edp Renewables

Climate Transition Plan 2025

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EDPR Climate Transition Plan 2025

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[1] This document lays out EDPR's climate strategy built on its contribution to EDP's Group decarbonization pathway and embedded in the company's overall business strategy and financial planning, as disclosed in Integrated Annual Report, in line with CSRD (see 2025 Integrated Annual Report, Sustainability Statement, Climate).

[2] Approved by Management Team and Board of Directors by 15th and 16th December 2025.

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01. Context

EDP Renewables' climate pathway — decreasing supply chain emissions contributing to EDP's Group path toward Net Zero

Climate Transition Plan and Business Alignment

EDPR's business model focuses on renewable electricity generation, producing lower operational emissions than fossil-fuel alternatives. As we expand capacity —planning approximately 5 GW of new renewable generation in 2026-2028 — we work toward decarbonisation aligned with the 1.5°C pathway and Net Zero by 2040. This expansion also creates opportunities for enhanced energy efficiency across our operations and increased renewable energy access for those seeking lower-carbon electricity solutions.

EDPR's Climate Transition Plan (CTP) has been developed in the course of 2025, defining EDPR-specific decarbonisation objectives that are aligned with and contribute to EDP Group's Net Zero pathway, in line with SBTi's general recommendation for targets to be set at the parent company level. This alignment reflects EDPR's position as a listed subsidiary of EDP Group, which holds 71.3% of EDPR's share capital. Since its incorporation in 2008, EDPR has maintained a 100% focus on renewable electricity generation and contributes directly to EDP Group's broader decarbonisation strategy.
EDPR published its first climate transition plan in 2025 Integrated Annual Report, Sustainability Statement, Climate).

Scope 3 emissions represent EDPR's most material and strategic contribution to EDP Group's climate targets. Approximately 95% of EDPR's Scope 3 emissions are upstream, mainly linked to the manufacture of renewable equipment and construction materials associated with project gross additions. EDPR is also the largest contributor to EDP Group's supply-chain emissions. As a result, EDPR's Scope 3 target is defined in absolute terms, aligned with EDP Group's SBTi-approved trajectory and consistent with the effort required to achieve the Group's Scope 3 target.

EDPR's position regarding **carbon offset** is aligned with EDP Group's approach under SBTi's current Net Zero commitment, whereby residual emissions by 2040 will need to be addressed through carbon removals. At EDPR, carbon credits are not used to meet GHG reduction targets or to compensate for emissions that can be technically and economically abated.

Under the **2026–28 Business Plan**, EDPR plans approximately €7.5 billion of gross CapEx and around €0.8 billion per year of core OpEx to deliver around 5 GW of new renewable capacity.
The implementation of EDPR's Climate Transition Plan does not require significant additional CapEx or OpEx, as mitigation actions are predominantly process-driven and embedded in existing activities, particularly procurement and supplier engagement.

Supply Chain Management

EDPR's renewable energy business depends on complex, multi-tiered global supply chains. As the company expands, supply chain management has evolved from operational necessity to strategic imperative—where technical excellence, execution performance, and sustainability converge to ensure business continuity and responsible sourcing.

EDPR integrates ESG criteria throughout the procurement lifecycle—from supplier qualification to contract execution and monitoring. By 2028, EDPR targets full ESG Due Diligence to all purchases with ESG Risk guaranteeing alignment with CSDDD and over 80% of enablement equipment purchasing volume covered by carbon footprint information, supporting Scope 3 emissions reduction.

EDPR has been decreasing emissions intensity per MW built through data quality and progressive selection of less emitting equipment.

EDPR's 2025 ESG performance highlights

99%

Local procurement
sourcing in North America

94%

engagement plan definition
in new projects[1] with material impact on communities

Zero

Fatal accidents
for the second consecutive year

(1) Projects subject to the Investment Committee's approval.

EDPR is continuously working to decrease its GHG emissions, while addressing other environmental and social challenges

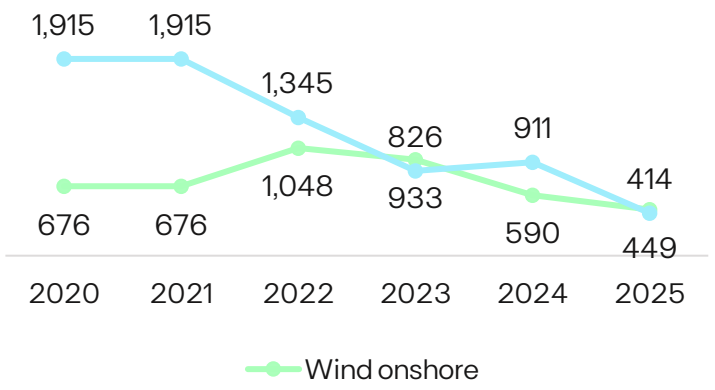
EDPR presented its first Climate Transition Plan ...

