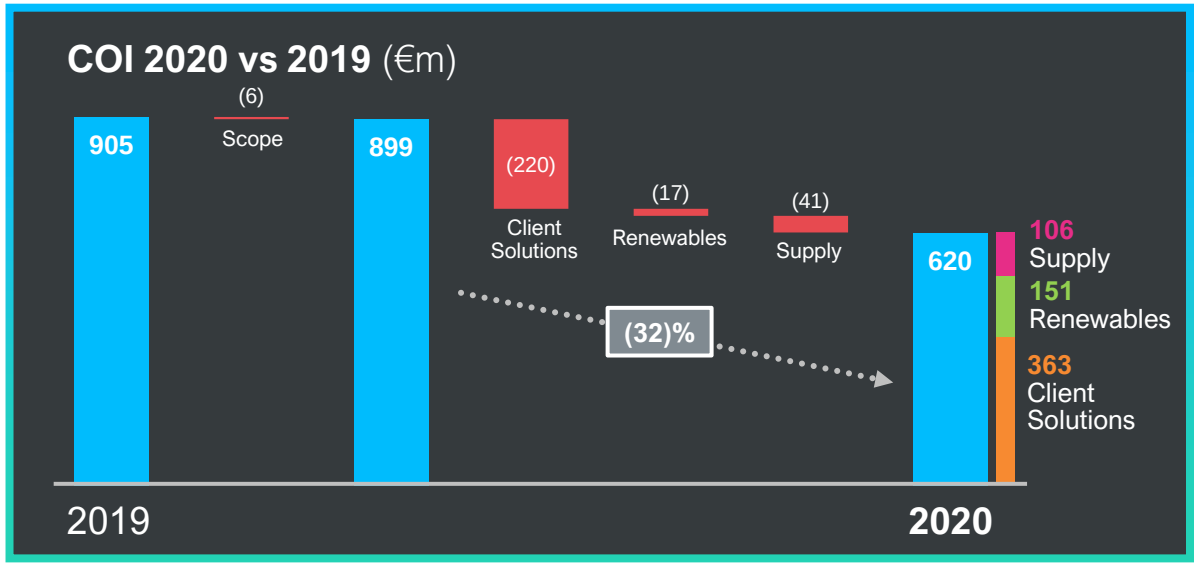


Other KFIs (€m)	2019	**2020**	Δ 20/19	Δ org
Revenues	21,423	**20,295**	-5.3%	-6.7%
COI	2,862	**2,229**	-22.1%	-22.2%
Gross Capex	2,994	**2,740**		
Capital Employed[1]	27,329	**27,218**		

1 End of the period

France excluding Infrastructures

Mainly Covid-19 impacts and negative temperature effects on Supply and Client Solutions



- **Client Solutions:** Covid-19 impact and negative temperature effects
- **Renewables:** lower DBSO margins partly offset by higher achieved hydro prices and higher wind power generation
- **Supply:** Covid-19 impact and negative temperature effect

Lean 2021

Other KFIs (€m)	2019	**2020**	Δ 20/19	Δ org
Revenues	15,854	**14,856**	-6.3%	-8.2%
COI	905	**620**	-31.5%	-32.0%
Gross Capex	1,249	**977**		
Capital Employed[3]	7,157	**7,326**		

KPIs	2019	**2020**
Electricity sales[1] (TWh)	38.8	**39.6**
Gas sales[1] (TWh)	83.2	**74.4**
Renewables - installed capacity[2] (GW)	7.2	**7.5**
Renewables - electricity production[2] (TWh)	21.0	**22.3**
CNR achieved price (€/MWh)	39.4	**43.9**
CNR hydro production (TWh)	13.7	**13.6**
Services - Net commercial development (€M/y)	157	**85.2**
Installations - Backlog (€m)	5,063	**5,621**

1 Excluding Giants sales
2 At 100%
3 End of period

PUBLIC ENGIE

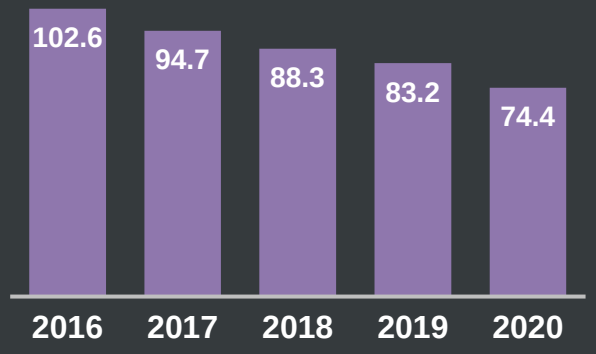
France excluding Infrastructures

Breakdown of electricity and gas sales to final customers

	CONTRACTS[1] (million)		SALES[2] (TWh)	
	Gas	Electricity	Gas	Electricity
FRANCE	**6.5**	**4.8**	**74.4**	**21.3**

B2C sales (TWh)

GAS[3]



2020 vs 2019: Decrease in the residential gas customer base market share (62.4%) and unfavorable temperature effect

ELECTRICITY

Development of B2C power sales, market share increased to 14.1%

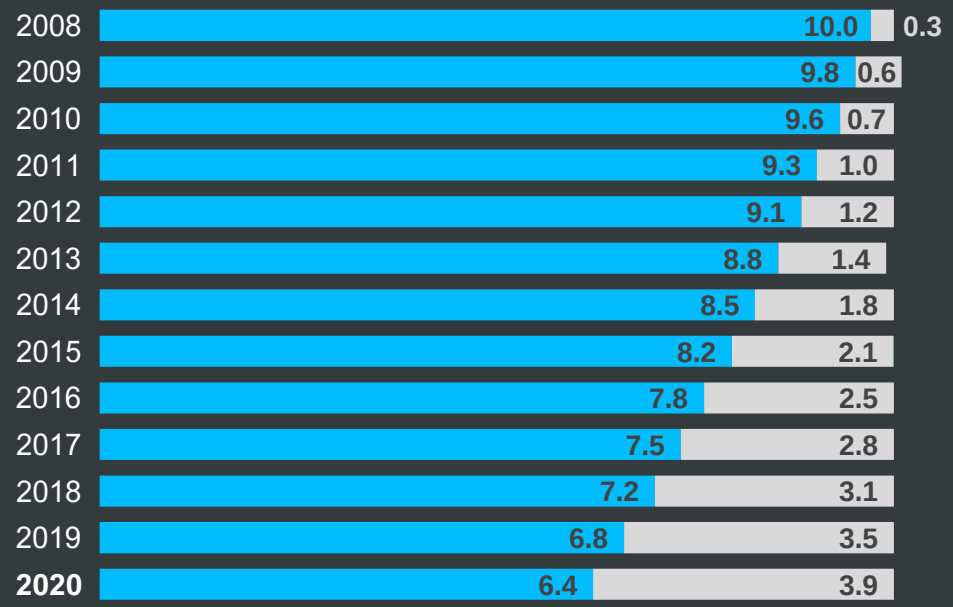
1 Number of contracts is consolidated at 100%, excluding entities at equity method
2 Sales figures are consolidated according to accounting rules, Group contribution
3 Of which public distribution tariffs: 67.3TWh in 2016, 56.5TWh in 2017, 47.7TWh in 2018, 40.2TWh in 2019, 33.6TWh in 2020

