Tax Transparency Report 2024

December 2024

Message from the CFO

Rui Teixeira
CFO of EDP and EDP Renewables

Dear Shareholders and Stakeholders,

The year 2024 marked a transformative period for EDP. The Group introduced a series of initiatives aimed at enhancing internal consistency and reach within the key functions of the organization, including the tax function, enabling a more future-proof organization in the context of a growing business. These initiatives aimed to maximize internal synergies, improve internal controls, and establish governance frameworks that are in line with both our strategic goals and fundamental mission, which is fully driven by the statement that illustrates our ambition of a more sustainable world: “We Choose Earth”.

Our ambitious commitments harness the power of the wind, the water and the sun, as we are accelerating the transition to a low-carbon future. However, EDP recognizes that the sustainability of our operations is closely tied to our responsibility for the social and economic development of the countries in which we operate. Taxes play a fundamental role in this contribution, directly supporting the well-being of local communities. For this reason, the Group has defined a tax policy grounded in the responsible payment of its taxes, strong adherence to ethical tax practices, transparent communication with our stakeholders, and the fostering of cooperative relationships with governmental bodies.

As part of this commitment, EDP is embracing a new journey to enhance its tax transparency. In 2025, related to the 2024 fiscal year, EDP Group is publishing the first version of 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 and will be updated annually.

The relevance of our taxation footprint is clearly reflected in the amount of taxes, levies, and other tax payments made annually. In 2024, the Group’s total tax contribution amounted to €3,415 million, representing a 19% increase compared to the previous year. This means we contributed to local communities with over twice our annual’s global net profit. In 2024, EDP paid more than €9 million per day in taxes and duties. Over the past five years, the Group’s total direct contribution has reached nearly €13,900 million. We are proud to be able to make such a significant impact.

In parallel, we remain focused on rapidly adhering to new disclosure and tax transparency requirements, anticipating their implementation at the Group level and, whenever possible, disclosing their corresponding results before publication becomes mandatory. Currently, in the field of taxation, numerous regulations are on the horizon, including the Pillar 2 Directive on a global minimum tax, windfall taxes, and the CSRD framework. While the intentions behind these regulations are commendable, the sheer volume of newly introduced rules within a short timeframe creates uncertainty. Moreover, this complexity can impose a significant compliance burden on businesses, potentially stifling investment rather than encouraging it. A sustainable legislative process is crucial to ensuring the success of these efforts.

To achieve the intended goals of these regulations, we advocate for thorough evaluation and impact assessments before implementation. It is essential to ensure that any new regulation strikes the right balance between its objectives, the burden it imposes, and the significant investment still required to drive the transformation needed to win the race against climate change.

We remain committed to ensuring responsible tax management, contributing to a world where individuals, businesses, and nature can sustainably coexist.

Tax Transparency Report 2024

About this Report

EDP is fully committed to tax transparency as a way to maintain a clear vehicle of communication with our stakeholders, as well as to embrace the promotion of a fair and responsible tax contribution in view of being a relevant catalyst of sustainable development in the countries where we operate. The first edition of EDP Tax Transparency Report marks the beginning of a journey towards a more comprehensive disclosure of EDP's tax principles, our view on the tax environment, our tax management and our tax contribution.

This report is primarily addressed to our shareholders, investors, and governments, including policymakers. In addition, we believe:

- Tax authorities benefit by reading about our tax principles and governance, tax management, as well as risk assessment and internal controls
- Employees may be interested in the sections about our tax principles and governance, our operating environment, value chain and total tax contribution
- Other stakeholders shall collect valuable insights on EDP Group's approach to tax in the countries where we operate.

Tax policies and principles herein mentioned have been approved by the Board of Directors and are in full application across EDP's perimeter. Those are object of permanent revision, monitoring and control by local and corporate tax teams, as well as compliance, risk and internal audit teams. For a detailed explanation of the methodology used in reporting tax figures, please refer to Annexes — Methodological Note and Definitions.

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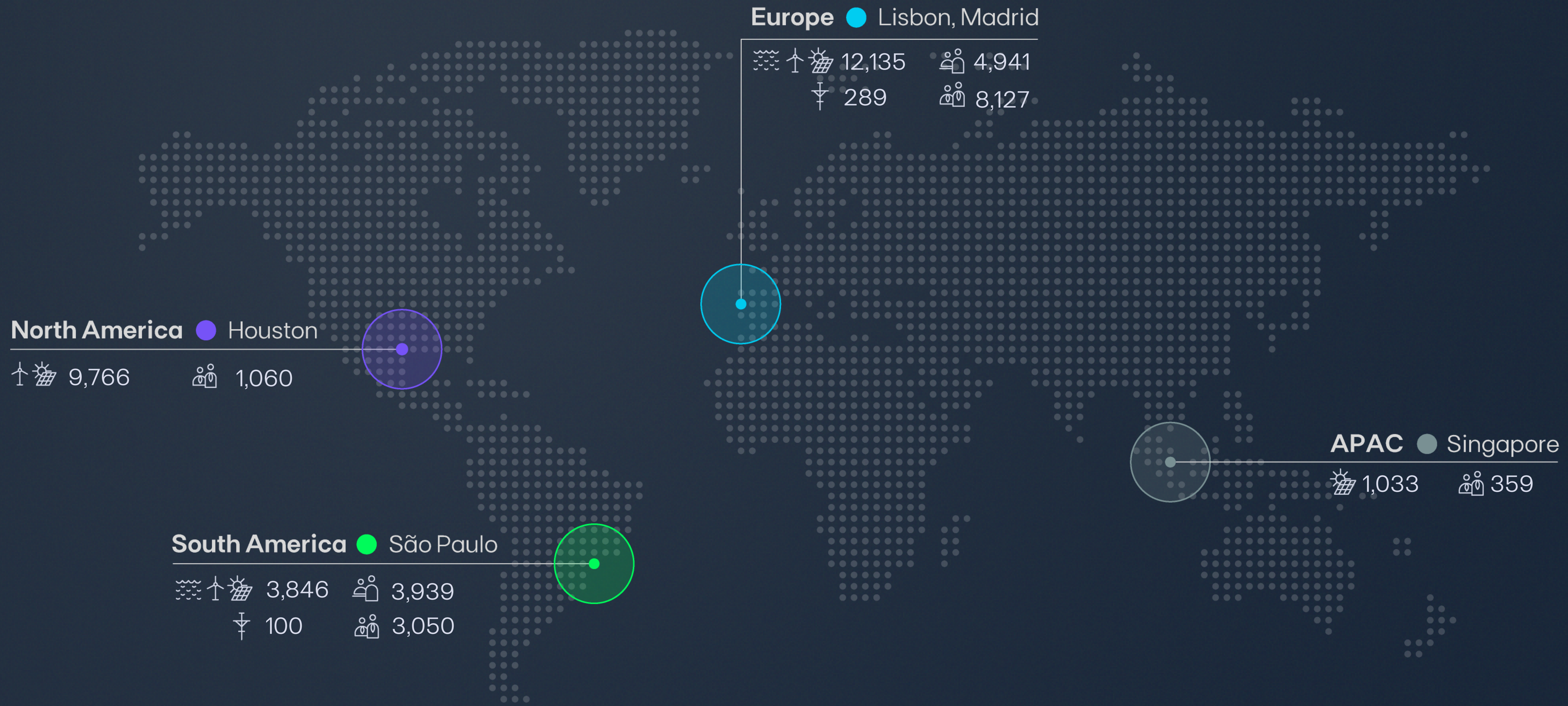
EDP Value Chain

EDP is a utility present in four regional hubs: APAC, Europe, North America and South America.

The Group's businesses are currently focused on the generation, transmission, distribution and supply of electricity and natural gas. Although complementary, the group also operates in related areas such as engineering, laboratory tests, professional training, energy services and property management.



Solar Capacity (MW)
Wind Capacity (MW)
Hydro Capacity (MW)
Networks ('000 km)
Clients ('000 #)
Employees (#)
Main offices