- In 2025, **EDPR defined quantified decarbonisation targets**, contributing to EDP Group's SBTi-approved targets
- **EDPR is decreasing emissions intensity per MW built** through data quality and progressive selection of less emitting equipment

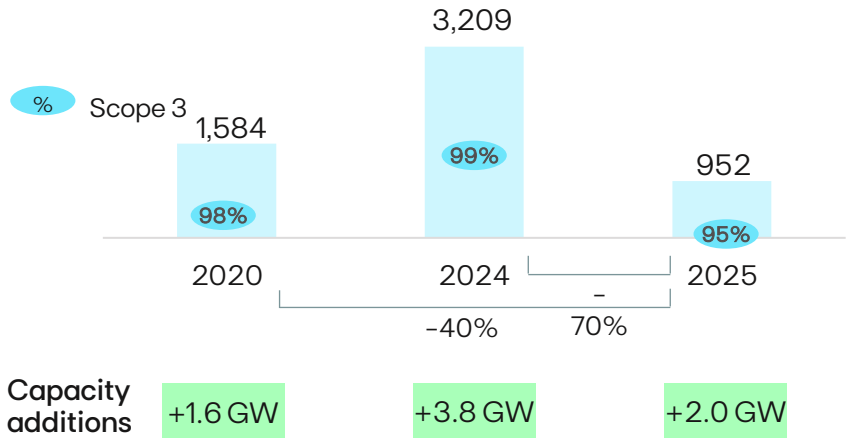
... focusing on reducing emissions from Scope 3

- **Over 90% of EDPR's emissions originate from the supply chain** in Scope 3, mostly linked to project gross additions
- EDPR had **-70% GHG emissions in 2025 vs 2024**, led by a 72% reduction in Scope 3 *(less additions & less emissions per MW)*

Emissions intensity per MW built [tCO_2e/MW]



GHG emissions [$ktCO_2e$]



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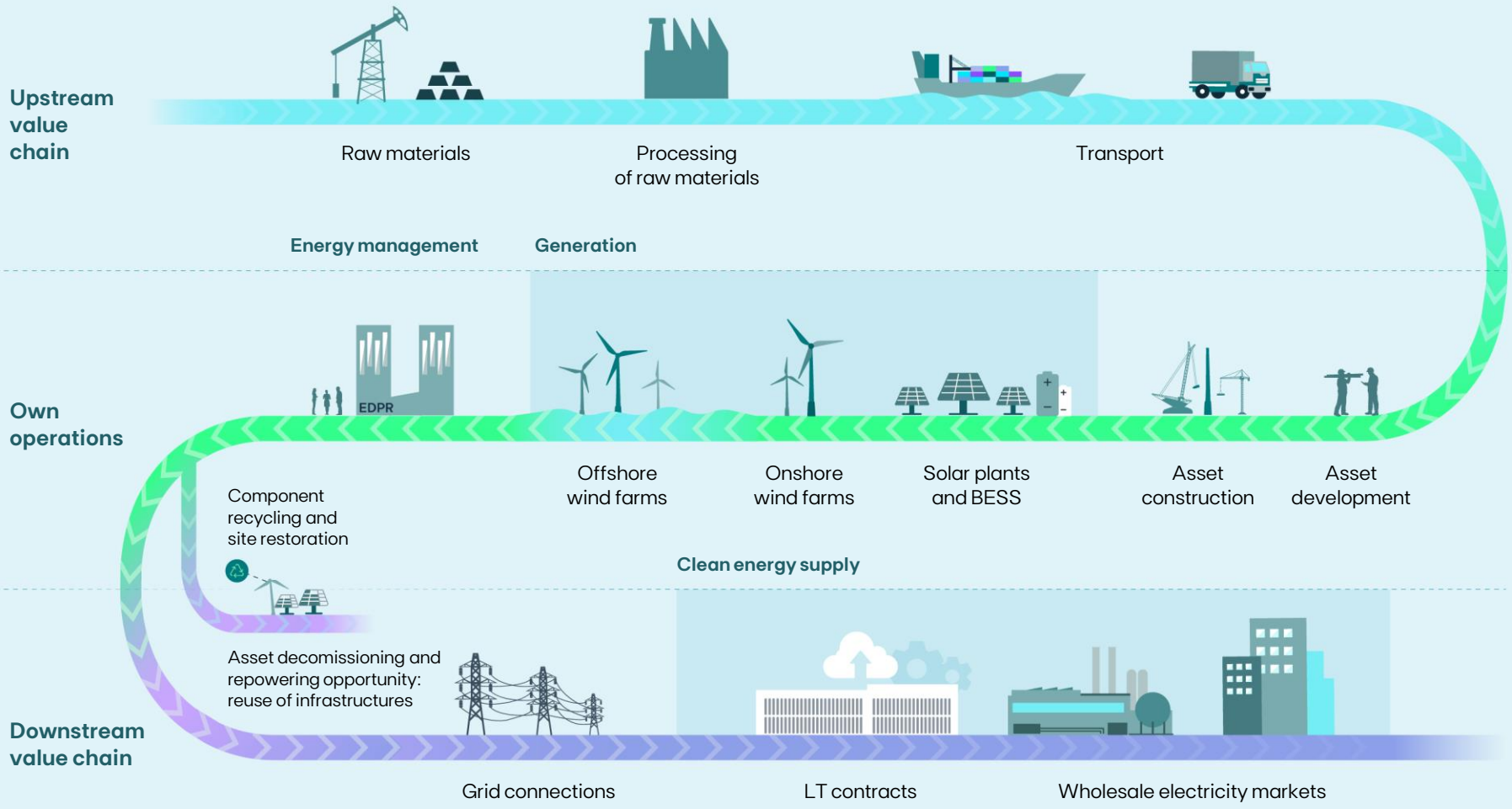
2.1. EDPR at a glance

Business model and value creation

EDPR business model focuses on the development, construction, operation and end-of-life management of renewable energy assets, including wind farms, solar plants and battery energy storage systems (BESS), across North America, Europe, South America and the Asia-Pacific regions.