France excluding Infrastructures

Residential & small business customers portfolio in France

GAS
household contracts

at end Dec, million



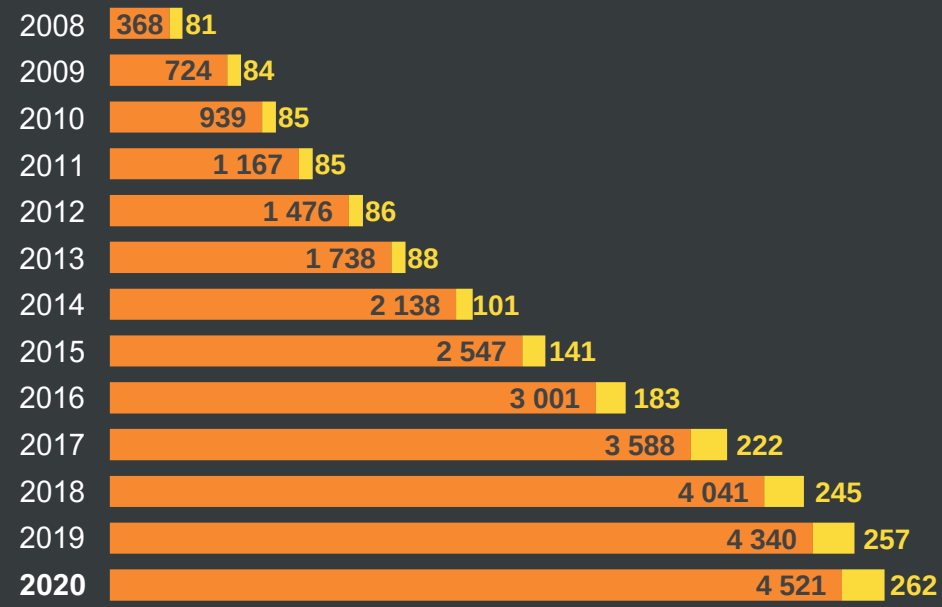
ENGIE **COMPETITORS**

Decreased by **436,000** contracts since end 2019

SMALL BUSINESS portfolio of **162,000**[1] contracts at end 2020, decreasing by **10,000** contracts since end 2019

ELECTRICITY
household & small businesses contracts

at end Dec, thousands



HOUSEHOLD

Increased by **181,000** contracts since end 2019

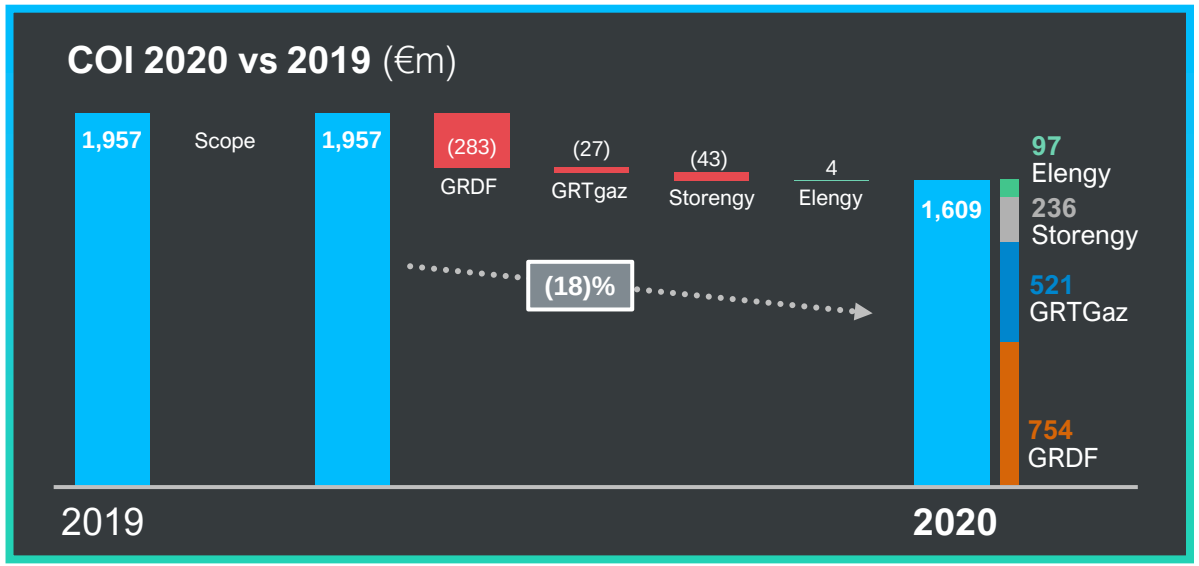
SMALL BUSINESS

Increased by **5,000** contracts since end 2019

1 172,000 at end 2019

France Infrastructures

Adverse impacts of record high warm temperature, Covid-19 and accelerated amortization
Overall new remuneration rates impacts limited in 2020.



Other KFIs (€m)	2019	**2020**	Δ 20/19	Δ org
Revenues	5,569	**5,439**	-2.3%	-2.4%
COI	1,957	**1,609**	-17.8%	-17.8%
Gross Capex	1,745	**1,763**		
Capital Employed[3]	20,172	**19,891**		

- **New RAB remuneration rates** for Transmission, Storage, and Distribution
- **Tariffs:** annual revisions for distribution (+0.5% on July 1, 2019 and -0.4% on July 1, 2020) and transmission (+4.6% on April 1, 2019 and +1.5% on April 1, 2020)
- **Transmission:** 639 TWh transported vs 701 TWh in 2019
- **Distribution:** warm temperature (-14.2 TWh) and Covid-19 impact on distributed volumes. Accelerated amortization on some assets.
- **Storage:** Lower ATS revenues in France in relation with RAB remuneration evolution, better commercial activity in the UK.