95% renewable energy generation

57 TWh energy produced

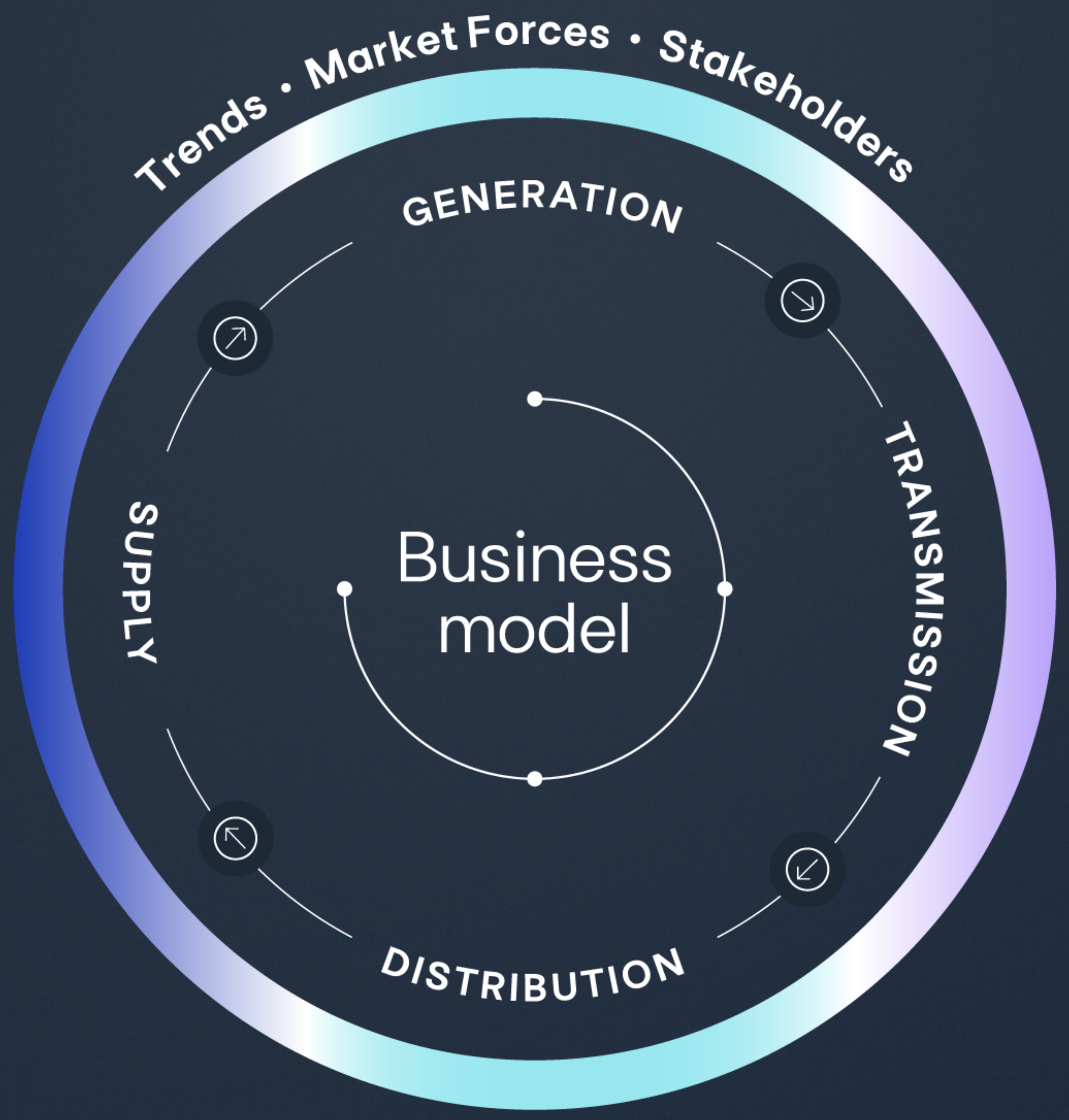
12,596 employees

EDP Value Chain

Taxes throughout the value chain

In addition to the common taxes on income, social security contributions and real estate taxes, EDP's activities through the value chain trigger various other types of taxes, levies and financial contributions which, when considered as a whole, determine the level of taxation to which the EDP Group is subject.

Of all the stages in the EDP's value chain, it is the energy generation activity the one that contributes most significantly to the payment of taxes and other contributions.



01. GENERATION

- In addition to income taxes, EDP pays sectorial contributions that are levied on assets or energy produced, not strictly connected with the profits from the activity. Since 2022, EDP is paying relevant amounts of windfall taxes in several EU countries
- EDP bears charges related to the social function of the states (low-income families tariff)
- EDP bears charges from mechanisms aimed at restoring balance between producers in Iberia and pays municipalities rent for assets located therein, energy produced or installed capacity

02. TRANSMISSION & DISTRIBUTION

- EDP supports costs inherent to the use and operation of electrical operations
- EDP pays sectoral contributions levied on certain energy distribution assets

03. SUPPLY

- EDP contributes to the achievement of community goals related to energy saving and efficiency, by contributing to energy efficiency funds
- EDP collects and administers taxes on behalf of the State or third parties. The most important of these are the VAT charged on the sale of energy and other special taxes on electricity consumption

Corporate Governance and Sustainability Goals

EDP's commitment to the energy transition

EDP Group is committed to acting in accordance with the highest ethical and integrity standards, ensuring strict compliance with current legislation and regulations. With a zero-tolerance policy towards any non-compliance, particularly regarding bribery, corruption, or money laundering, this commitment is reflected in the Code of Ethics, applicable to all employees and governing body members across the group. To uphold these high standards, a Compliance Management System has been implemented, based on eight key elements, aiming to prevent, detect, and respond to instances of non-compliance, thereby mitigating the risk of regulatory or ethical violations.

Our ambition is supported in the following axes, all aligned with our commitment to the energy transition:

Decarbonization Ambition

EDP aims to achieve a climate-positive world through decarbonization. The company is at the forefront of global decarbonization efforts, leveraging renewables to electrify transport, buildings, and industry. By 2024, renewable electricity has accounted for over 95% of EDP's generation portfolio. EDP's innovation model aims to accelerate impactful new businesses and adopt innovative solutions rapidly. The company follows an Open Innovation philosophy, engaging stakeholders and exploring new pathways to lead the energy transition.

Community Engagement

In parallel with its decarbonization efforts, EDP empowers communities to play an active role in the energy transition. The company's Local Stakeholder Engagement Policy fosters transparency and participation. EDP's social investment strategy includes Fair Energy Transition, Culture, and other social needs, focusing on solar energy, energy poverty, green impact investment, professional skills, education, and environmental sustainability.

Protecting the Planet

EDP is committed to protecting and regenerating the planet as part of its broader energy transition strategy. The company integrates biodiversity protection into its environmental management strategy, aiming for a net positive impact on biodiversity. EDP will not develop new power generation facilities in UNESCO World Heritage Sites and has a structured approach to biodiversity risk management. EDP's strategy also focuses on reducing, optimizing, and recovering resources. The company emphasizes efficient use of natural resources and integrates circular design into its business model. EDP works closely with business partners to enhance circularity in materials and equipment used in its operations.

Engaging Partners

EDP fosters collaboration with suppliers and stakeholders, integrating ESG criteria into the supply chain to strengthen risk management and resilience. The company engages suppliers in sustainable practices, enhancing supply chain data quality and driving green procurement.

ESG Culture

Guided by the purpose "Our energy and heart drive a better tomorrow," EDP focuses on delivering an inclusive and meaningful employee experience. The company prioritizes talent attraction and retention, leadership development, and diversity, equity, and inclusion. EDP is committed to digitalization and standardization to enhance operational efficiency. In addition, the health and safety of all contributors to EDP's development — employees, suppliers, service providers, customers, and other stakeholders — is a key value and priority. EDP aims for "Zero accidents, no personal harm" by fostering a positive safety culture through participation and collaboration. The company ensures compliance with legislation, promotes employee training, protects facilities with the best techniques, and involves employees and their representatives in safety matters.

Taxation on Sustainability

Tax policies can promote corporate responsibility and drive innovation in sustainable technologies.

By establishing tax incentives for companies that implement energy-efficient technologies or engage in sustainable supply chain practices, governments can encourage businesses to adopt sustainable practices and stimulate investment in innovative solutions to environmental challenges.

Indeed, aligning tax policies with global sustainability goals ensures that countries contribute to global efforts to combat climate change and promote sustainable development, ultimately leading to a healthier planet and a more equitable society.

Therefore, a stable, predictable, balanced and reasonable tax environment acts as a key enabler for the required economic and social investments.

Our approach to tax

EDP Group tax strategy and principles

EDP 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. The Group's activity is developed in strict accordance with the applicable legislation, avoiding risks and needless disputes, while ensuring value creation for shareholders.

EDP Group's fiscal strategy is based on five main pillars:

Compliance with Tax Laws and Regulations

The Group conducts its fiscal responsibilities with diligence and professionalism, in alignment with the EDP Group Tax Mission, guided by the following principles:

- Implementation of the options that are most appropriate for the business and the shareholders, in faithful compliance with the spirit and letter of the Law;
- Payment of all taxes that are legally due in all the countries where it carries out its activity;
- Adoption of the arm’s length principle, in accordance with applicable international rules, guidelines and best transfer pricing practices as outlined by the Organization for Economic Cooperation and Development (OECD). To reinforce this commitment, an internal transfer pricing policy based on the following main principles has been established:

  i. 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 independent parties in comparable transactions would have agreed;

  ii. EDP fully complies with OECD Documentation Guidelines for intra-group transactions and considers the specific requirements of the internal legislation in each jurisdiction where the Group develops its activity;

  iii. EDP transfer pricing Policy does not constitute an instrument for tax planning and / or tax evasion at EDP Group;

- The Group adopts tax practices based on principles of economic relevance and commonly accepted business practices;
- True and complete information concerning relevant transactions is disclosed; and,
- When the payment of any taxes, contributions and levies reasonably raises doubts regarding its legality, EDP seeks to defend its legitimate interests by either administrative or, when appropriate, judicial means .

Ethical Tax Practices

EDP Group 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.

Full collaboration with Tax Authorities

The EDP Group is committed to maintaining a close relationship with the Tax Authorities of the countries where it operates. This relationship is based on the principles of trust, good faith, transparency, cooperation and reciprocity. The aim is 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.

To this end, EDP actively collaborates with international organisations and other interest groups to foster the development of institutional relations, identify formulas for aligning the company's tax policies with social reality, facilitate the application of the tax system and enable proactive management of tax matters.

In view of the above, the main initiatives developed by the Group to demonstrate its commitment to achieving the goals defined in this area are described below.

- **International – B-Team**

EDP Group successfully went through the initial assessment process by the end of 2024 and is able to endorse the Principles for Responsible Taxation. B-Team is a non-profit initiative sponsored by a group of global leaders in politics and finance that aims to be a catalyst for a new way of doing business, focused on the well-being of people and the planet.

These principles cover relevant areas of tax management, interaction with tax authorities and transparency and aim to become a global standard of good practice to inspire responsible tax behaviour by the business community.

- **Portugal - *Fórum dos grandes contribuintes***

EDP Group is part of the *Fórum dos grandes contribuintes* (Large taxpayers Forum), where it participates in several working groups along other large taxpayers and the Portuguese tax authorities. In addition, EDP Group has adhered to the *Código das Boas Práticas Tributárias* (Code of Best Tax Practices) in Portugal.

- **Singapore – Assisted Compliance Assurance Programme (ACAP)**

The IRAS has accepted our 3 ACAP applications. Currently, EDP's team, with the support of a big 4, is conducting an independent review on our past year's GST returns, as well as our internal controls and processes.