Its value chain position centres on the provision of clean electricity generation, sold mainly through stable long-term contracts and complemented by wholesale electricity market sales.

EDPR contributes to the decarbonisation of the electricity sector by generating 100% renewable electricity through the efficient operation of existing assets and the cost-effective development of competitive new renewable and BESS projects.

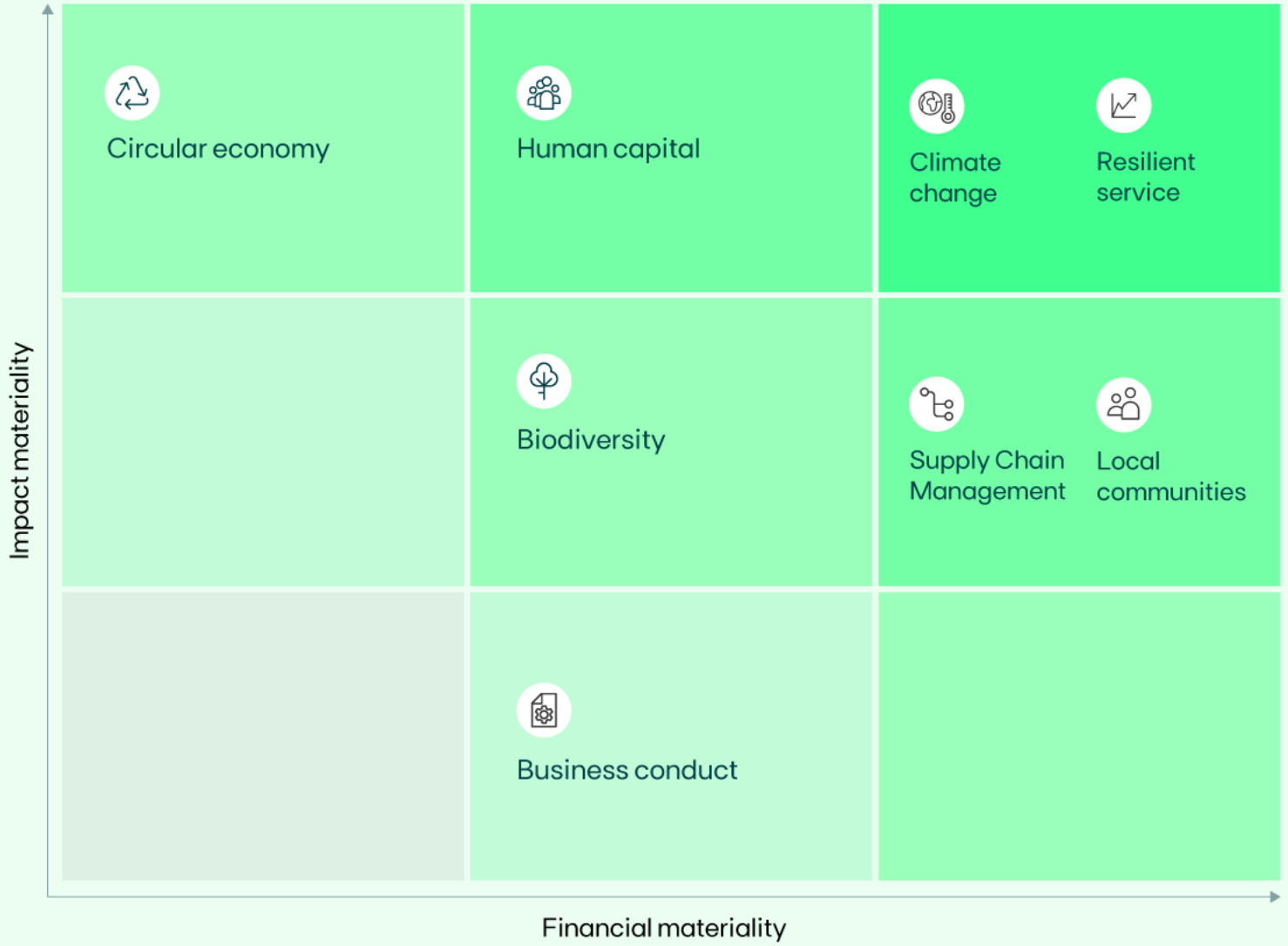


2.2. Double materiality assessment

EDPR has conducted a Double Materiality Assessment (DMA) in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), for the second consecutive year.

The assessment applies the principle of double materiality, considering both the actual and potential impacts of EDPR's activities on society and the environment, as well as the sustainability-related risks and opportunities that may affect the company's financial position, financial performance and long-term value creation.

The scope of the DMA covers EDPR and its full value chain, including upstream activities, own operations and downstream activities, across all relevant geographies and business relationships.