Lean 2021

KPIs	2019	**2020**
Gas distributed (TWh)	274.9	**256.2**
Distribution RAB[1] (€bn)	14.8	**14.9**
Transmission RAB[1] (€bn)	8.9	**8.8**
LNG Terminals RAB[1] (€bn)	1.0	**0.9**
Storage RAB[4] (€bn)	3.7	**3.7**
Temperature effect (TWh)	(5.2)[2]	**(19.3)**

1 Regulated asset base as at 01/01
2 Pro-forma temperature effect based on updated climate reference applied from Jan 1, 2020
3 End of period
4 Incl. Geomethane

PUBLIC ENGIE

French regulated networks

	Period of regulation	RAB remuneration (real pre-tax)	Type of tariff	Regulated asset base at 01/01/2020 (€bn)
Distribution	07/01/2020 - 30/06/2024	4.10% + incentives of 200bps over 20 years for Gazpar	Price cap yearly update	14.9
Transmission	04/01/2020-31/03/2024	4.25% + incentives up to 300bps over 10 years[1]	Cost + yearly update	8.8
Storage	01/01/2020-31/12/2024	4.75%	Cost + yearly update	Storengy: 3.6 Géométhane[3]: 0.1
LNG terminals	04/01/2017-31/03/2021	7.25%[2] + incentives 125bps (for Capex decided in 2004-2008) and 200bps for extensions over 10 years	Cost + update every 2 years	0.9
TOTAL				**28.3**

1 Only for selected network projects in service prior to the ATRT7
2 6,25% from 1st of April 2021
3 Géométhane, an Economic Interest Group shared equally by Géosud and Storengy

PUBLIC ENGIE

France Infrastructures

2020 COI breakdown

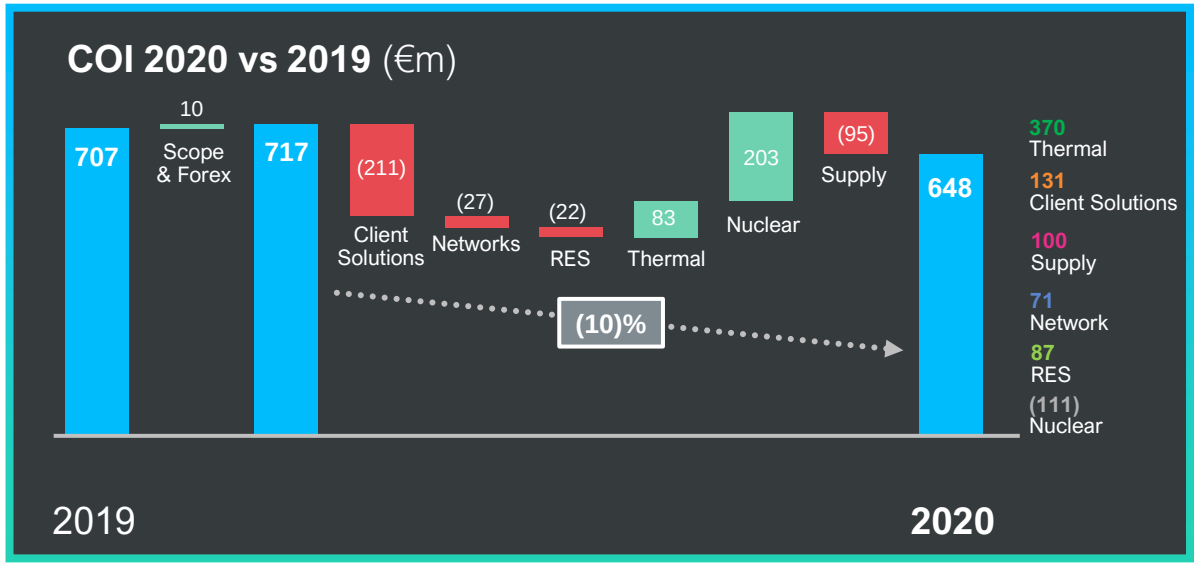
47%	€754m	Distribution
32%	€521m	Transmission
15%	€236m	Storage
6%	€97m	LNG Terminals

2020 Total Capex breakdown

52%	€915m	Distribution
23%	€397m	Transmission
12%	€212m	Storage
14%	€239m	LNG Terminals

Rest of Europe (Benelux, Generation, NECST & UK)

Mainly negative Covid-19 effects on Client Solutions and Supply activities, negative temperature effects on Supply activities, partly offset by better performance in Thermal and Nuclear



Other KFIs (€m)	2019	**2020**	Δ 20/19	Δ org
Revenues	17,267	**15,655**	-9.3%	-8.2%
COI	707	**648**	-8.3%	-9.9%
Gross Capex	1,460	**2,472**		
Capital Employed[3]	1,805	**(1,530)**		

- **Client Solutions**: negative Covid-19 impacts in projects and recurring services
- **Networks:** warm temperatures and Covid-19 impacts on volumes and lower distribution tariff in Romania
- **Thermal:** higher contribution from Italian assets thanks to ancillaries, and higher spreads throughout Europe
- **Nuclear:** higher achieved prices and lower Opex partly offset by a lower availability due to LTO planned outages, and higher depreciation
- **Supply:** negative climate effects and Covid-19 impacts on volumes (B2B and B2C), partly offset by a better performance in Romania