Risk Management

The companies of the EDP Group adopt the necessary control mechanisms 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 sound business management. The companies also employ adequately 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 management and control process begins with the identification and classification of the risks to which the EDP Group may be subject. In this sense, the EDP Group continuously assesses the tax risks and uncertainties, conducting regular exercises to identify, quantify and monitor risks arising from external events with potential material impact. The EDP Group categorizes the risks to which it is exposed based on the following classification:

- Compliance risk, associated with potential filing errors or failure to comply with tax obligations in a timely and complete manner;
- Technical analysis risk, related to the day-to-day operations of the company and how they impact tax obligations, especially in contexts where tax treatment is uncertain. This also includes risks from changes in tax legislation, cross-border transactions or other transfer pricing matters;
- 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); and
- Reputational risk, involving the potential damage of the company's reputation due to tax-related issues or due to the misinterpretation by the stakeholders of executed transactions or financial and tax information disclosed.

In addition, 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

EDP Group's Executive Board of Directors is actively involved in the decision-making process for relevant operations. Their tax impact, if any, is duly disclosed, analyzed and, documented. While tax considerations may constitute an important element to ensure long-term value creation for shareholders, they are never the key driver for final decisions.

EDP also has a Financial Matters Committee/Audit Committee, whose main mission, upon delegation of the General and Supervisory Board, includes the permanent monitoring and supervision of any matters related to the internal control system over financial information and the risk management process, including their tax aspects.

Transparency

The EDP Group considers transparency a core principle of its tax function, particularly through:

- Not using opaque structures or operating in jurisdictions lacking a substantial economic connection to its operations. EDP Group 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 the Group'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, besides the present report, the EDP Group also presents key tax information in its financial statements, guaranteeing clarity, usefulness, and accuracy in the information provided.

CbCR

In addition, it should be noted that 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 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, on December 21, 2021, the EU Public Country-by-Country Reporting Directive came into force, establishing a timeline for the implementation of rules requiring multinational enterprises operating within the EU and exceeding specified size thresholds to disclose certain information regarding their tax affairs. These reports must be published on the respective in-scope companies' websites and remain accessible for a minimum period of five years.

The first reporting year for EDP Group will be 2025. Nevertheless, as a demonstration of EDP's commitment to tax transparency, the relevant information has been proactively included in this report for 2024.

Pillar 2

Pillar 2, under the Global Anti-Base Erosion (GloBE) Model Rules, aims to ensure that multinational groups (MNEs) with consolidated revenue of at least EUR 750 million pay a minimum effective tax rate on income arising in each jurisdiction in which they carry out their activity. Pillar 2's ultimate goal is to discourage MNE's shifting profits between the jurisdictions where they operate.

The core elements of Pillar Two are an IIR (Income Inclusion Rule) and an UTPR (Undertaxed Payments Rule), which operates as a backstop rule to the IIR. UTPR will not apply to EDP Group as the Ultimate Parent Entity (EDP SA) will be subject to IIR.

Under IIR, Pillar 2 imposes a top-up tax on the difference between the jurisdictional Pillar 2 Effective Tax Rate (ETR) and the 15% minimum ETR. The jurisdictional Pillar 2 ETR is Adjusted Covered Taxes (i.e. current income taxes adjusted to reflect certain timing differences) divided by GloBE income or loss (i.e. Financial Accounting Net Income or Loss adjusted to eliminate an established number of common book to tax differences).

Each country may also elect to implement a Qualified Domestic Minimum Top-up Tax (QDMTT). However, any top-up tax arising from the application of the QDMTT may be offset against the top-up tax resulting from the IIR.

During the initial years of Pillar 2 implementation, the OECD has introduced a transitional Country-by-Country (CbCr) Safe Harbour, in order to avoid increasing administrative burden for MNEs subject to Pillar 2 in that period. This transitional safe harbour is a short-term measure only applicable until 2026 tax year.

Under the transitional CbCr Safe Harbour, the top-up tax for a jurisdiction will be nil, provided that at least one of the following three tests is met for that jurisdiction:

1. *De minimis* test: revenue< 10M EUR and EBT < 1M EUR (data according to Qualified CbCr);

2. Simplified ETR test: Qualified Financial Statements Simplified Covered Taxes divided by CbCr EBT > Transitional rate (15% in 2024, 16% in 2025 and 17% in 2026) ; and

3. Routine profits test: Substance-based Income Exclusion (% of Payroll and Assets) > EBT (data according to Qualified CbCr).

The transitional CbCr Safe Harbour establishes the "once out, always out" rule, where whenever a jurisdiction does not meet any of the three tests in one fiscal year or chooses to not apply the transitional safe harbour, it will not be able to benefit from this transitional safe harbour in the subsequent fiscal years.

Recently, a QDMTT Safe Harbour was also introduced, in order to reduce compliance and administrative costs at the level of MNEs. Under the QDMTT safe harbour, the above mentioned credit against the IIR mechanism is replaced by an exemption. Indeed, when the QDMTT Safe Harbour applies, any top-up tax that would be payable under the IIR will be deemed to be zero. Thus, MNEs will only need to compute the top-up tax once, according to the related QDMTT rules.

Nonetheless, the QDMTT safe habour will only be applicable whenever certain requirements are met.

In light of the above, and taking into consideration EDP Group's consolidated revenues and scope, the Group is subject to this tax regulation.

Consequently, EDP has been closely monitoring the forthcoming legislation changes. The regulations, some of which are very complex, require in-depth examination in order to apply them correctly and to calculate the applicable tax – the so-called 'top-up tax'. In light of this, EDP launched the Pillar 2 project, performing its analysis and assessments involving all relevant stakeholders, already in early 2022, with most of the steps taking place in 2023. The related key activities on this matter have included:

- Participation in public hearings and consultations
- Modelling the likely financial consequences of Pillar 2
- Identifying where information gaps exist
- Upgrading our existing tax reporting solution
- Training and education of all EDP countries' local tax teams

In 2024, EDP Group spent an estimated 2,500 internal hours on the Pillar 2 project.

The outcome of all the above was the first estimations of Pillar 2 impacts on the EDP Group. Among others, the Group assessed the potential impact the to top-up tax might have in 2024 across the jurisdictions where EDP Group operates. Most of these jurisdictions have either implemented or announced the intention to adopt the GloBE Rules. As a result of this analysis, only a limited number of cases were identified where the effective tax rate falls below 15%. Based on this assessment, any additional top-up tax payable by EDP Group under the GloBE Rules is not expected to create a material additional tax burden at the level of the Group. In addition, the majority of the jurisdictions where the Group operates, the transitional CbCr safe harbour applies and, thus, no additional tax will be due.

The jurisdictions where GloBE rules apply from 2024 fiscal year onwards are identified in the following summarized table.

Jurisdiction	IIR enacted in 2024	QDMTT enacted in 2024
Portugal	✓	✓
Spain	✓	✓
Netherlands	✓	✓
France	✓	✓
Italy	✓	✓
Poland	✓	✓
Romania	✓	✓
Greece	✓	✓
Singapore	✗	✗
Vietnam	✓	✓
Brazil	✗	✗
Colombia	✗	✗
United States of America	✗	✗
Canada	✗	✗
Mexico	✗	✗
United Kingdom	✓	✓
Australia	✓	✓
Belgium	✓	✓
Germany	✓	✓
Hungary	✓	✓
Japan	✓	✗
Luxembourg	✓	✓
Other	✗	✗

Finally, while the Group remains fully committed to complying with all Pillar 2-related obligations globally, it is important to highlight that the cost of compliance with this new regulation is excessive. It creates an unnecessary and significant administrative burden, which EDP hopes will be reassessed and carefully considered by legislators in the future.

Tax incentives

Due to the nature of its business, tax incentives have a significant impact on EDP Group, influencing various aspects of its operations and financial strategies.

EDP Group uses tax incentives foreseen in the related tax legislation in the various countries where it operates with the only purpose of boosting its growth and investment, and even though tax incentives may reduce the tax burden, their use is not related to any form of tax avoidance strategies.

Overall, tax incentives play a crucial role in EDP Group's growth and sustainability efforts, enabling the company to maintain its competitive edge in the global energy sector.

Transfer Pricing Policy

The EDP Group's transfer pricing policy is designed to ensure compliance with local and international tax regulations (i.e. as outlined by the OECD Transfer Pricing Guidelines).

The most common transfer pricing rules of the countries in which the EDP Group operates are based on the arm's length principle. In general terms, the arm's length principle establishes that prices determined for intra-group transactions shall be aligned with those that would have been set if the companies were independent. The purpose of the arm's length principle is to avoid reductions in taxable revenues resulting from the transfer of profits between entities belonging to the same group or related in a given context.

Thus, the transfer pricing policy of the Group provides that intra-group pricing is determined to reflect fair market conditions. For this purpose, the application of the arm's length principle includes performing detailed comparability analyses to substantiate pricing schemes.

To enforce those policies, provide proper support to the several business areas and ensure proper structuring and compliance, EDP Group has a dedicated in-house transfer pricing team.

Moreover, aiming to ensure compliance with local and international reporting requirements, the Group maintains robust documentation providing all necessary details required. In-border and out-border intra-group transactions are also object of stand alone internal governance procedures, as per explained in the following page of this report.

In general, the Group's approach to transfer pricing aligns with its broader commitment to tax transparency and responsible corporate governance, and ensures that its policies contribute to fair tax practices, preventing base erosion and profit shifting while supporting sustainable business operations.

In this context, EDP Group's Executive Board of Directors approved the latest EDP Group's Transfer Pricing Policy in 2023, which has been periodically reviewed and updated.

Transfer Pricing Policy

New intragroup transaction – internal governance

Domestic intragroup transaction

01
Pricing proposed and approved by business unit (BU)

It is the responsibility of the BU to propose and approve the pricing of the operation, preferably prior to its implementation. Ex-post validation is recommended if the parties do not belong to the same tax group and mandatory if domestic legislation requires it.