2.3. 2028 commitments

~5GW clean energy capacity additions 2026-28

Contribution to EDP Group's path to Net Zero target by 2040

Focus on resilience

Climate adaptation plans for assets exposed to material climate risk

Strengthen local community engagement and promote biodiversity

All new projects[1] with material impact on communities include an **engagement plan**

All new projects[1] include a **biodiversity risk analysis & action plan**

Partner with our suppliers

100% purchases with ESG risks covered by **ESG Due Diligence**

Foster circularity

>85% total **waste recovered** along the assets' life cycle

Protect and uplift our people

Zero serious injuries and fatalities

Empowered ecosystem

Human-centered experience

Highest standards of integrity

1. Projects subject to the Investment Committee's approval

Sustainability strategy

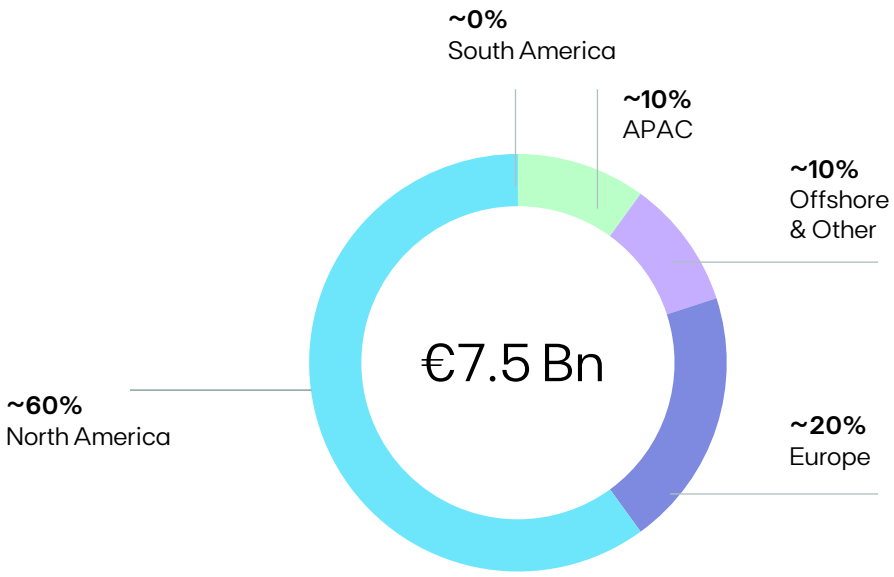
EDPR integrates sustainability across its business strategy to deliver secure, affordable and clean energy while addressing environmental and social challenges inherent to renewable energy development at scale. The company's strategic approach recognises that large-scale renewable capacity additions require significant natural resources and interact with ecosystems and local communities, creating both opportunities and responsibilities.

EDPR's sustainability commitments to 2028 reflect the material topics identified through the company's double materiality assessment, addressing the most significant impacts, risks and opportunities across environmental, social and governance dimensions. These commitments are translated into a set of ESG targets for 2028, supporting strategy implementation and providing a clear framework to monitor progress and performance over the business plan period.

2.4. Business Plan

Under the 2026–28 Business Plan, EDPR plans approximately €7.5 billion of gross CapEx and around €0.8 billion per year of core OpEx to deliver around 5 GW of new renewable capacity.

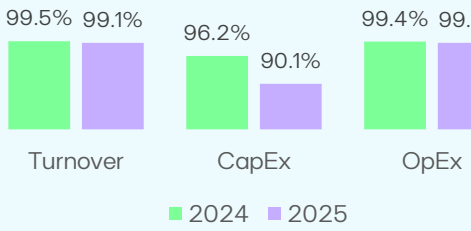
Gross investments



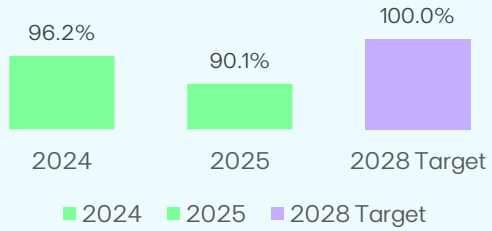
~95% in A-rated markets

~5GW of additions in 2026-28 with pipeline optionality to accelerate throughout the plan and beyond

Evolution of Taxonomy KPIs 2024-2025: EDPR alignment with EU Taxonomy (%)



CapEx alignment forecast (2025-2028)



The EU Taxonomy is the financial verification of EDPR's strategy. With a business model 100% focused on renewable energy, EDPR ~€7.5bn gross investment for 2026-2028 is natively geared toward climate change mitigation, targeting ~100% CapEx alignment by 2028.
The ~5 GW new capacity plan features a strategic mix of solar PV (~50%), solar+BESS (~30%), and wind (~20%), concentrated in markets with favourable regulatory frameworks including safe-harboured US tax credits for projects with COD until 2030.
This strategic positioning is supported by:

- Strategic expansion of the renewable portfolio, focused on high efficiency, low-impact technologies (onshore/offshore wind, utility-scale solar, BESS) with selective scalability
- Advanced asset digitalisation and remote monitoring, increasing availability and unlocking additional value from
- flexibility services
- Operational optimization via advanced O&M, automation and predictive maintenance, driving sustained OPEX/MW reduction
- Circular-economy and repowering initiatives for end-of-life components, maximising reuse and value recovery
- Climate resilience and robust environmental & biodiversity risk management, with continuous reinforcement of adaptation measures.