Lean 2021

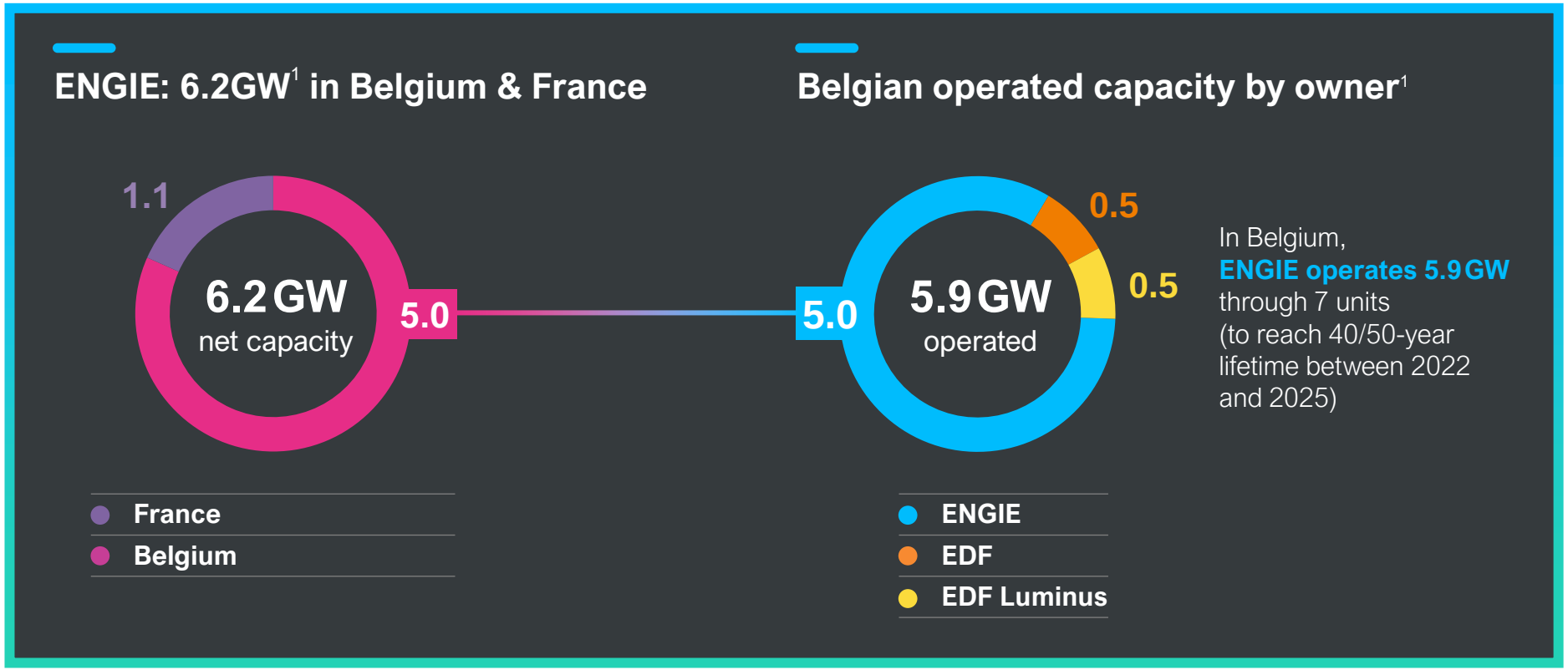
KPIs	2019	**2020**
Electricity sales[1] (TWh)	96.6	**81.8**
Gas sales[1] (TWh)	115.7	**115.3**
Renewables electricity production[2] (TWh)	3.8	**5.6**
Nuclear electricity production[2] (ENGIE share, TWh)	41.7	**36.5**
Thermal electricity production[2] (TWh)	59.5	**49.4**
Nuclear plants availability (Belgium @100%)	79.4%	**62.6%**
Outright nuclear achieved price (€/MWh)	35.7	**40.8**
Romania, gas distributed (TWh)	44.2	**42.9**

1 Excluding Giants sales & contributive Group
2 At 100%
3 End of period

PUBLIC ENGIE

Nuclear capacity

As at 31 Dec 2020



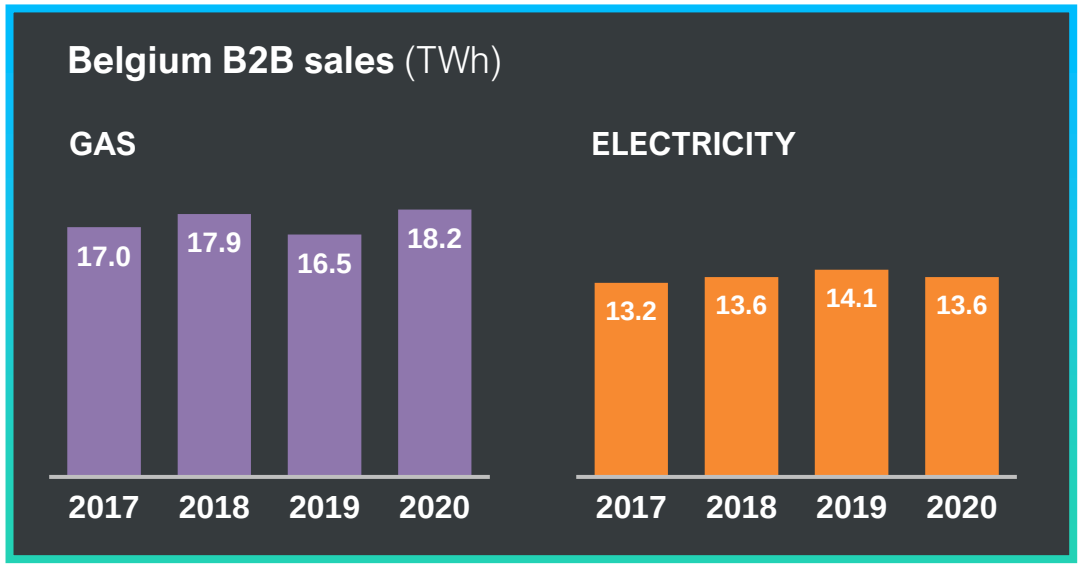
1 Net of third-party capacity and drawing rights. Tihange 1, Doel 1 & Doel 2 extended for 10 years (Tihange 1 until 10/01/2025, Doel 1 until 02/15/2025 and Doel 2 until 12/01/2025). German drawing rights have ended in April 2019