02
Pricing, validation by local tax team recommended

The validation of the pricing proposed by the BU, before its implementation, by the local tax team is recommended.

03
Possible intervention of TP internal team/External Consultant

At the request of the local tax team, the internal TP team may analyze the pricing in question, possibly using an external consultant, if the nature of the operation and its materiality justifies it.

Cross-border intragroup transaction

01
Pricing proposed and approved by BU

It is the responsibility of the BU to propose and approve the pricing of the operation, preferably prior to its implementation. Ex-post validation is mandatory, unless there is an exemption in domestic legislation.

02
Pricing, validation by local tax team or TP internal tax team mandatory

The validation of the pricing proposed by the BU, before its implementation, by the local tax team and/or TP internal team is mandatory.

03
Intervention of external consultant

The local tax team or TP internal tax team may request an opinion from an external consultant if the materiality/nature of the operation justifies it. In this case, the consultant who prepares the Group's TP documentation should be preferably be used.

EDP 2024 Key Figures

Tax Rate

Effective Tax Rate (ETR)		Total Tax Rate (TTR)	
2024	31%	**2024**	55%
Average ETR 2021-2023	23%	**Average TTR** 2021-2023	30%

For ETR and TTR definitions, please refer to Annexes — Methodological Note and Definitions.
Non-cash figures derive from the amounts relevant for individual accounts used to prepare the Consolidated Financial Statements of EDP, SA (before any consolidation adjustments).

Key Figures

Activities

Number of employees	12,596	Revenues	€26,599M
Profit or loss before income tax	€1,472M	Current tax expense	€295M
Total income tax expense	€450M	Income tax paid (cash basis)	€439M
Retained earnings	€8,626M		

EDP Group

€4,248M

Over the past five years, taxes borne by EDP amounted to approximately €4,248 million, with Portugal contributing 38%. Corporate Income Tax and Energy Taxes together accounted for 62% of the total amount paid.

In 2024, taxes borne by EDP amounted to €1,269 million, representing a 37% increase compared to 2023.

Iberia, Brazil, USA

€3,635M

Portugal, Spain, Brazil, and the U.S. accounted for €3,635 million, representing 86% of the taxes borne by EDP over the past 5 years.

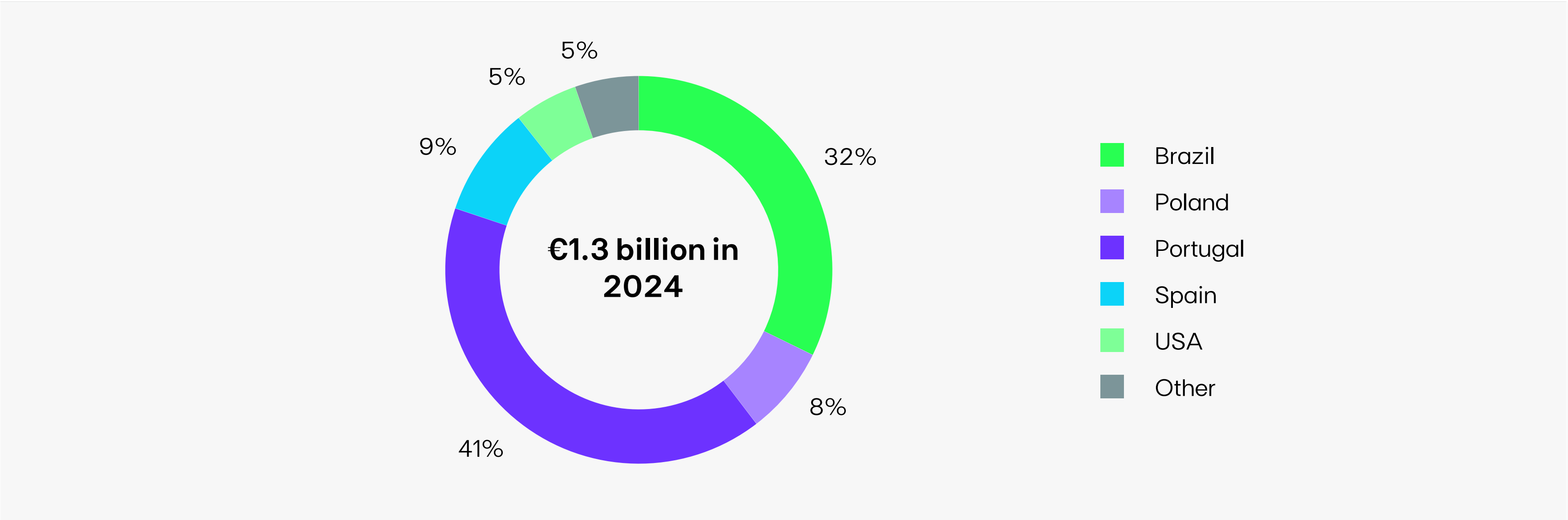
EDP's Global Tax Contribution

Scarlet Battery Energy Storage System | USA

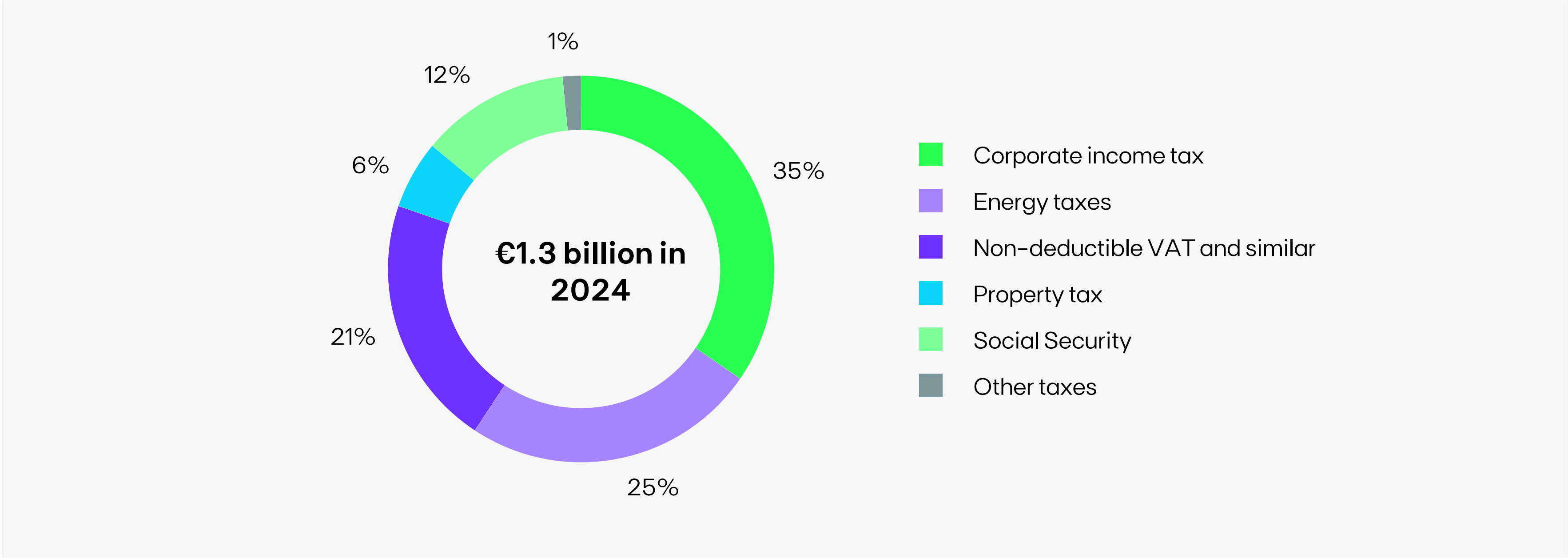
EDP's Global Tax Contribution

In 2024, EDP Group's global tax contribution to the public revenues of the countries where it is present amounted to approximately 3.4 billion euros, of which 1.3 billion euros correspond to own taxes and contributions borne (paid) by the EDP and circa 2.1 billion euros of taxes collected (contributions to the States on behalf of other economic agents), as shown in the following charts.

Taxes borne (paid) by EDP, by geographical area



Taxes borne (paid) by EDP, by the type of contribution



Regarding the taxes borne, Portugal was the country with the highest tax contribution in 2024, accounting for 41% of total taxes borne by EDP.

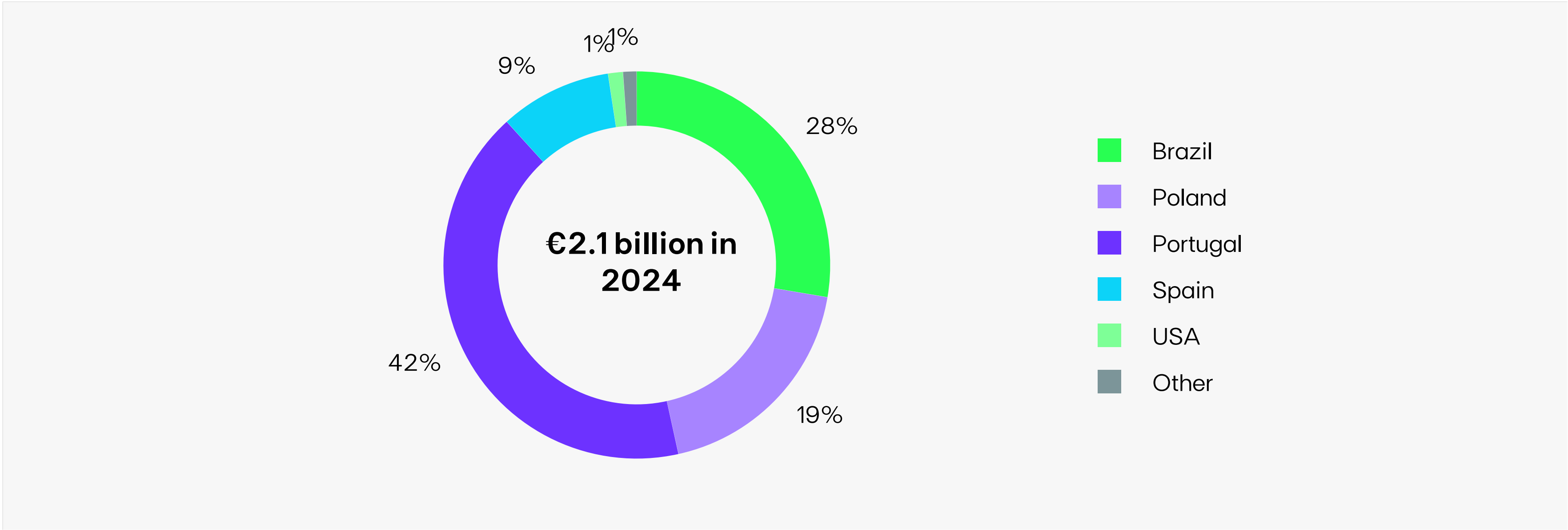
When considering the types of taxes incurred by EDP, corporate income tax represented the largest share at 35%, followed by energy taxes at 25%, both of which significantly impact the overall tax burden.