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03. Implementation strategy

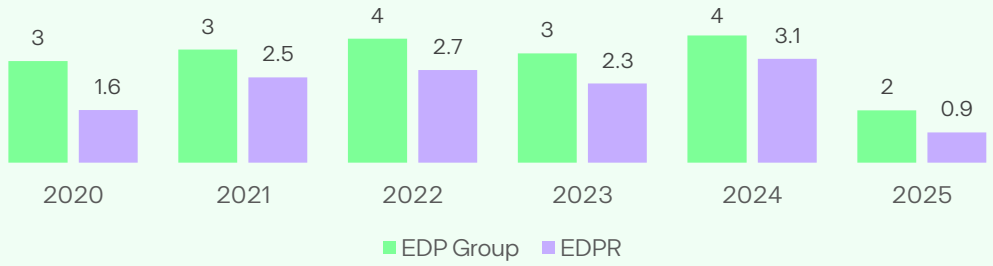
3. Implementing decarbonization strategy, aligning and contributing to EDP's Net Zero pathway, by targeting key emission sources

EDPR's Climate Transition Plan (CTP) has been developed in the course of 2025 following the developments with the definition of its own decarbonisation targets. While EDPR was undergoing the validation process for decarbonisation targets submitted to the Science Based Targets initiative (SBTi), in 2025, EDPR decided to suspend the validation process in favour of defining EDPR-specific decarbonisation objectives that are aligned with and contribute to EDP Group's NetZero pathway, after difficulties in the validation process that stemmed from methodological uncertainties, especially regarding the Land Use Change emissions, and SBTi's general recommendation for targets to be set at the parent company level. This alignment is also coherent with the fact that EDPR is a listed subsidiary of EDP Group (which owns 71.3% of EDPR's share capital), has had a 100% focus on renewable electricity generation since its incorporation in 2008, and contributes directly to EDP Group's broader decarbonisation strategy. As such, in 2025, EDPR has defined company-specific, quantified decarbonisation targets, contributing to EDP Group's SBTi-approved targets, that are consistent with a 1.5ºC pathway and a Net Zero by 2040 ambition for the power sector.

Scope 3 is where EDPR's contribution to EDP Group's climate targets is most material and strategic. Around 95% of EDPR's Scope 3 emissions are upstream, predominantly linked to the manufacture of renewable equipment and construction materials associated with project gross additions. EDPR is also the largest contributor to EDP Group's supply chain emissions. As a result, EDPR's Scope 3 target is defined in absolute terms, aligned with EDP Group's SBTi-approved trajectory and consistent with the necessary efforts to achieve EDP Group's Scope 3 target.

EDPR's contribution to EDP Group's Scope 1+2 targets is limited in absolute terms, reflecting its pureplay renewable generation profile. Accordingly, EDPR's Scope 1+2 target is defined on an intensity basis ($kgCO_2e/MWh$), ensuring consistency with EDP Group's power-sector decarbonisation pathway while having and ambition that reflects an operational footprint already close to Net Zero. Maintaining very low emissions intensity alongside portfolio expansion directly supports EDP Group's Net Zero by 2040 ambition.

EDPR's impact in EDP Group's Supply Chain emissions [$MtCO_2e$]



EDPR's decarbonisation targets		
	2030	2040
Scope 3 [abs.]	- 10%	- 65%
Scope 1+2 [int. - $kgCO_2e/MWh$]	- 7%	Keep intensity below SBTi Power Sector Net-Zero aligned benchmark value of 1.03 $kgCO_2e/MWh$

Supply chain

Target contribution
Scope 3

Suppliers' product specific emissions database

Since 2022, EDPR has been engaging suppliers from renewable projects to tackle the challenge of reducing supply chain emissions whilst growing its renewable deployment. This resulted in having a database with emission factors for wind and solar project equipment (turbines, modules and inverters) based on supplier and equipment specific LCA and EPD.

As a result, EDPR has been able to report with a higher level of precision on supply chain emissions, whilst mapping the carbon footprint impacts of both suppliers and their products.

EDPR is already working to collect this information for other enablement equipment like batteries, racking, and tracker.

Climate performance evaluation in RFP's

Prioritisation of the equipment climate analysis at the procurement phase: the carbon footprint is being analysed as an additional risk criteria during RFPs.

Selection assessment of products with lower climate impact: whenever possible, and if technically and economically feasible, the solution with the lowest climate impact will be selected.

Green(er) procurement

Supported on the previous actions, this is supported by a Business Plan target at the EDP Group level of having >80% of purchase volume of enablement equipment with carbon footprint data.

Furthermore, EDPR has an agreement with First Solar agreement to power 1.8 GW of solar projects in the US for 2026-28. This is a significant step, with First Solar's thin film technology being EPEAT Climate+ certified.

Incentivise greener supply chains globally

Decarbonising the supply chain will be an effort that involves everyone: companies, suppliers, governments, and sectorial institutions. Through the EDP Group, EDPR has been working on policy and advocacy for a standardised framework on product level emissions information under a WBCSD working group (PACT).

