



Our Core Tax Principles

EDP Group recognizes its ethical and civic responsibility to contribute to communities and societies in each country where it operates. This document sets out EDP Group's tax strategy, mission and principles, which are founded on excellence and a steadfast commitment to the highest standards of legality, integrity, and responsibility.

For the above purposes, EDP Group is committed to strict compliance with tax regulations in all jurisdictions, respecting both the letter and the spirit of the law. The policy aligns with EDP Group's corporate values, ensuring that tax affairs support both business growth and the improvement of the communities served.

As a result, the Group mitigates tax uncertainties, improves fiscal efficacy, reduces unnecessary disputes, and ensures long-term value creation for the companies, their shareholders and society.

Scope of Application

The policy applies to all processes, activities, and operations with tax impact along EDP's Group, and is binding on its subsidiaries, directors, managers, and employees.

From a compliance standpoint, the Group follows a comprehensive tax approach since the policy refers to the payment of taxes, compliance and reporting obligations, and any burden of accountability that relates to such public contributions, including but not limited to direct and indirect taxes, public fees or duties, as well as intercompany pricing.

Furthermore, it also comprises tax accounting and fiscal forecasts, which are assessed, modelled, and eventually supervised and/or validated by the respective tax supervisors.

Such scope is also enforced or encouraged in relations with external parties, joint ventures, and other entities outsourced and/or managed by the Group.

Tax Risk Control, Compliance and Management

Tax affairs are driven by transparency, efficiency, and responsibility, always in strict compliance with applicable legislation.

The internal and external tax control frameworks are mainly defined by EDP and EDPR Executive Board of Directors, which are actively involved in the decision-making process for relevant operations. The designated Committees, upon delegation of the Boards, permanently conduct monitoring and supervision of any relevant tax matters in the context of the internal control system over financial information and the risk management process. Those Committees specifically and proactively review tax strategy, mission and principles on a periodical basis, providing a based opinion to the Board and proposing changes to the scope and contents.



EDP – Tax Mission and Policy

Every strategic decision is based on and implemented following EDP Global Director of Tax's opinion, which conversely leads a team of in-house tax advisors and functional expert units. In addition, tax compliance is managed by EDP Global Business Services' Team – a skilled team of tax accountants who possess a combination of accounting, fiscal, and technology qualifications. The corporate tax team is mainly located in Portugal, Spain, United States and Brazil, including further local expertise when applicable, to ensure jurisdiction-specific knowledge and the correct application of domestic regulations.

The Group has implemented different automated or semi-automated workflows considering the nature of the tax and the country to ensure a smooth approach in each step of the tax management, reinforcing the segregation of duties and the efficiency of internal controls, and reducing potential filing errors or failure to comply with tax obligations in a timely and complete manner.

The Group's approach differentiates data, information, and knowledge. Tax data is stored in various sources or pools, systematized through ERPs and data lakes, which have inputs of other business areas, primarily accounting and business planning. These data are typically extracted using data mining techniques and automatically or semi-automatically transformed and converted into relevant information for its tax function to properly manage tax affairs. This information is made available to corporate or management teams for consultation and analysis. Once the information has been interpreted, analyzed, and assessed, the Group considers it as knowledge, which is then used for control and reporting. Relevant processes are objects of internal and external audit.

On top of the live and periodical controlling, there are *ex ante* measures – that includes the identification and prevention of tax risks before transactions are executed, including the use of reputable and independent expert opinions – and *ex post* measures – which encompass the review, correction, and reporting of incidents detected after execution, supported by comprehensive day-to-day management of tax contingencies. This additional dual approach ensures proactive risk management, continuous improvement, avoidance of communication misunderstandings, and reputational risk.

Namely, *ex-post* measures are assigned to a specialized reporting team that continuously monitor the processes associated with tax related risks and contingencies, 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 Audit Committee. The contingencies are monitored considering if they affect litigation or non-litigation issues. Furthermore, all contingencies are broken down considering quantitative (and currency) thresholds, active or passive positions, and its probable, possible or remote graduation.

Furthermore, as a transversal risk-avoidance measure, EDP provides and facilitates recurrent and high-skilled training to reinforce tax knowledge and compliance. Tax related training is not limited to the tax teams; it is also provided to other departments to expand awareness of tax matters, ensuring a tax policy remains fully aligned with the applicable principles.