As for corporate income tax rates, the nominal rates in EDP's key operating countries range from 16% in Romania to 34% in Brazil, with Portugal at 31.5%. In Portugal, the total taxes borne in 2024 amounted to 514 million euros, with corporate income tax and energy taxes accounting for 48% and 36% of the total tax burden, respectively.

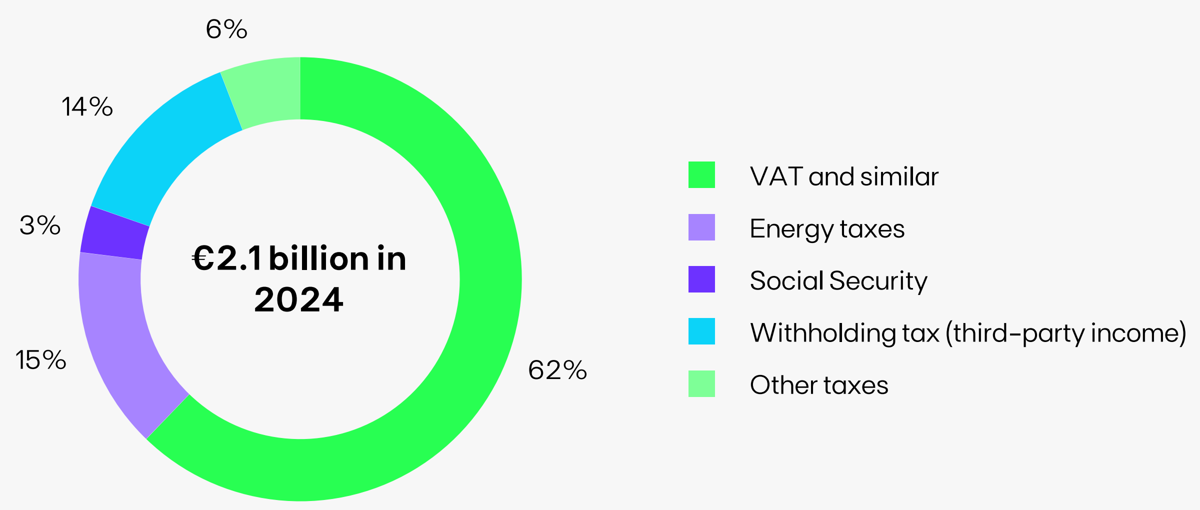
In Brazil, the taxes borne in 2024 totalled approximately 409 million euros, representing 32% of EDP's total tax burden. Spain followed, contributing approximately 117 million euros, which accounted for 9% of EDP's total tax burden in 2024.

The overall increase versus 2023 derives mainly from higher energy taxes paid in Portugal, as well as higher cash-out of indirect taxes in Brazil.

Taxes collected by EDP and delivered to the states (burden of Other agents), by geographical area



Taxes collected by EDP and delivered to the states (burden of Other agents), by type of contribution



Taxes collected by EDP and remitted to the states where it operates (on behalf of other entities) amounted to approximately 2.1 billion euros in 2024, primarily driven by the collection of consumption taxes (e.g., VAT) and withholding taxes on income.

The simplification of the tax systems reducing the bureaucratic burden and the context costs will be desirable, so that they do not constitute an obstacle to the investment and development of the economic activity of the companies. By streamlining tax processes and ensuring clarity in tax regulations, businesses can focus more on innovation and growth rather than navigating complex tax requirements. This approach not only fosters a more conducive environment for business operations but also enhances compliance and transparency, ultimately contributing to a fairer and more efficient tax system.

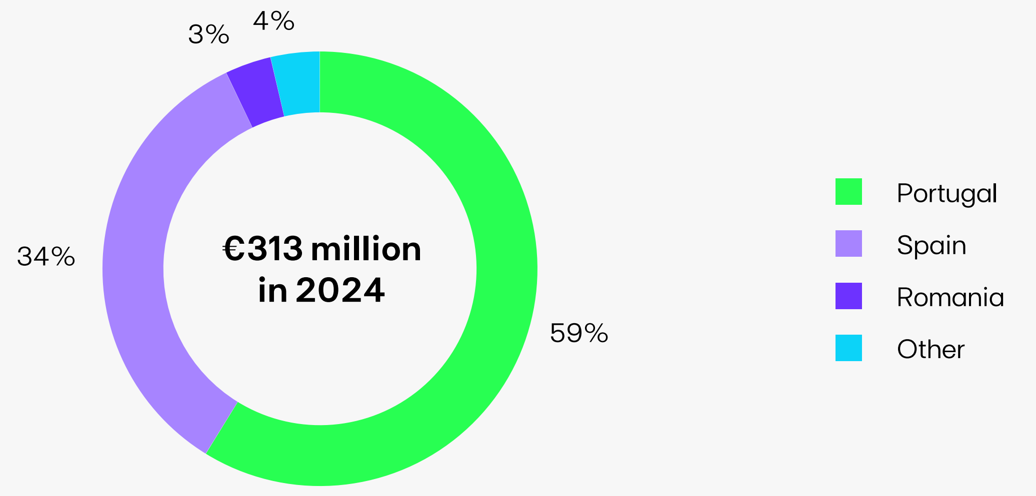
Taxes borne (paid) by the EDP Group

Thousand Euros	Corporate income tax	Energy taxes	Social Security	Property tax	Indirect Taxes	Other taxes
Australia	0	0	0	0	0	140
Belgium	650	1	326	3	0	0
Brazil	110,983	8,790	26,312	2,276	256,031	4,610
Canada	0	0	39	161	0	0
Chile	0	0	51	0	116	16
China	0	0	268	0	0	85
Colombia	0	0	436	0	6,273	1,979
France	-12	1,793	2,705	189	0	205
Germany	24	0	259	0	0	0
Greece	8	0	417	0	171	133
Hungary	1	0	56	0	0	27
Italy	11,817	0	2,781	177	0	120
Luxembourg	36	0	3	18	0	43
Macau	0	0	0	0	0	0
Mexico	15,453	0	134	0	0	301
Netherlands	241	0	113	4	170	0
Poland	86,140	804	1,575	4,744	104	67
Portugal	245,887	183,989	77,806	2,346	3,688	598
Romania	5,623	10,748	49	1,073	0	0
Singapore	0	0	1,518	0	0	87
Spain	-46,625	106,721	35,773	10,568	0	10,319
Taiwan	0	0	0	0	0	21
United Kingdom	7	0	258	153	0	18
USA	8,590	54	7,129	50,876	0	743
Vietnam	298	0	0	0	0	0
Total	439,123	312,899	158,010	72,588	266,553	19,510

Specific taxation for the energy sector in 2024

The specific taxation on the energy sector carries significant weight within the EDP Group. In 2024, the EDP Group incurred taxes of this nature amounting to 313 million euros, as shown in the following graph.

Energy Taxes borne (paid)



In 2024, Portugal had the highest level of energy taxation among the countries where EDP Group operates, both in terms of the number of taxes and the total amount paid. This resulted in a charge of 184 million euros, mainly due to the following two variations:

- Social tariff[1]: At the end of 2023, the social tariff financing model was revised, with the cost being shared between producers and traders. Of the total 113 million euros paid for the social tariff, 35 million were covered by traders, while the remaining amount was borne by producers. Notably, 54 million euros correspond to adjustments related to previous years.

- Mechanism to restore the competitive balance between electricity producers operating in Portugal and those operating in Spain (known as clawback, was established following the introduction of the *"Impuesto Sobre el Valor de la Producción de la Energía Eléctrica"* in Spain). This tax was suspended in Spain during 2022 and 2023, and Portugal also suspended the clawback for the same period. In 2024, EDP paid a total of 58 million euros (26 million for 2024 and 32 million for past periods).

The second country with the highest energy tax burden in 2024 was Spain, where two very significant variations also stand out.

The first concerns a 52% reduction in the amount paid as windfall tax *("Gravamen temporal energético")*. This reduction is due to the decrease in energy and gas prices, as the tax amount is 1.2% of the net turnover from the year prior to the one the tax refers to.

The second variation is explained by the end of the suspension of the *"Impuesto Sobre el Valor de la Producción de la Energía Eléctrica"* in Spain, which resulted in a burden for EDP in 2024 of around 20 million euros.

In the case of Romania, while 2024 reflected a lower amount of clawback paid mainly due to lower energy prices, it also marked the issuance by the Romanian Constitutional Court of a ruling, pending final publication, related to the unconstitutionality of key elements of this tax.

[1] In Portugal, since 2010, legislation has provided for the application of a social tariff for electricity and natural gas, which translates into a discount granted to economically vulnerable customers on the access tariff. Regarding electricity, the financing of the social tariff was borne by electricity generators not covered by guaranteed remuneration schemes. However, Decree Law 104/2023, of November 17th, expanded the number of financing entities, now covering not only generators, but also electricity suppliers and consumers who buy directly on the wholesale market, without suppliers' intermediation.