Emission scope	Scope 3 Cat.1 + Cat. 2
Scope of action	Upstream value chain
Implementation on timeline	2020-2040
Reductions potential by 2030 and 2040	By 2030: ~0.2 MtCO2e By 2040: ~1.0 MtCO2e
Financials	These actions are process-driven and embedded in existing operations; no significant incremental CapEx or OpEx has been identified.
Dependencies	Incentives for green industry and processes & Suppliers' own decarbonisation

Electricity consumption

Target contribution
Scope 1+ 2 intensity target

Green electricity in office building and in wind and solar plants

As EDPR continues to expand its global footprint of wind, solar and storage assets, total electricity consumption across operations is expected to increase. Although renewable power plants have relatively low operational energy demand compared to other industrial sectors, the cumulative impact becomes material within the company's scope, as the portfolio grows in scale, geographic diversity, and technological complexity. As a result, indirect emissions associated with electricity use may rise, even with the decarbonisation of the electricity grid mixes.

Emissions are then expected to be mitigated by increasing the sourcing of renewable electricity through EACs (RECs and/or GOs) to counterbalance rising electricity consumption, in a context of evolving grid emission factors.

Emission scope	Scope 3 Cat.1 + Cat. 2
Scope of action	Upstream value chain
Implementation on timeline	2020–2040
Reductions potential by 2030 and 2040	By 2030: ~0.2 MtCO2e By 2040: ~1.0 MtCO2e
Financials	Planned implementation falls outside of BP timeline; not defined in the scope of the BP
Dependencies	Availability and regulatory acceptance of Renewable electricity instruments (EACs / GOs / RECs / PPAs)

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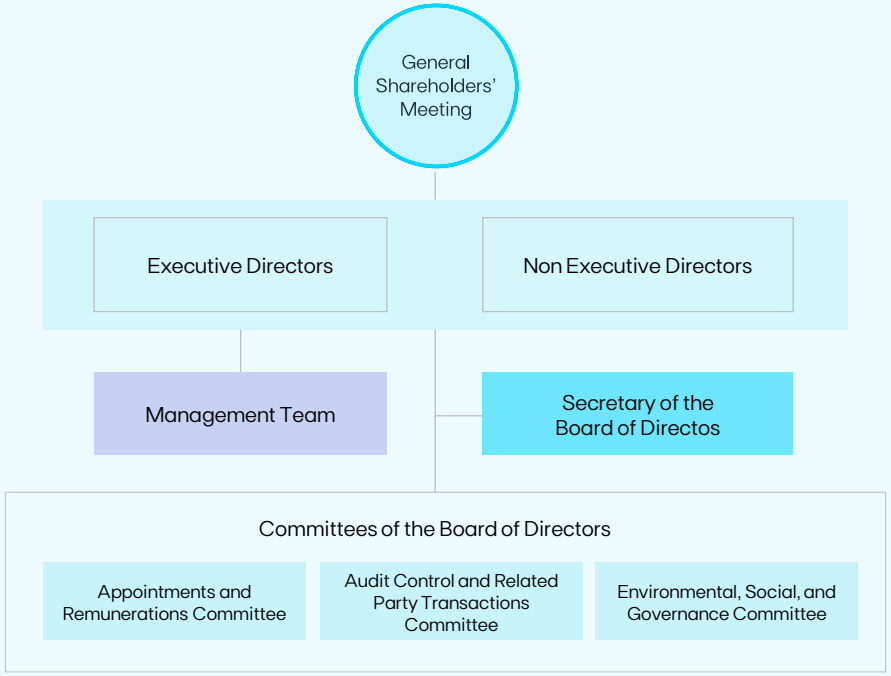
4.1. Climate Governance

The Board of Directors has overall responsibility for managing the Company's business, defining strategies and internal procedures, and monitoring business risks. It plays a central role in approving the Business Plan, the investment budget and forecasts, and the sustainability strategy. Overall, for the implementation of the sustainability strategy, the Board is supported by its Committees — the Environmental, Social and Governance Committee (ESG) and the Audit, Control and Related Party Transactions Committee — and by internal departments, namely Investor Relations & ESG, Risk and Regulation, Markets & Stakeholders.



See further details 2025 EDPR Integrated Annual Report, Sustainability Statement, Governance.

The responsibilities of the Board of Directors (BoD) in relation to sustainability issues at EDPR are divided between the BoD, which in general terms is vested with the broadest powers for the administration, management and governance of the Company, having, among others, the competence to approve the corporate social responsibility policy and determine the risk control and management policy, and its Environmental, Social and Governance Committee. This Committee formed by the non-executive members of the BoD, assists and informs the BoD with regard to alignment with market trends and the company's needs in terms of ESG, with the aim of also providing investors with more transparent and exhaustive information on matters relating to Corporate Governance and Sustainability, and the Audit, Control and Related Party Transactions Committee, whose main functions are to supervise financial information and sustainability information, and internal control, risk management and compliance systems.

The ESG Committee is responsible for:

- Monitoring and regularly analysing key trends and regulatory developments in environmental, social and governance matters
- Overseeing the main ESG performance indicators included in the Business Plan and monitoring their implementation
- Proposing to the Board of Directors the strategy, plans, policies and sustainability and ESG objectives, as well as updating them
- Ensuring the integration of ESG risks and opportunities into the Company's procedures and Risk Management System
- Keeping track of best practices and regulatory developments in sustainability applicable to the Company's activity.

Incentives and remuneration

Climate performance is embedded in **executive remuneration**, with ESG and climate KPIs included in annual and long-term incentives. The quantitative component associated with ESG indicators has a weighting of 20% in the annual component and 25% in the multi-annual component.