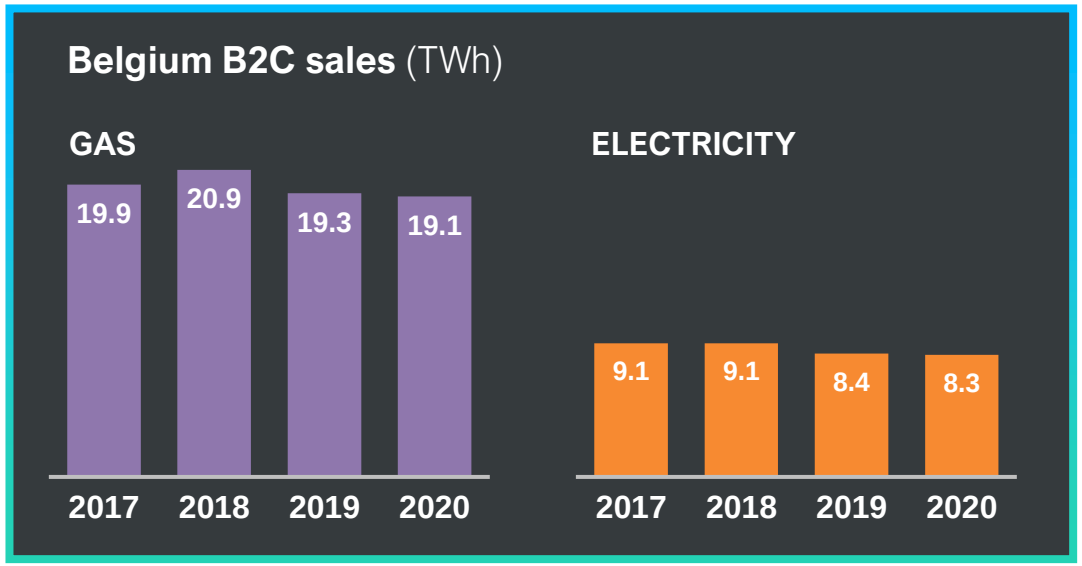
PUBLIC ENGIE

Benelux

Breakdown of electricity and gas sales to final customers

	CONTRACTS[1] (million)		SALES[2] (TWh)	
	Gas	Electricity	Gas	Electricity
TOTAL BENELUX	**1.8**	**2.9**	**51.5**	**31.9**
of which Belgium	1.4	2.6	37.3	21.8
of which Netherlands	0.4	0.3	14.2	10.1



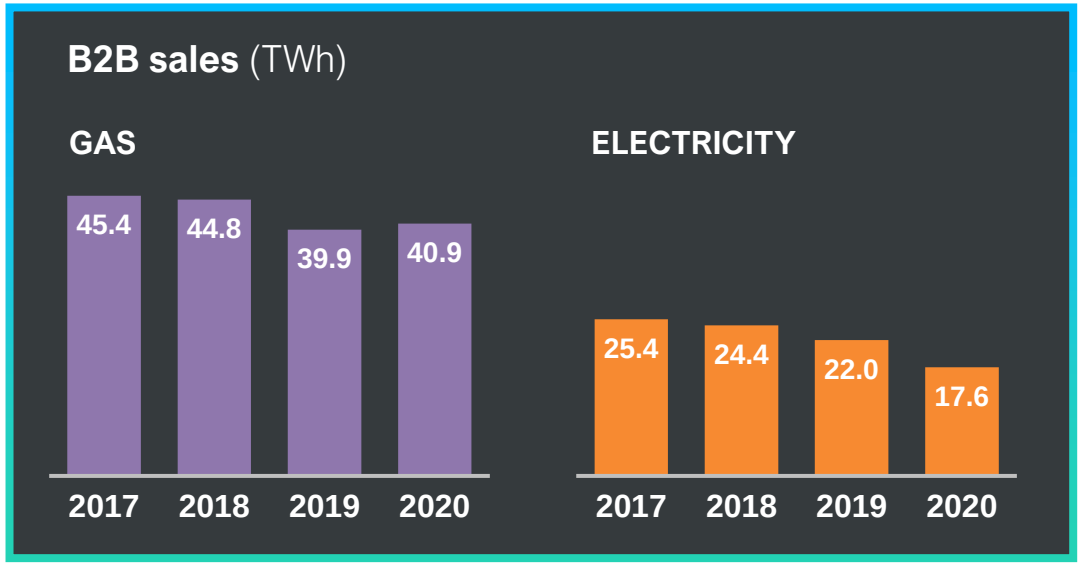


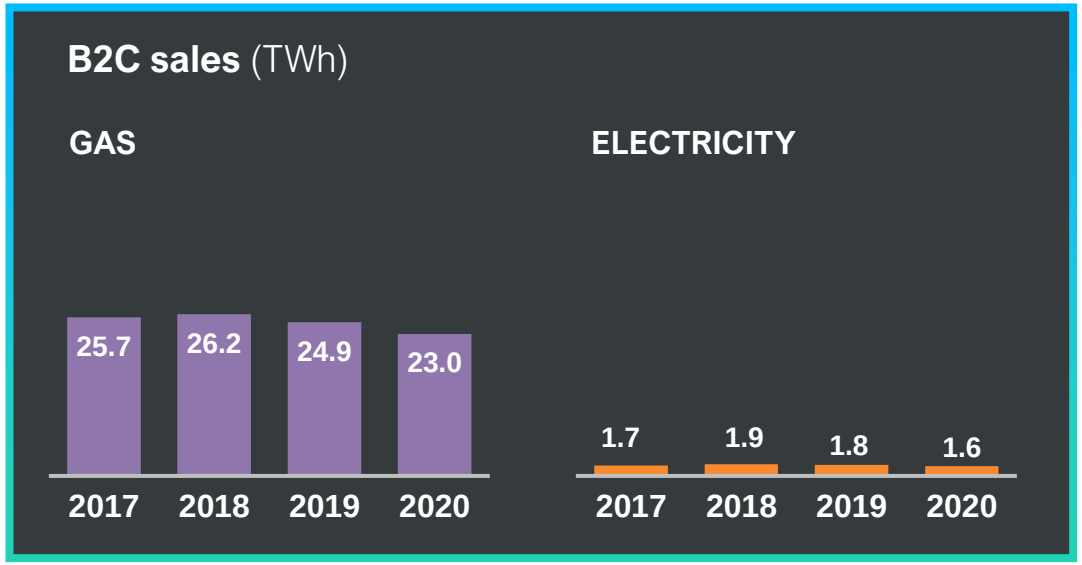
1 Number of contracts is consolidated at 100%, excluding entities at equity method
2 Sales figures are consolidated according to accounting rules, Group contribution

Rest of Europe (excluding Benelux)

Breakdown of electricity and gas sales to final customers

	CONTRACTS[1] (million)		SALES[2] (TWh)	
	Gas	Electricity	Gas	Electricity
TOTAL EUR excl. Benelux	**2.7**	**0.5**	**63.9**	**19.2**
of which Romania	1.9	0.0	38.0	3.9
of which Italy	0.6	0.2	5.8	1.6
of which Germany	0.0	0.2	3.8	3.4
of which Others (UK mainly)	0.1	0.1	16.3	10.3