Misenheimer Solar Park | USA

2024 Total Tax Contribution

Public Country-by-Country Reporting

EU adopted the Public Country-by-Country Reporting Directive on November 24, 2021[1]. The Directive requires multinational groups operating in the EU with global revenues exceeding EUR 750 million to publish, starting in 2026, the amount of corporate tax they pay in each Member State, as well as in non-cooperative jurisdictions for tax purposes. The information to be disclosed is largely based on the reporting requirements under BEPS Action 13, with certain modifications.

Demonstrating EDP Group's commitment to tax transparency, the Group has decided to anticipate its public country-by-country disclosures by publishing the relevant data in this report, in line with the EU Directive rules.

In accordance with the applicable regulations, information must be disclosed on a jurisdictional basis for all in-scope subsidiaries and branches in each EU member state, as well as for each jurisdiction listed on the EU's list of non-cooperative jurisdictions. All other jurisdictions should be reported on an aggregated basis. However, the information provided in this report is broken down by jurisdiction, reflecting EDP's commitment to fairness, transparency, and accountability.

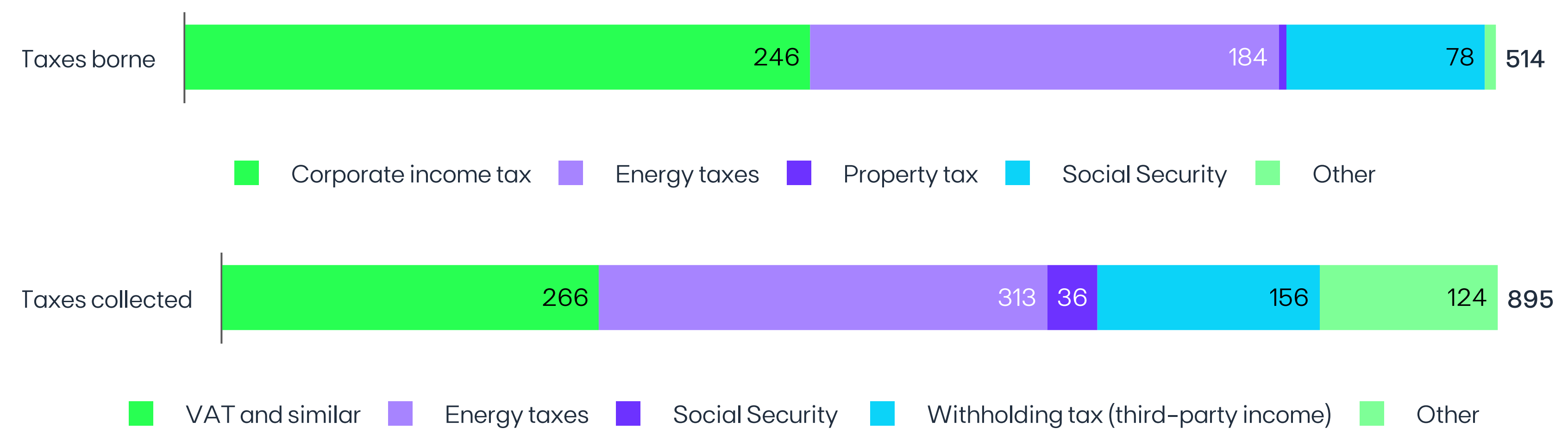
[1] Council Directive (EU) 2021/2101, amending the Accounting Directive 2013/34/EU

Public Country-by-Country Reporting								
2024								
Jurisdiction	**Main activities**	**Number of employees**	**Revenues**	**Profit (loss) Before Income Tax**	**Current Tax Expense**	**Total Income Tax Expense**	**Income Tax Paid (cash basis)**	**Retained Earnings**
Australia	Generation	10	2	-4	0	0	0	-12
Belgium	Generation	21	23	2	1	1	1	8
Brazil	Generation, Transmission, Distribution, Supply	2,993	3,347	479	51	116	111	-83
Canada	Generation	13	96	51	0	19	0	54
Chile	Generation	29	21	-8	0	0	0	-28
China	Generation	26	12	-4	0	0	0	-8
Colombia	Generation	28	167	-86	0	-4	0	-369
Germany	Generation	78	14	-4	0	0	0	8
Spain	Generation, Distribution, Supply	2,053	5,868	-687	117	-5	-47	-141
France	Generation	110	53	-9	0	0	0	-34
United kingdom	Generation	24	11	-8	0	-2	0	-23
Greece	Generation	36	14	-5	0	-1	0	-24
Hungary	Generation	11	2	-7	0	0	0	-15
Indonesia	Generation	4	0	-2	0	0	0	-4
Italy	Generation	124	131	137	12	6	12	386
Japan	Generation	15	1	2	0	2	0	-2
Cambodia	Generation	0	0	0	0	0	0	0
South Korea	Generation	5	0	-1	0	0	0	-6
Luxembourg	Generation	0	39	-2	-1	-2	0	98
Macao	Generation	0	0	-1	0	0	0	-2
Mexico	Generation	12	87	26	3	-13	15	55
Malaysia	Generation	3	0	0	0	0	0	-2
Netherlands	Generation	7	648	87	5	5	0	209
Poland	Generation	161	345	75	22	19	86	551
Portugal	Generation, Distribution, Supply	5,466	13,807	1,216	65	274	246	5,670
Romania	Generation	36	131	63	10	9	6	229
Singapore	Generation	252	109	8	1	0	0	-100
Thailand	Generation	1	1	-1	0	0	0	-2
Taiwan	Generation	8	13	0	1	-1	0	-4
United states	Generation	1,035	1,590	170	8	25	9	2,223
Vietnam	Generation	35	65	-13	1	0	0	-4
TOTAL		12,596	26,599	1,472	295	450	439	8,626

Key Figures in Portugal

Activities		Number of employees	5,466
Revenues	€13,807 M	Profit or loss before income tax	€1,216 M
Current tax expense	€65 M	Total income tax expense	€274 M
Income tax paid (cash basis)	€246M	Retained earnings	€5,670 M

Taxes borne & collected



Portugal's contribution to the EDP Group's total tax contribution was 41%, amounting to 1,409 million euros. Of this amount, 36% corresponds to taxes borne, while the remaining 64% relates to taxes collected.

Effective Tax Rate (ETR)

Generation, Distribution, Supply 22.6%

Average ETR
2021-2023 27.4%

Total Tax Rate (TTR)

2024 34.6%

Average TTR
2021-2023 32.2%

The standard CIT rate in Portugal is 21% (FY2024). Additionally, a state surtax applies at rates of 3%, 5%, or 9%, depending on the level of taxable profits. These rates are further increased by a municipal surtax of up to 1.5%, also levied on taxable profits, so certain EDP companies in Portugal are subject to a 31.5% aggregate rate. Both surtaxes apply to individual taxable profits, regardless of whether the companies are part of a tax group.

The FY24 **ETR** is slightly lower than the average effective tax rate for the 2021–2023 period. This is primarily due to (i) the impact of tax capital losses derived from EDP's business plan execution to meet the 2030 energy targets and (ii) the impact of the Tax Incentive for the Capitalization of Companies (ICE), which was introduced by the Portuguese Government to promote corporate capitalization by encouraging the use of equity instruments to enhance financial stability and support business investment.

The **TTR** in 2024 is higher than the average for 2021–2023, primarily due to an increase in the taxes borne. This increase is mainly attributable to **higher income taxes and energy tax burden**. The difference in corporate income taxes is primarily due to a higher EBT. On the other hand, there was a significant rise in energy tax contributions compared to 2023, mainly due to: (i) reinstatement of the social tariff[1], which was suspended in 2023 following recent changes in its financing model, and (ii) "Clawback" (a Portuguese regulatory mechanism designed to maintain competitive balance in the wholesale electricity market, particularly in the Iberian region), whose payments were also suspended in 2023.

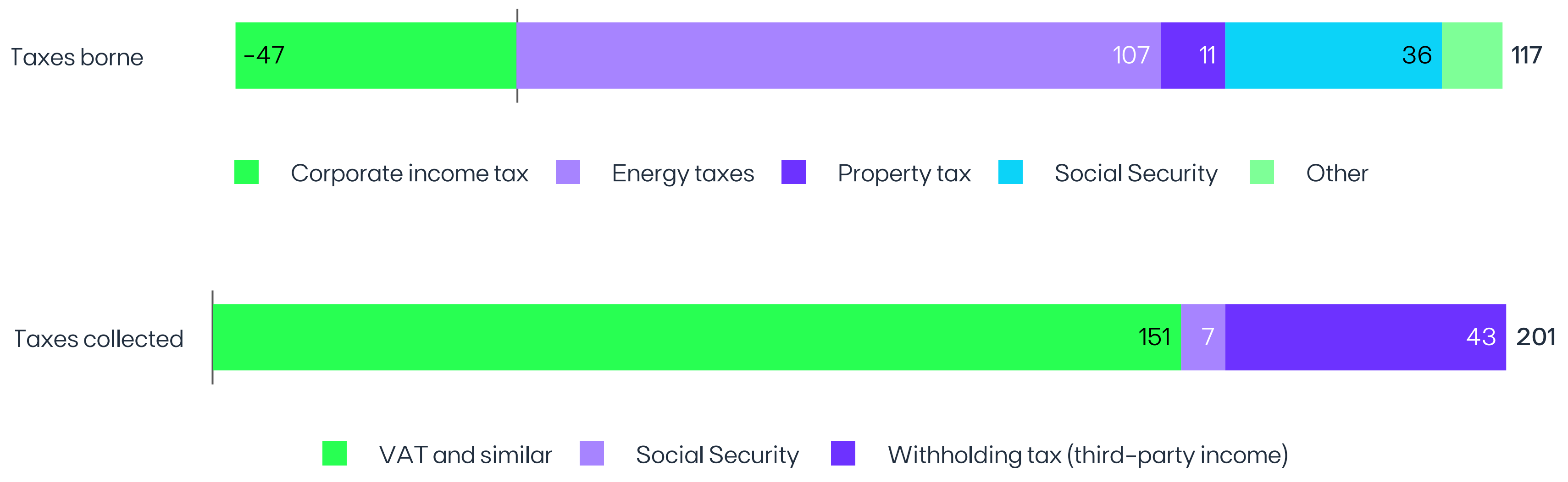
Corporate income tax and energy taxes account for 48% and 36% of the total tax burden, respectively. If we include the Extraordinary Contribution to the Energy Sector (CESE), the share of energy taxes increases to 41%.