- In the annual component, the main indicators considered include Performance in the Dow Jones Sustainability Index (10%), Total Frequency Rate (5%), Climate Survey Results (5%).
- In the multi-annual component, the main indicators considered include Total MW of renewable energy built (20%), Performance in the Bloomberg Gender Equality Index (5%).

4.2. Climate Risk

Climate change represents one of the most significant challenges for the energy sector giving rise to material impacts, risks and opportunities that originate directly from EDPR's integrated energy business model and span upstream, direct and downstream activities. EDPR's resilience analysis is conducted in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

4.2.1. Risk management

EDPR has in place an internal climate risk management governance model, integrated into the global risk management process, to annually review and report on the resilience of the strategy to climate change.

EDPR identifies climate-related impacts, risks and opportunities through an integrated, group-wide risk management process and double materiality assessment. The process, conducted annually and updated as needed, starts with the mapping of EDPR's value chain (upstream, own operations and downstream), assessing policy, market, technology and reputational drivers, to identify actual and potential climate-related impacts, with a specific focus on greenhouse gas (GHG) emissions across Scopes 1, 2 and 3, which represent EDPR's main negative impact on climate change. This assessment is grounded in a full GHG inventory prepared annually in accordance with the GHG Protocol and aligned with SBTi methodologies.

4.2.2. Climate scenarios

To test resilience to climate change, EDPR has built three different scenarios that integrate physical and transition scenarios. EDPR employs a detailed and robust approach to scenario analysis, incorporating various key inputs and constraints.

Climate scenarios		
	Physical scenarios	Transition scenarios
AGG (As green as it gets)	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 1.5°C and 2°C; and (4) that the average sea level rises by 0.4m and ocean acidification begins to recover by 2050	Net Zero Emissions by 2050 Scenario (NZE) with internal adjustments: considers (1) the global energy sector reaching net zero CO_2 emissions by 2050; (2) economic growth and job creation related to sustainable energy; (3) a more resilient and cleaner energy
BGT (A bit greener than today)	RCP 4.5: considers that (1) the Paris Agreement is not fulfilled; (2) the temperature rises between 2°C and 3°C and extreme temperatures become more frequent; and (3) the sea level rises by 0.5 meters, and many species are unable to adopt	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
SMT (Slow move to transition)	RCP 8.5: considers that (1) the Paris Agreement is not fulfilled; (2) the temperature rises by more than 3°C; (3) extreme events become more frequent and there are large variations in rainfall; and (4) the sea level rises by 0.7 meters	

4.2.3. Climate risk assessment

EDPR conducts an annual climate risk assessment process which is structured in three distinct phases:

- Risk identification, that guarantees the exhaustive identification of physical and transitions risks and opportunities in each business and main geographies, in line with TCFD recommendations
- Climate scenario alignment, that includes the validation and updating of the physical and transition sub-scenarios, as well as the main climate variables (physical and transition); and finally
- Risk quantification and Climate Value@Risk aggregation, that aggregates the quantification of the most relevant climate-related risks and opportunities of each business/ geography (i.e., with an impact on EBITDA of over €1m).

Results indicate that EDPR's business model is resilient under different physical and transition scenarios: acute physical risks may cause short-term operational disruptions at asset level, while transition impacts mainly affect timing and market dynamics rather than structural profitability. Overall, the analysis confirms the robustness and adaptability of EDPR's strategy in a climate-constrained environment. The EDPR Board of Directors takes ESG risks, including climate physical risks, into consideration in the approval process of new investments that, due to their scale or nature, require specific approval by the Board.

See further details in 2025 Integrated Annual Report, Sustainability Statement

4.3. Adaptation and resilience

Climate adaptation and mitigation are addressed at EDP Group level as two complementary dimensions of climate action. EDPR is fully covered by this Group-wide framework, which integrates climate adaptation into the business model to manage physical climate risks, balancing long-term asset resilience with short-term operational readiness and ensuring continuity of renewable operations.

The adaptation approach is built upon five foundational "Adaptation Building Blocks", and five time-frame responses that define the areas of intervention.

The early integration of climate risk assessments during the planning and design phases of new projects are prioritised, as this is significantly more cost-effective than retrofitting, reflecting avoided losses in property damage, operational disruptions, and insurance expenses.

Timeframe and operational clusters			
Time-response		Adaptation building blocks	
Timeframe	**Description**	**Categories**	**Description**
Preparedness	Deploy forecasting and early warning systems to mitigate impacts before events occur.	**Operational**	Reorganise teams and workflows for agile response without physical asset modification.
Planning & prevention	Implement preventive measures and proactive planning to eliminate infrastructure impacts.	**Engineering & NbS**	Modify assets physically and integrate Nature-based Solutions to improve resilience.
Response	Utilise contingency measures and alternative resources to reduce damage during extreme events.	**Digitalisation**	Use digital tools for real-time monitoring, prediction, and automated mitigation.
Recovery	Rebuild post-event using “build back better” principles to improve future resilience.	**R&D**	Collaborate with academia to develop innovative technical solutions for climate resilience.
Resilience	Execute structural changes to ensure long-term asset stability against climate stressor.	**Advocacy & markets**	Partner with stakeholders to implement opportunity-driven strategic adaptation solutions.