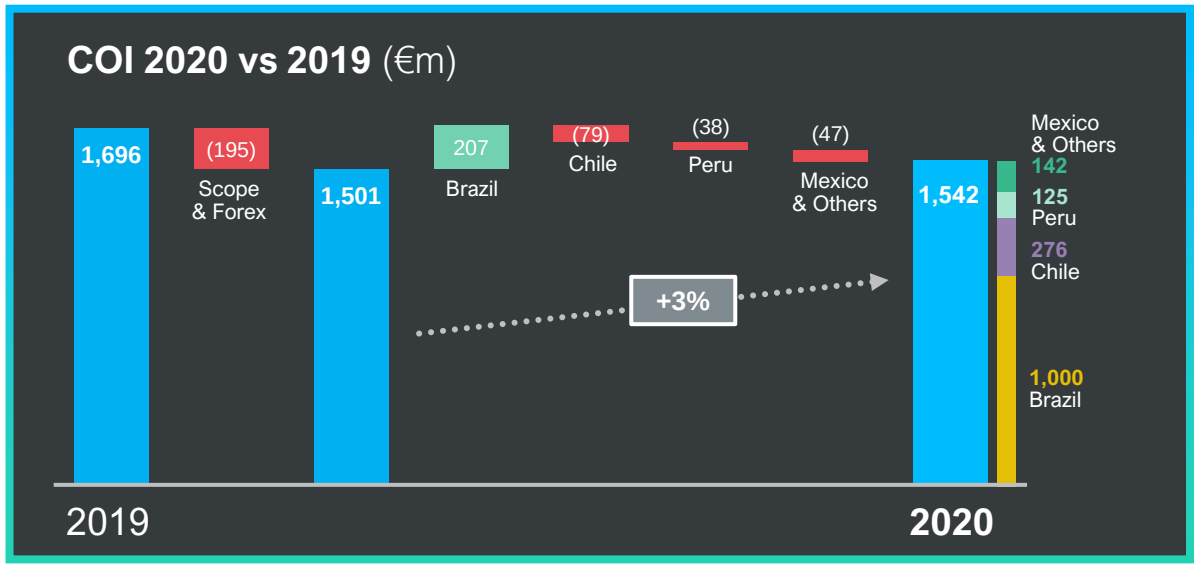


1 Number of contracts is consolidated at 100%, excluding entities at equity method
2 Sales figures are consolidated according to accounting rules, Group contribution

PUBLIC ENGIE

Latin America

In Brazil, "GFOM" compensation gain, TAG positive scope & performance and construction margins on power transmission lines projects offsetting negative forex impact. Positive '19 LDs in Chile. Lower demand in Peru and Mexico.



- **FX & Scope:** negative FX on BRL partly offset by acquisition of TAG
- **Brazil:** "GFOM" compensation gain (recovery of past energy costs, following the agreement on renegotiation of hydrological risk, finalised at the end of 2020), better performance of TAG, construction margin of power transmission lines projects under construction and Pampa Sul first full year of operation partly offset by '19 LD's
- **Chile:** Covid-19 and '19 LDs partly offset by higher volumes
- **Peru:** lower power demand and PPA contracts renewed at lower prices
- **Mexico & Argentina:** Covid-19 impact and lower gas distribution volumes

Lean 2021

Other KFIs (€m)	2019	**2020**	Δ 20/19	Δ org
Revenues	5,341	**4,774**	-10.6%	+4.4%
COI	1,696	**1,542**	-9.0%	+2.9%
Gross Capex	2,687	**1,509**		
Capital Employed[5]	11,462	**9,494**		

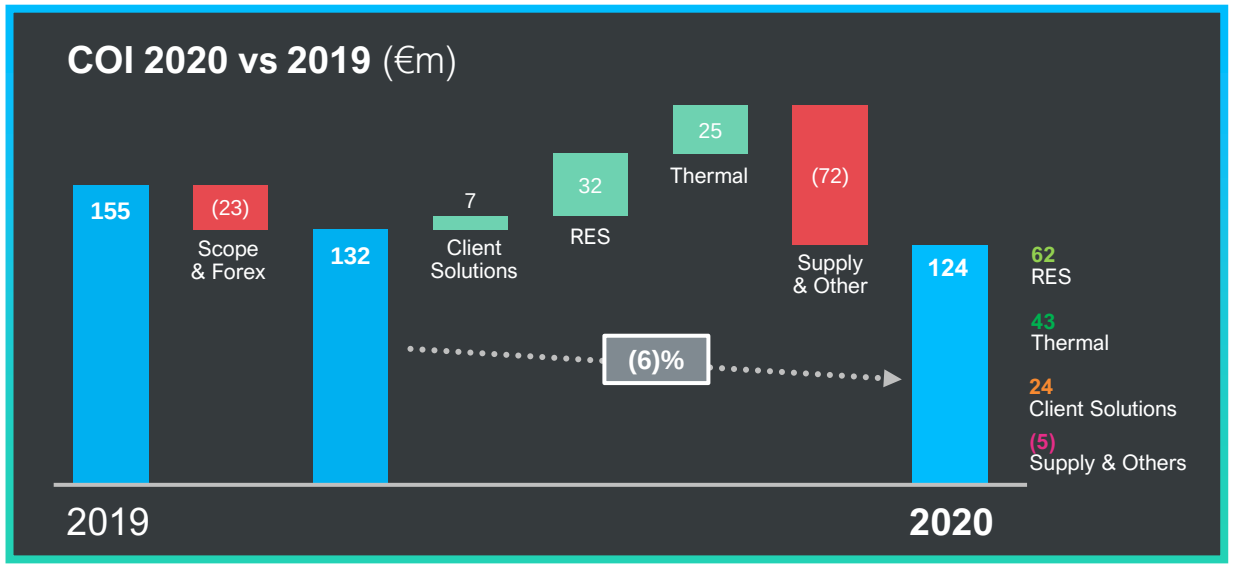
KPIs	2019	**2020**
Electricity sales[1] (TWh)	69.3	**70.0**
Gas sales[1] (TWh)	35.5	**33.9**
Electricity production[2] (TWh)	75.9	**65.0**
Latam: Gas volume transported (MGJ)	147	**147**
Brazil - Average PLD price[3] (BRL/MWh)	226	**177**
Brazil – GSF[4] (%)	81.1	**80.3**

1 Sales figures are consolidated according to accounting standards
2 At 100%
3 PLD = spot price
4 GSF = Generation Scaling Factor
5 End of Period