[1] In Portugal, since 2010, legislation has provided for the application of a social tariff for electricity and natural gas, which translates into a discount granted to economically vulnerable customers on the access tariff. Regarding electricity, the financing of the social tariff was borne by electricity generators not covered by guaranteed remuneration schemes. However, Decree Law 104/2023, of November 17th, expanded the number of financing entities, now covering not only generators, but also electricity suppliers and consumers who buy directly on the wholesale market, without suppliers' intermediation.

Key Figures in Spain

Activities		Number of employees	2,053
Revenues	€5,868 M	Profit or loss before income tax	-€687 M
Current tax expense	€117 M	Total income tax expense	-€5 M
Income tax paid (cash basis)	-€47 M	Retained earnings	-€141 M

Taxes borne & collected



The total tax contribution (TTC) in Spain for 2024 was 318 million euros, with 37% attributed to taxes borne and the remaining 63% mainly related to taxes collected. Overall, energy taxes are highest amount of all the taxes borne by EDP in Spain in 2024, amounting to 107 million euros.

Effective Tax Rate (ETR)		Total Tax Rate (TTR)	
2024	N.A.	2024	N.A.
Average ETR 2021-2023	15%	**Average TTR** 2021-2023	27.3%

In Spain, EDP's perimeter is taxed at the standard 25% corporate income tax nominal rate and most companies are included within a CIT group.

Due to negative Earnings Before Taxes borne, the **ETR** has not been calculated. As a note, the negative EBT in individual accounts is influenced by a significant amount related to Colombian projects (see below). Thus, EDP Group ETR presented in Section EDP 2024 Key Figures is strongly influenced, for the upside, by this reality, in accordance to the tax framework in Spain.

For 2024, the effective tax rate deviate from the nominal tax mainly on two reasons:

- The Group recognized certain potential liabilities associated to tax related litigation in the Spanish Perimeter, on the grounds of prudence requirements associated with the accounting standards;
- Aspects related to the recognition of potential losses regarding projects in Colombia.

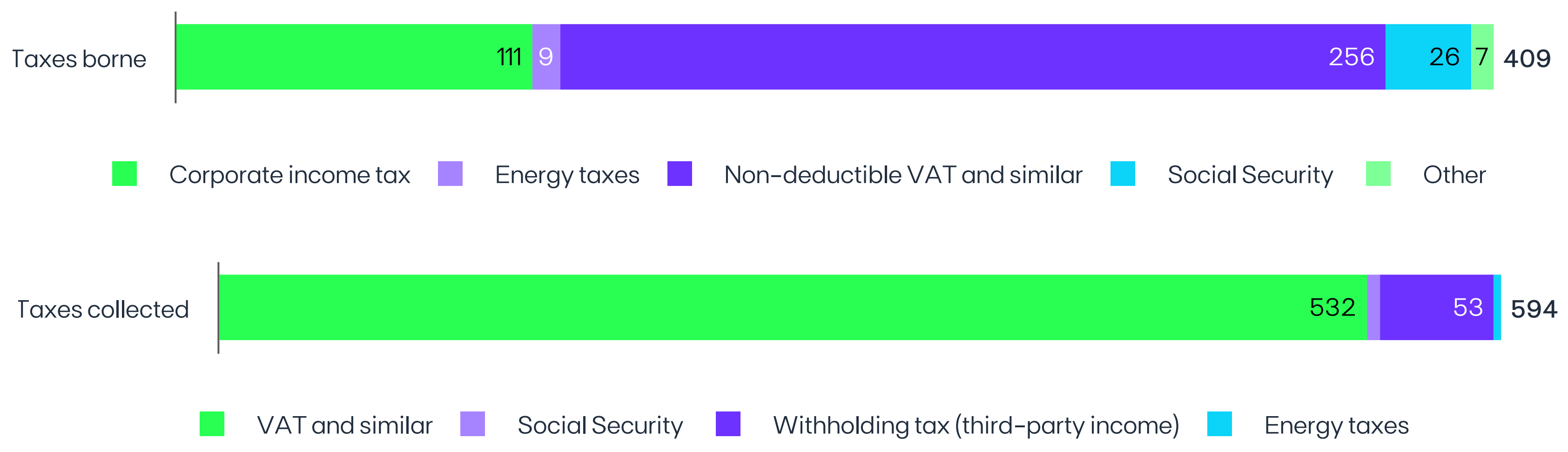
Due to negative Earnings Before Taxes borne, the **TTR** has not been calculated.

Despite the negative Earnings Before Taxes borne in 2024, a relevant amount of taxes was borne. Taxes borne are lower than the average for 2021-2023 period due to a net corporate income tax receivable (mainly devolution of advance payments). For Spain, there are, nonetheless, relevant energy taxes being paid on a yearly basis, as the *Gravamen temporal energético*, an extraordinary solidarity contribution, or the *Impuesto especial sobre la produccion de energia*. These taxes represent a relevant burden for the sector and are an obstacle to the desired energy transition. All in all, energy taxes represent the largest share of all the taxes borne by EDP in Spain in 2024.

Key Figures in Brazil

Activities		Number of employees	2,993
Revenues	€3,347 M	Profit or loss before income tax	€479 M
Current tax expense	€51 M	Total income tax expense	€116 M
Income tax paid (cash basis)	€111 M	Retained earnings	-€84 M

Taxes borne & collected



In 2024, Brazil contributed in 29% to the EDP Group's total tax contribution, amounting to 1,003 million euros. Of this amount, 41% represents taxes borne, while the remaining 59% corresponds to taxes collected.

Effective Tax Rate (ETR)

2024 24.3%

Average ETR
2021-2023 30.3%

Total Tax Rate (TTR)

2024 52.7%

Average TTR
2021-2023 30.4%

In Brazil, EDP perimeter is taxed at the standard CIT rate of 34% operating both under the real and the presumed profit corporate income tax regimes, as per the tax law in place. The **ETR** is lower than the nominal tax rate mainly due to the following elements:

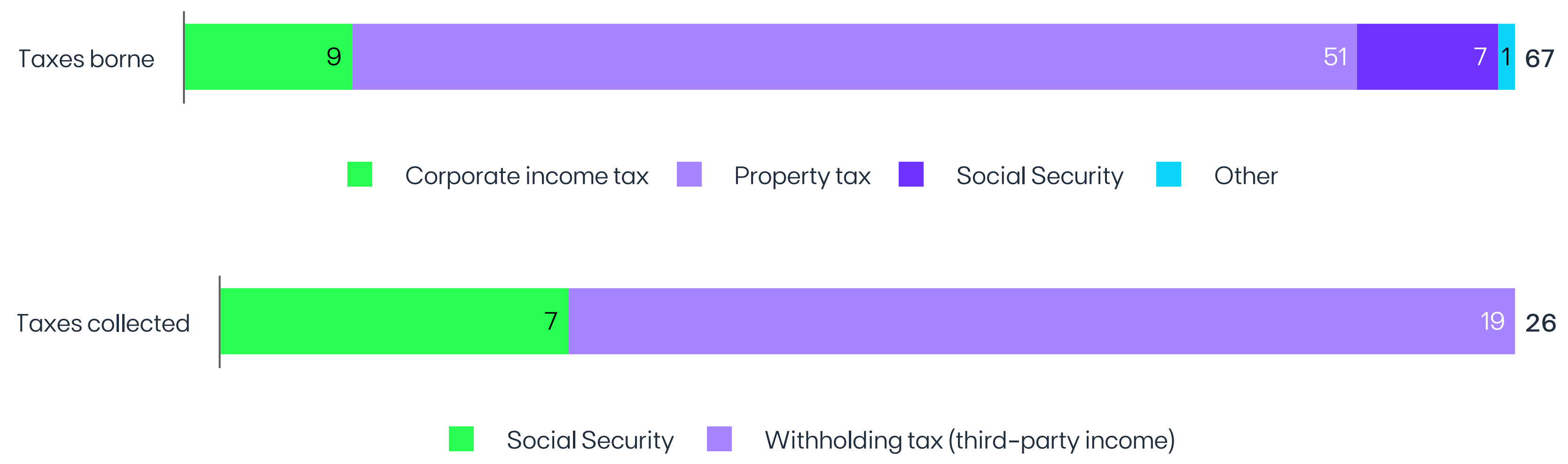
- The recognition of a corporate income tax receivable derived from successful litigation on past periods;
- The application of the presumed profit regime in the taxation of some of the companies;
- The payment of interests on equity;
- The existence of the SUDENE tax incentive.

The **TTR** in 2024 is higher than the average value for the 2021-2023 period, mainly due to additional PIS/COFINS expenditure. In particular, in 2019, following a successful tax litigation, a relevant PIS/COFINS credit was generated. This tax credit has been fully utilized in 2023 against existing tax liabilities and is no longer available in 2024, leading to an increased cash-out of these taxes.

Key Figures in the USA

Activities	⚡	Number of employees	1,035
Revenues	€1,590 M	Profit or loss before income tax	€170 M
Current tax expense	€8 M	Total income tax expense	€25 M
Income tax paid (cash basis)	€9 M	Retained earnings	€2,223 M

Taxes borne & collected



The USA's total tax contribution (TTC) in 2024 amounted to 94 million euros, with 72% attributed to taxes borne and the remaining 28% related to taxes collected.