Any security breach or violation of this policy may be reported through the internal whistleblowing channel, which is confidential, centralized, and overseen by the Internal Audit Department. In the



EDP – Tax Mission and Policy

event of an incident, the applicable sanctions framework provides for disciplinary measures and, where appropriate, administrative or criminal actions.

Tax Planning and Transfer Pricing

Tax planning is based on genuine economic reasons, substance and form, and avoids aggressive tax treatments. The Group explicitly rejects artificial or opaque structures or arrangements; and transactions or operations in non-cooperative jurisdictions solely for tax advantage or to reduce its tax burden. EDP Group maintains internal processes for identifying and reporting cross-bordered transactions – DAC6 operations in Europe and the corresponding procedures outside the EU –, ensuring transparency and regulatory compliance.

The Group seeks cooperative and assertive relationships with tax authorities, aiming to enhance legal certainty and reduce litigation, while defending the Group's legitimate interests by either administrative or, when appropriate, judicial means when necessary. In this sense, when regulatory uncertainty arises, the Group first tries to seek clarification or advance agreements, such as binding rulings, with the officers. Such relations with Tax Authorities are always based on the principles of trust, good faith, transparency, cooperation and reciprocity. Uncertain tax treatments are evaluated and contrasted with expert opinions, and escalated to management according to risk tolerance.

If the Group identifies and leverages available tax incentives, promoting investment and innovation, they are always assessed in strict compliance with applicable regulations.

In the event of an engagement with a tax advisor or any tax outsourcing, the policy guarantees such advisors possess extensive experience and ensure full compliance with the applicable tax obligations.

The Group applies the arm's length principle in related-party transactions, in accordance with OECD guidelines and local regulations, and does not use transfer pricing as a tool for avoidance.

Furthermore, intercompany or related parties' transactions and those with special tax risk are subject to review by a specific transfer pricing team and, if necessary, to the approval of the applicable Board of Directors. The tax implications and mitigation measures for such transactions are documented, with master and local documentation prepared as required by OECD practice. The Group seeks for active binding unilateral, bilateral or multilateral agreements with different tax authorities to preventively or correctively determine the appropriate transfer-pricing methodology to apply to cross-border transactions.

Tax Reporting, Disclosures and Transparency

EDP Group reports and publishes relevant information following all of the above exposed tax principles and policies considering the recipient of the information.

There are internal tax reports prepared on a defined periodic basis (monthly, quarterly, annually), which include relevant information on direct and indirect taxes borne and collected, identified risks and potential contingencies, and adopted measures. The review workflow includes validation by the



EDP – Tax Mission and Policy

functional units and local teams prior to final submission. Reports are presented to the Board and Committees, ensuring oversight and transparency.

Key tax information is disclosed in the Group's financial statements and ESG reports, providing stakeholders with a clear, useful, and accurate view of EDP Group's contribution to the economies where it operates.

EDP, 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 towards tax administrations and that was adopted by the OECD and G20 countries. This obligation is fulfilled in Portugal by the parent company, within the established legal deadlines.

In addition, EDP Group confirms its commitment to comply with the OECD/G20 BEPS Pillar Two framework, including the EU Directive and national legislation requiring a minimum effective tax rate of 15% for large multinational enterprises. This includes new compliance obligations both at the level of the parent company and locally, in countries where we have presence. Nonetheless, EDP Group stresses that implementing Pillar Two imposes a significant compliance burden. While we remain dedicated to transparency and responsible tax practices, we urge policymakers to consider measures that reduce these burdens without compromising the objectives of global tax reform.

On top of all the above and considering its commitment, the Group publishes, on a yearly basis, starting in 2025, its Global Tax Footprint Report, providing a detailed breakdown of all tax contributions made by EDP to the tax systems of all the countries in which it operates. This document reflects EDP's dedication to proactive and comprehensive cooperation with tax authorities.

EDP Group maintains active collaborations with tax authorities, relevant private sector forums and associations, prioritizing transparency and constructive dialogue. Ongoing initiatives and activities are regularly updated on the Group's website, where investors and other stakeholders can access the related achievements and recognitions.

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