For additional information see Climate Adaptation Report 2025 and 2025 Integrated Annual Report, Sustainability Statement

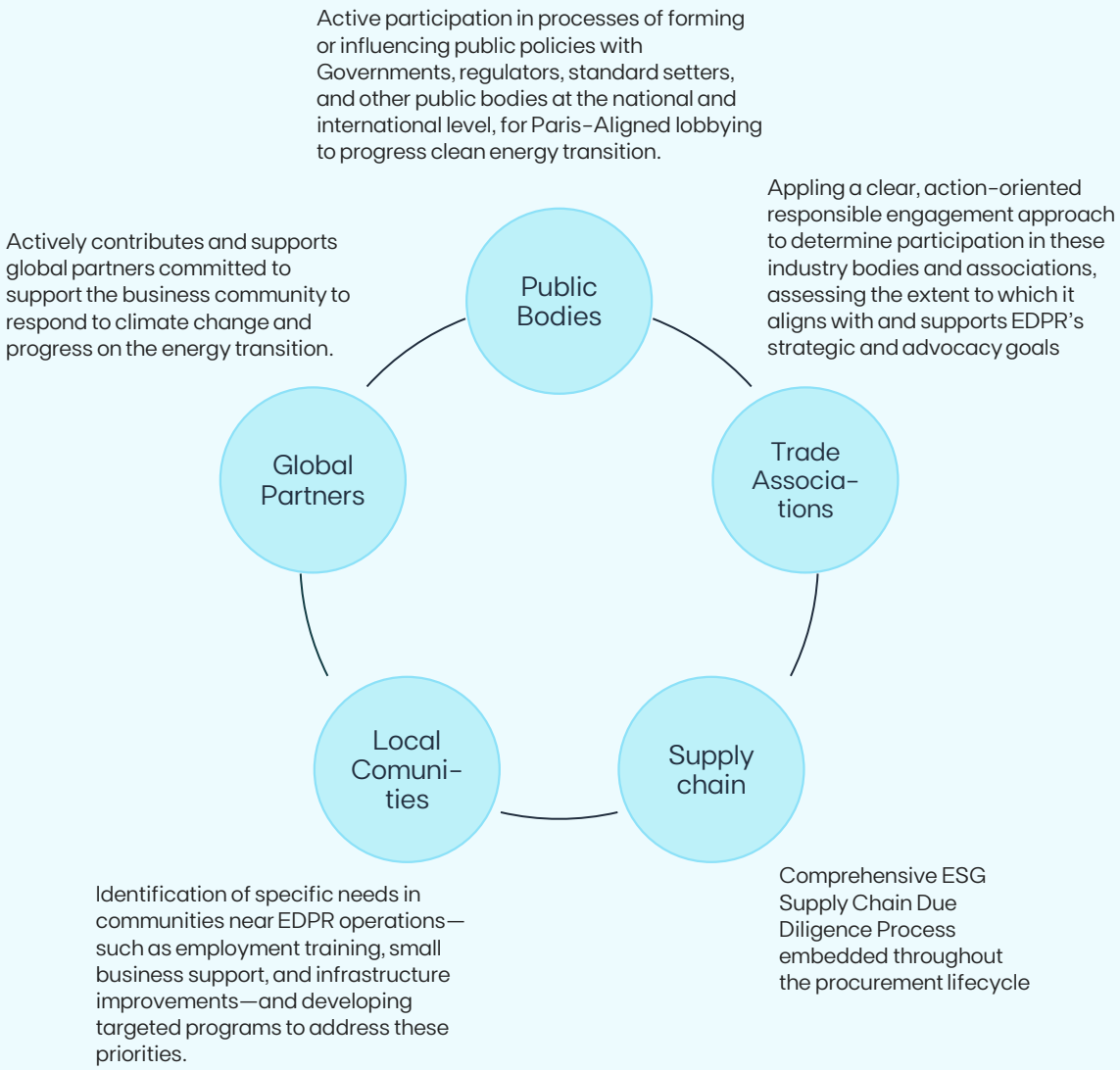
4.4. Climate engagement

EDPR's transition plan relies on many macroeconomic, industry-specific, and value chain factors.

Addressing these dependencies requires coordinated action across a broad range of stakeholders, making stakeholder engagement a key lever for achieving our long-term strategic ambition.

Through structured engagement with governments, sector associations, and stakeholders, EDPR advocates for sound climate policies aligned with Paris Agreement goals—covering energy transition acceleration, renewable deployment, grid modernisation, carbon pricing, and ambitious 2040 emissions targets.

(see further details 2025 EDPR Integrated Annual Report Sustainability Statement, Business conduct).



Our Policy Asks

EDPR encourages governments around the world to act on:

- Stronger NDCs that are aligned with 1.5°C and translated into credible national delivery plans with clear renewable energy, grid and storage targets
- Rapid, orderly and just energy transition away from unabated fossil fuels through streamlined permitting, grid expansion, market reforms and removal of barriers to corporate clean energy procurement
- Ambitious long-term climate and energy targets, including at least a 90% GHG reduction by 2040 in the EU, to provide regulatory certainty and guide investment
- Scaled and de-risked finance, mobilising public and private capital via long-term contracts, guarantees, blended finance and the redirection of fossil fuel subsidies, particularly for emerging and developing economies;
- Accelerated innovation, with stronger support for R&D, pilots, green public procurement, transparent carbon markets and demand signals to scale breakthrough technologies in hard-to-abate sectors.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