Effective Tax Rate (ETR)	
2024	14.9%
Average ETR 2021-2023	1.3%

Total Tax Rate (TTR)	
2024	29.5%
Average TTR 2021-2023	25.9%

In US, EDP perimeter is taxed at the standard CIT rate of 24,91%, including federal and state taxes. The **ETR** is higher than the average effective tax rate for 2021-2023 period, but lower than the nominal tax rate. This is due to:

- tax credits associated with the renewables business (Production Tax Credits), applicable to wind and solar projects, as well as R&D credits;
- the tax effect of income allocated to minority interests under the existing partnership structures.

The **TTR** in 2024 is slightly higher than the average value for the 2021-2023 period, mainly due to higher corporate income tax paid, as EDPR NA is subject to corporate alternative minimum tax since 2023 and there was an increase of the amount paid in 2024.

Future Outlook and Commitments

As EDP continues to evolve in an increasingly complex global tax landscape, the company remains committed to upholding the highest standards of transparency, compliance, and responsible tax management. Looking ahead, EDP will continue to align its tax practices with international best practices, regulatory developments, and stakeholder expectations.

In the coming years, EDP is committed to:

Enhancing Tax Transparency – Building on its proactive approach, EDP will continue to refine and expand its tax disclosures, ensuring clear and comprehensive reporting in line with evolving global standards, including the EU Public CbCR Directive.

Strengthening Compliance and Governance – EDP will reinforce its internal tax governance framework, further embedding responsible tax practices into its corporate strategy while ensuring adherence to all applicable tax laws and regulations.

Engaging with Stakeholders – EDP recognizes the importance of open dialogue with tax authorities, investors, and other stakeholders. The company will maintain its collaborative approach, contributing to discussions on tax policy and best practices.

Promoting a Fair and Sustainable Tax System – EDP will advocate for policies that foster a more equitable and sustainable global tax environment, ensuring that its contributions support economic and social development in the regions where it operates.

Through these commitments, EDP reaffirms its dedication to responsible tax management as a fundamental pillar of its broader Environmental, Social, and Governance (ESG) strategy, reinforcing trust and accountability in its global operations.

Budzyn Wind Farm | Poland

Annexes — Methodological Note and Definitions

This report demonstrates EDP's commitment to transparency, accountability, and the responsible management of taxes, highlighting their role as a key contributor to the economies and societies where EDP operates.

This section provides a comprehensive overview of the scope, data sources, and processes used in the preparation of the data presented in the Report. It is designed to give stakeholders a clear understanding of the methodologies used to calculate, report, and disclose tax-related information, ensuring accuracy, consistency, and reliability in EDP's tax reporting practices

Methodology

Scope of Reporting

The Tax Transparency Report covers the reporting period from January 1, 2024, to December 31, 2024, and includes data from all countries where EDP Group operates. The report consolidates the following comprehensive information:

- **2024 Total Tax Contribution – Breakdown of Taxes Paid and Collected**

The Total Tax Contribution (TTC) Framework provides a robust model for identifying and reporting all taxes incurred and collected by companies. It covers both taxes borne directly by companies, such as corporate income tax, and those collected on behalf of others, including payroll taxes and VAT.

This adaptable framework is applicable across various tax regimes, ensuring consistent and transparent reporting while highlighting the comprehensive fiscal contributions of an organization. The TTC Framework helps stakeholders gain a clearer understanding of the full extent of a company's economic impact through taxation.

Public CbC Reporting

The EU aims to enhance transparency regarding corporate income tax paid by large companies, with the objective of fostering greater corporate accountability, enabling better-informed public debate, and maintaining trust in the fairness of national tax systems.

To this end, the EU adopted the Public Country-by-Country (CbC) Reporting Directive on November 24, 2021[1]. The Directive requires multinational groups operating in the EU with global revenues exceeding EUR 750 million to publish, starting in 2026, the amount of corporate tax they pay in each Member State, as well as in non-cooperative jurisdictions for tax purposes. The information to be disclosed is largely based on the reporting requirements under BEPS Action 13, with certain modifications.

Demonstrating EDP Group's commitment to tax transparency, the Group has decided to anticipate its public country-by-country disclosures by publishing the relevant data in this Report, in line with the EU Directive rules. The information provided is broken down by jurisdiction, reflecting EDP's dedication to fairness, transparency, and accountability.

- **Analysis of TTC and CbC Data for Key Countries**

This section presents an analysis of the TTC and CbC reporting data for key countries where EDP operates. The analysis highlights the company's tax contributions and provides insights into the economic impact of EDP's operations, demonstrating its commitment to responsible tax practices. It offers a detailed overview of taxes paid, including corporate income tax, energy taxes, payroll taxes, and other relevant taxes, in alignment with both the TTC framework and CbC reporting requirements. Additionally, it includes an overview of EDP's performance in these jurisdictions, detailing the taxes accrued and the respective effective tax rates.

This analysis enables stakeholders to gain a deeper understanding of EDP's global tax footprint and the company's significant role in supporting the economies and societies in which it operates.

[1] Council Directive (EU) 2021/2101, amending the Accounting Directive 2013/34/EU

Source of data and perimeter

The data presented in this Report is prepared in accordance with IFRS-EU accounting principles as adopted by EDP, ensuring consistency and comparability across jurisdictions. It is presented at the stand-alone entity level and subsequently aggregated by tax jurisdiction, before any consolidation adjustments.

The primary data sources include EDP's financial statements, tax returns filed with the relevant tax authorities, and management reporting systems used to consolidate financial information.

Both the TTC and CbCR sections aggregate country-level data for entities not consolidated using the equity method (see the details of the companies in the Consolidation Perimeter in Annex I of EDP's 2024 Annual Integrated Report at www.edp.com).

Data Preparation and Validation

All figures are reported in millions of euros (€m), unless otherwise stated, with conversions based on the average exchange rates for the reporting period.

To measure the TTC, EDP adopts a cash-basis approach, considering the taxes actually paid during the year, as this is regarded as the most effective method for accurately reflecting a company's contribution to public tax revenues.

All data undergoes a multi-level review process, including internal validation by the accounting and tax teams.

Treatment of Exceptional Items

The TTC methodology generally allocates taxes borne and collected to each fiscal year based on the cash-basis principle. However, transactions that meet specific exceptional criteria are assessed individually and may be excluded from the report to prevent distortions.

Extraordinary transactions are identified based on their origin and impact. Material tax payments or reimbursements related to prior-period results, or those with an exceptional quantitative impact that could significantly distort the data, are reviewed on a case-by-case basis to ensure accuracy and integrity in reporting.

Reporting Framework

This report adheres to global best practices, aligning with the OECD Base Erosion and Profit Shifting (BEPS) Action Plan 13 CbCR guidelines, Directive (EU) 2016/881 of May 25, 2016 (EU CbC Report), and Directive (EU) 2021/2101 (Public CbC Report).

Stakeholder Engagement

EDP welcomes feedback from stakeholders to continually improve the quality and relevance of its tax disclosures. Stakeholder input is invaluable in ensuring that our reporting practices remain transparent, accountable, and aligned with evolving expectations. By engaging with stakeholders, EDP aims to foster trust and demonstrate its commitment to responsible tax practices.

Glossary

- **Taxes** are defined by the OECD as "compulsory, unrequited payments to the general government or to a supranational authority. Taxes are unrequited in the sense that benefits provided by government are not normally in proportion to their payments".
- **Taxes borne** are taxes that represent a direct cost to the business and impact its financial results. These taxes are paid directly by EDP to governments in the jurisdictions where it operates. Examples include: Corporate Income Taxes, Property Taxes, Social security contributions, Energy Taxes (when they are a final charge to EDP), etc. These taxes are a financial burden to EDP and reflect its direct contribution to public finances.
- **Taxes collected** refer to third-party taxes that EDP collects and remits to government authorities on behalf of other agents. These taxes arise from EDP's economic activities but do not constitute a direct cost to the company. Examples include: Indirect Taxes (e.g., Value Added Tax), Payroll Taxes, Withholding Taxes, etc. Although these taxes do not directly affect EDP's financial results, they are included in the TTC as they represent the value generated for the community and demonstrate the economic activity facilitated by EDP.
- **Revenues** represent the total of both unrelated and related party revenues. The term "Revenues" refers to all income, including that from extraordinary operations. Payments received from other Group entities, which are treated as dividends in the payer's tax jurisdiction, are excluded, in full alignment with OECD guidelines.
- **Earnings Before Taxes (EBT)** corresponds to the sum of the EBT of all entities within the scope, before any consolidation adjustments. Dividends received from other Group entities are also excluded from EBT.
- **Corporate Income tax paid (on cash basis)** includes the total amount of corporate income tax actually paid during the year by all Entities, including withholding taxes.
- **Corporate Income tax accrued (current year)** is the sum of the accrued current tax expense recorded on taxable profits or losses of the year of all entities. The current tax expense reflect only operations in the current year and does not include deferred taxes.
- **Total Income tax accrued** corresponds to the sum of the income tax expense recorded in the financial statements, including both current and deferred tax expenses.
- **Retained earnings** refer to the sum of the net income from past financial years and the relevant financial year. With regard to the branches, retained earnings correspond to those of the undertaking which established the branch.
- **Number of employees** corresponds to the year-end headcount, as reported in EDP's Annual Integrated Report (available at www.edp.com).
- **Nominal tax rate** represents the statutory corporate income tax rate applicable in the relevant jurisdiction.
- **Effective Tax Rate (ETR)** is calculated as the total income tax expense (current and deferred) expressed as a percentage of EBT.
- **Total Tax Rate (TTR)** represents total taxes incurred (including CIT and all other taxes borne) as a proportion of profits before all corporate taxes.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