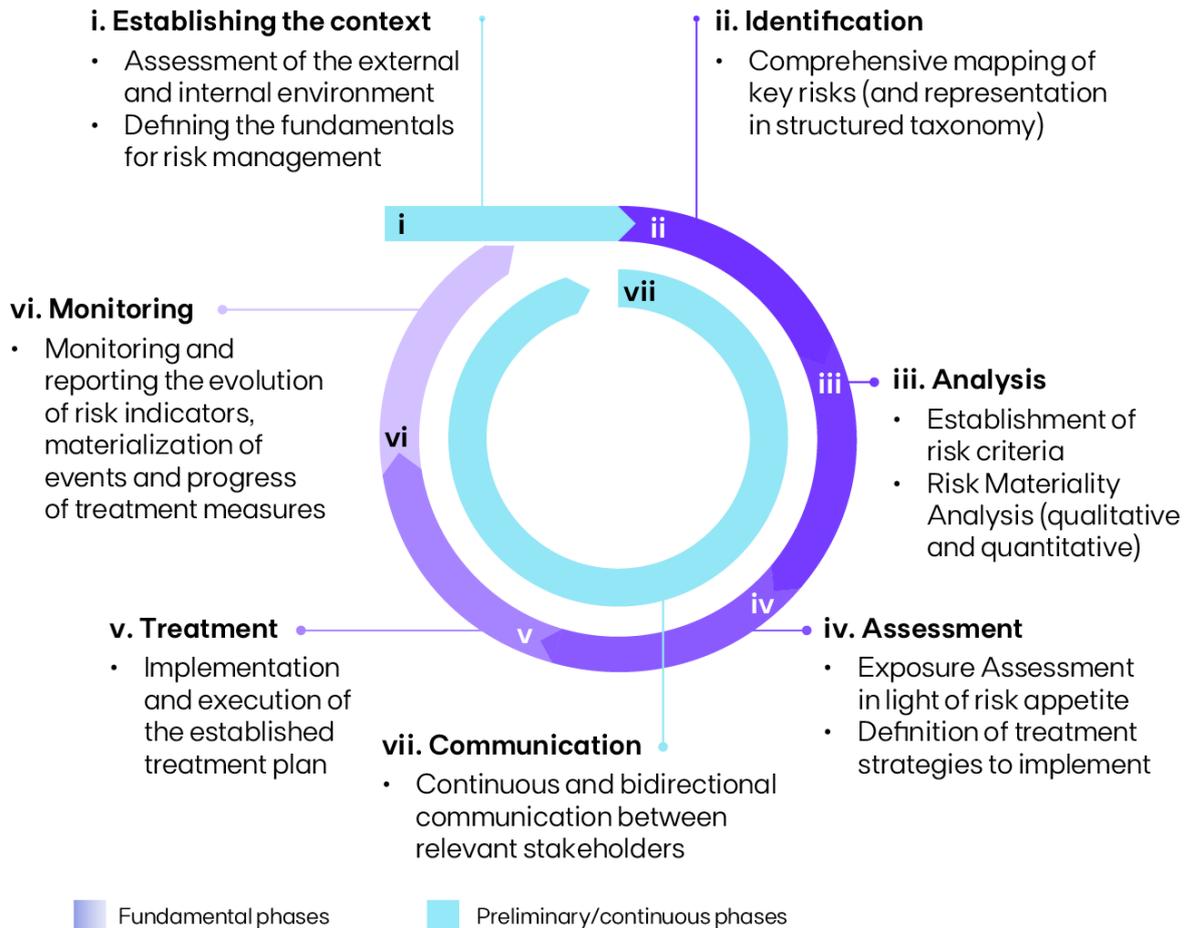




Risk Management Process

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- Risk **identification** involves mapping and updating the main risks associated with EDPR’s activity, as well as representing them in a structured repository - the risk taxonomy. This exercise is primarily the responsibility of the risk responsible and approved by the Board of Directors and the Management Team, to validate and integrate the various exercises into a general repository. To this end, a mapping of EDPR’s main risks against the budget and/or business plan, the main emerging risks and climate risks (in accordance with TCFD recommendations) is carried out on a recurring basis.
- Risk **analysis** involves establishing criteria to assess their nature and materiality, as well as analysing their individual and aggregate exposure in accordance with the criteria defined. This exercise is primarily the responsibility of the risk responsible, which is responsible for supporting its implementation, namely by developing the appropriate methodologies. This standardisation and systematisation of analysis and assessment criteria makes it possible to make risks of heterogeneous natures

comparable, to inform the various decision-making bodies about the relative orders of magnitude of the various risks and to guide the prioritisation of management and mitigation actions, as well as the definition of clear risk management policies at various levels (including the definition of limits). In addition to analysing individual risks in isolation, risk-return analyses and quantitative risk maps (based on EBITDA@Risk, Net Income@Risk, Cash-flow@Risk or other methodologies) are also systematically carried out to support EDPR's main decisions and strategic guidelines (for example, in terms of the Strategic Plan and investment decisions).

- Risk **evaluation** consists of comparing the risk profile with EDPR's risk exposure appetite (explicit or implicit), as well as the consequent definition of appropriate strategies for the respective treatment, when necessary. This exercise is the responsibility of the Board of Directors, supported by the risk responsible, who acts in conjunction with the business management (risk-owners) and EDPR's risk responsible. In this sense, it is worth highlighting the EDPR's risk appetite, which simultaneously serves the external purpose of structuring a holistic narrative articulated around the EDPR strategic pillar of controlled risk, as well as the internal purpose of promoting reflection on strategic options for risk-return trade-offs.
- Risk **treatment** consists of properly implementing the risk mitigation strategies previously established, including the definition of appropriate control mechanisms. This exercise is the responsibility of each of the Regions, within their respective scope.
- Risk **monitorization** ensures effective action on the risks identified, both in terms of control and periodic reporting of the position of the various risk factors, and in terms of the effective implementation of the policies, standards and procedures established for risk management. This exercise is the responsibility of the Board of Directors and the various Regions, with EDPR's risk responsible promoting and stimulating risk management and control actions, disseminating best practices and supporting the dissemination of concepts, methods, risk measures and key risk indicators (KRIs). These reports allow the organisation to regularly monitor KRIs that are aligned with performance metrics and, as such, reflect the risk profile at any given time. In addition, these indicators are subject to risk limits that are in turn aligned with EDPR's objectives and strategy, thus allowing it to be effectively implemented at an operational level.