PUBLIC ENGIE

USA & Canada

Covid-19 impacts in Supply and termination of an LNG contract offsetting growth in Renewables and improvement in Thermal activities



- **Scope:** acquisition of Conti in 2019 in Client Solutions. 2019 sell-down in Renewables and disposal of Astoria gas plant in 2020
- **Renewables:** contributions from projects commissioned in 2019 and 2020 and change in business model (DBOO)
- **Thermal:** improvements of activities
- **Supply & others :** Covid-19 impact in Supply activities and termination of an LNG contract

Lean 2021

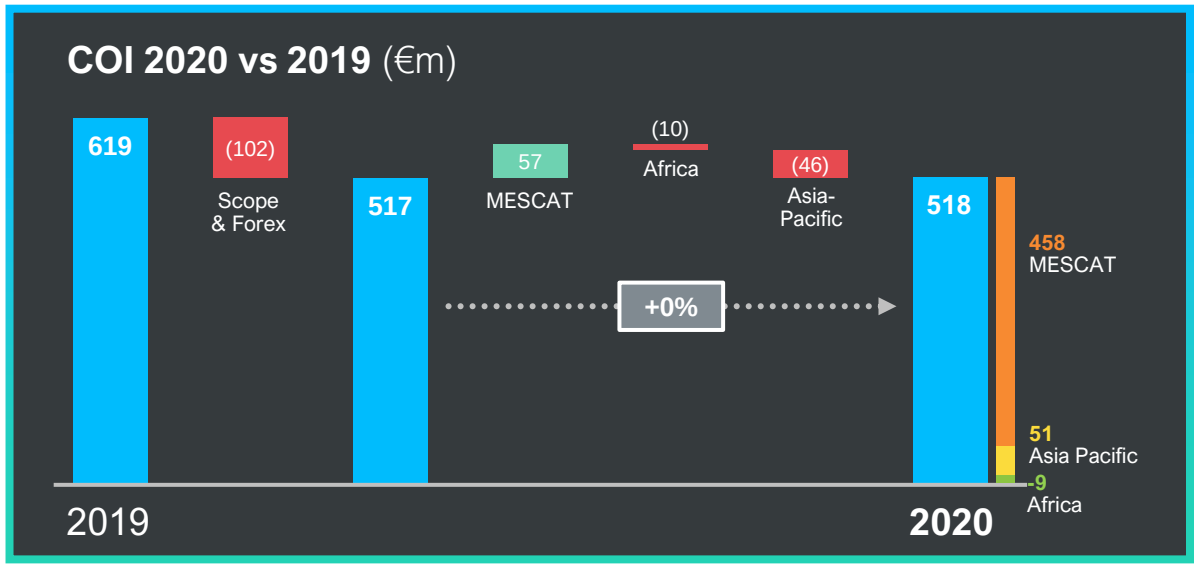
Other KFIs (€m)	2019	**2020**	Δ 20/19	Δ org
Revenues	4,457	**4,229**	-5.1%	-6.2%
COI	155	**124**	-20.3%	-6.3%
Gross Capex	1,480	**790**		
Capital Employed[3]	3,550	**3,500**		

KPIs	2019	**2020**
Electricity sales[1] (TWh)	41.5	**42.9**
Installed capacity[2] (GW)	4.0	**4.6**
Renewable Installed capacity[2] (GW)	1.3	**3.1**
Electricity production[2] (TWh)	17.2	**14.5**
Retail - B2B Power volumes (TWh)	40.2	**41.9**

1 Sales figures are consolidated according to accounting standards
2 At 100%
3 End of Period

Middle East, Africa & Asia

Glow disposal in Thailand. Organic stability with Middle East growth compensating lower contributions in Africa and APAC



- **Scope :** mainly Glow disposal in March 2019
- **MESCAT:** increased results from Tabreed (district cooling), and overall good performance of Thermal Gulf assets
- **Asia Pacific:** lower performance in Thermal, and Networks
- **Africa:** decrease in Supply activities

Lean 2021

Other KFIs (€m)	2019	**2020**	Δ 20/19	Δ org
Revenues	2,937	**2,382**	-18.9%	-8.6%
COI	619	**518**	-16.4%	+0.2%
Gross Capex	449	**17**		
Capital Employed[3]	3,636	**2,818**		

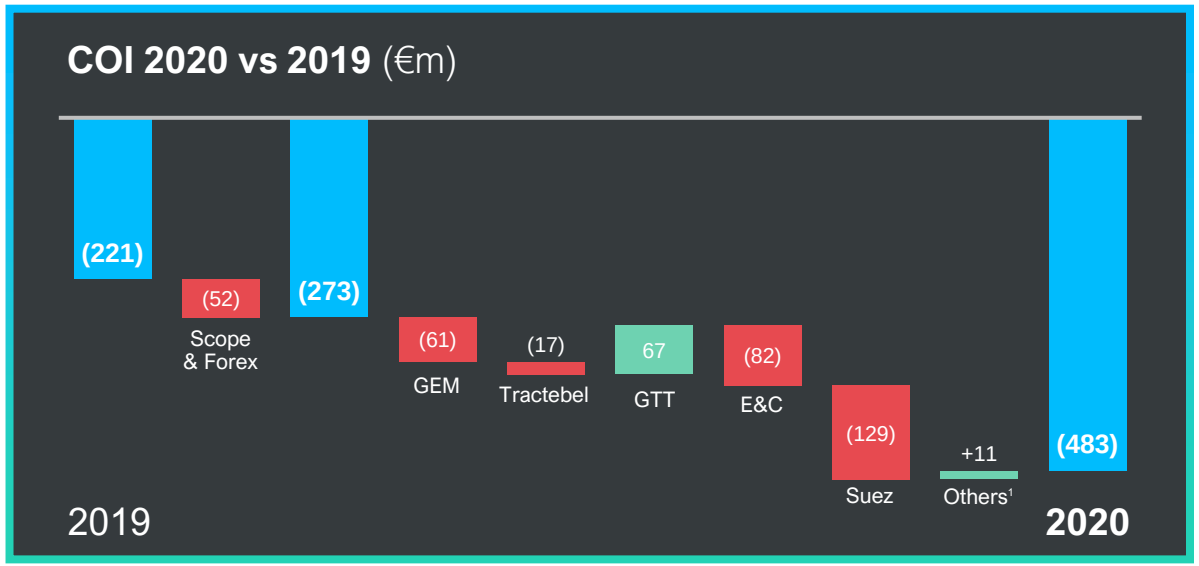
KPIs	2019	**2020**
Electricity sales[1] (TWh)	16.6	**14.7**
Gas distributed (TWh)	14.6	**14.5**
Installed capacity[2] (GW)	41.1	**44.2**
Electricity production[2] (TWh)	197.8	**194.4**
Middle-East - Water desalination capacity (MIGD)[3]	1,165	**1,225**

