

# RISKS AND OPPORTUNITIES

The scientific community has no doubts: biodiversity loss and the collapse of ecosystems are among the top 5 threats facing humanity in the next decade. Likewise, companies whose decision-making processes neglect their impacts and dependency on biodiversity are jeopardizing their own management.

By committing to biodiversity, EDP promotes the effective management of its impact on biodiversity, acknowledging that risk and opportunities are inherent in all decision-making processes. An internal corporate analysis has concluded that these are the most significant risks and opportunities:

## RISKS

### Regulatory:

- Growing urgency to halt global biodiversity loss;
- Greater awareness of the economic costs associated with the destruction of ecosystems;
- Increased regulatory requirements (policies and legislation) involving tighter restrictions and conditions to ensure the full mitigation of impacts on biodiversity.

### Financial:

- Increased costs associated with the requirements of a mitigation hierarchy for biodiversity impacts.
- Financial institutions complying with the Equator Principles (Equator Principles 2006), which follow the Performance Standard 6 ([PS6](#)) as defined by the International Finance Corporation (IFC), the most well-known financial loan requirement.

### Social Responsibility:

- Demonstrating good biodiversity performance to obtain the social permit to operate.
- A more conscious and demanding society that prefers companies with a better sustainability performance.

## OPPORTUNITIES

### Operating opportunities:

- Risk management optimization through anticipation;
- Cost reduction
- Shorter commissioning times
- Competitive advantages in the market

### Access to financing:

- Contractual advantages in accessing financing

### Compliance with the targets:

Improving the environmental performance with reputation gains