1 Sales figures are consolidated according to accounting standards
2 At 100%
3 Million Imperial Gallons per Day - installed capacity at 100%
4 End of Period

PUBLIC ENGIE

Others (GEM, Tractebel, GTT, E&C and Others)

Covid-19 impact in Suez, E&C & GEM, partly offset by better performance in GTT and strong performance of GEM's market activities in the context of important volatility (mainly in H1)



- **GEM:** '19 positive one-off related to the partial sale of a gas supply contract and Covid-19 impact, partly offset by a strong performance of market activities in the context of important volatility captured this year (mainly in H1)
- **GTT:** higher revenues linked to positive historical backlog
- **E&C:** Covid-19 and climate impacting volumes
- **SUEZ** (until early October 2020)**:** mainly Covid-19

Lean 2021

Other KFIs (€m)	2019	**2020**	Δ 20/19	Δ org
Revenues	8,633	**8,417**	-2.5%	-2.7%
COI	(221)	**(483)**	-118.4%	-78.2%
Gross Capex	1,440	**1,435**		
Capital Employed[2]	6,542	**4,647**		

KPIs	2019	**2020**
GEM – Gas sales (TWh)	49.5	**66.4**
GEM – Electricity sales (TWh)	21.8	**27.8**
E&C – Gas sales (TWh)	37.4	**35.9**
E&C – Electricity sales (TWh)	28.6	**29.7**
Tractebel Engineering - Backlog (€m)	755	**769**

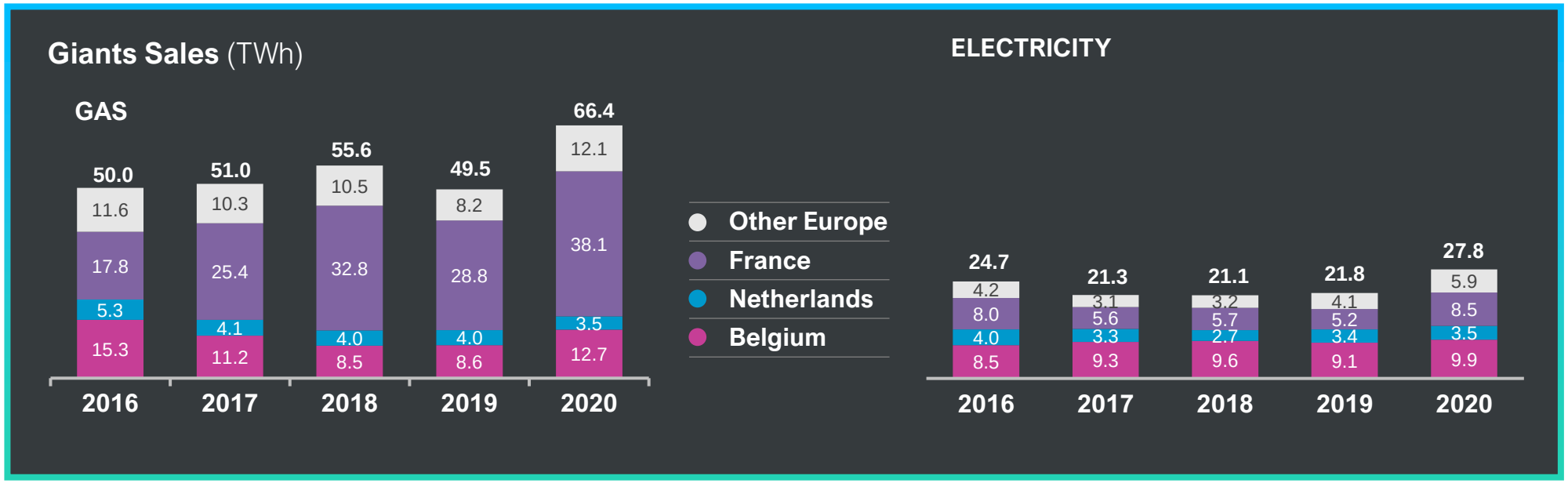
1 Including Corporate, GBS, Innovation & New Businesses and SUEZ
2 End of period

PUBLIC ENGIE

Others: GEM

Breakdown of electricity and gas sales to final customers

Sales[1] (TWh)	Gas	Electricity
TOTAL GEM	66.4	**27.8**
of which Belgium	12.7	**9.9**
of which Netherlands	3.5	**3.5**
of which France	38.1	**8.5**
of which Europe excluding France & Benelux	12.1	**5.9**



1 Sales figures are consolidated according to accounting rules, Group contribution

Disclaimer

Forward-Looking statements

This communication contains forward-looking information and statements. These statements include financial projections, synergies, cost-savings and estimates, statements regarding plans, objectives, savings, expectations and benefits from the transactions and expectations with respect to future operations, products and services, and statements regarding future performance. Although the management of ENGIE believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ENGIE securities are cautioned that forward-looking information and statements are not guarantees of future performances and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of ENGIE, that could cause actual results, developments, synergies, savings and benefits to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public filings made by ENGIE with the *Autorité des Marchés Financiers* (AMF), including those listed under "*facteurs de risque*" (risk factors) section in the *Universal Registration Document* filed by ENGIE (ex GDF SUEZ) with the AMF on March 18, 2020 (under number D.20-141). Investors and holders of ENGIE securities should consider that the occurrence of some or all of these risks may have a material adverse effect on ENGIE.

PUBLIC ENGIE

ADR program

American Depositary Receipt

Symbol	ENGIY
CUSIP	29286D105
Platform	OTC
Type of programme	Level 1 sponsored
ADR ratio	1:1
Depositary bank	Citibank, NA

FOR MORE INFORMATION, GO TO

http://www.citi.com/dr

For more information about ENGIE

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+33 1 44 22 66 29

ir@engie.com

https://www.engie.com/en/financial-results

FOR MORE INFORMATION ABOUT FY 2020 RESULTS:

https://www.engie.com/en/finance/results/2020

Attachment 5-4

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Section 6 Attachments

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