



Annual Evaluation Report on the Plan for the Prevention of Risks of Corruption and Related Offences – 2022

EDP Group – Portugal

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I. Background

Following the approval of the National Anti-Corruption Strategy 2020-2024, the Decree-Law N.º 109-E/2021, which creates the National Anti-Corruption Mechanism ("MENAC") and approves the General Regime for the Prevention of Corruption ("RGPC"), was published in the "Diário da República" on the 9th of December 2021.

With the purpose of preventing, detecting and sanctioning acts of corruption and related infractions, the RGPC establishes for the entities obliged to comply with it, of public and private nature, the obligation to adopt and implement a Compliance Programme that must include a plan for the prevention of risks of corruption and related offences (hereinafter "PPR").

EDP has been maintaining and introducing improvements to the mechanisms in this area, through a Specific Compliance Programme, the Integrity/Anti-corruption Compliance Programme, which applies to the various EDP Group companies based in Portugal¹, and in January 2023 EDP Energias de Portugal maintained the certifications initially obtained in January 2022, of its Compliance Management System and the referred Integrity Compliance Programme, in accordance with ISO 37301 - Compliance Management Systems and ISO 37001 - Anti-corruption Management Systems, respectively, certifications issued by AENOR, an independent entity.

In June 2022, and in accordance with the provisions of the RGPC, the PPR was formalized and disclosed, which reflects the work developed under the System already implemented, presenting the identification and classification of the factors that may expose EDP Group entities, headquartered in Portugal to acts of corruption and related offences, as well as the control mechanisms, preventive and corrective measures, in place to mitigate those risks.

This Annual Evaluation Report for the year 2022, aims to respond to the obligation set out in the RGPC, to control the execution of the PPR, presenting the quantification of the degree of implementation of the preventive and corrective measures identified, as well as their state of evolution, in a logic of continuous improvement.

¹ As EDPR PT - Promoção e Operação, S.A. is integrated in EDP Renewables Group, the PPR and respective reports are presented in distinct documents.

II. Annual evaluation

Based on the identification, assessment and classification of each risk factor associated to each area of activity considered in the PPR, it resulted that 90% of the residual risks are low, and the maximum residual risk calculated corresponded to a medium level.

Thus, as stated in the PPR, given the preventive and detective mechanisms currently implemented and executed, no additional mitigation mechanisms were identified as being necessary.

Within the scope of this annual assessment, the identification and assessment of the different risk factors was reviewed, according to the evolution of the external context and the evolution of the activity of the EDP Group's entities headquartered in Portugal, and this did not result in any changes in the level of that risk assessment compared to the one presented in the PPR.

Although the need to implement additional mitigation mechanisms for medium residual risk situations has not been identified, the reinforcement of several compliance actions has been pursued in a logic of continuous improvement. Thus, after the development and publication of the PPR, the following initiatives were carried out:

a) Training and Awareness

Concerning the awareness of employees on the topic of corruption risk prevention, and under the training plan defined for 2022, two transversal training courses were developed, addressed to all employees. The first, launched in June, related to the Compliance Management System, and a later one, in September, specifically related to the identification of corruption risks.

As for the second, its objective was to demonstrate, through practical examples, situations of conducts violating the law or internal rules associated with the crime of corruption and related offences, to present the most relevant principles and rules provided for in internal regulations, and to identify legal and disciplinary consequences resulting from non-compliance. In this training, the following topics were addressed: corruption in the private sector, through the presentation of situations of acceptance of gifts and/or invitations to events, sharing of confidential information, conflicts of interest, and corruption in the public sector (relationship with Politically Exposed Persons).

In addition to training, awareness-raising actions were also carried out on matters of Ethics and Compliance, of which we highlight the monthly launch and internal dissemination, through the EDP intranet, of a set of practical cases in comic strip format, under the name "Do the right thing!".

Throughout 2022, other relevant communications were also carried out, particularly related to the theme of whistleblower management, with the dissemination of the Speak up EDP Channels (following the changes introduced with the entry into force of Law Nº 83/2021 of 20th of December, which transposed into Portuguese law the Directive (EU) 2019/1937 on the protection of persons who report violations of European Union Law) and awareness raising on the importance of combating corruption, associated with the celebration of the International Anti-Corruption Day.

b) Revision of Internal Regulations

Considering the risk assessment, as well as the experience acquired in the application of the different internal Compliance Regulations (policies, standards, and procedures) relevant to the prevention of corruption, a set of regulations was revised, of which we highlight: EDP Group Integrity Policy, Offers and Events Procedure, Procedure for Relations with Politically Exposed Persons (PEPs) and alike.

c) Monitoring and Audits

In addition to the continuous monitoring and supervision of the mitigation measures implemented, in November 2022, to strengthen the monitoring of their effective implementation, and following the requirements for maintaining the certification of EDP – Energias de Portugal, S.A. in accordance with ISO 37001 – Anti-corruption Management Systems, an internal audit was conducted to the Integrity Specific Compliance Programme / Anti-corruption Management System. As such, and with the objective of (i) identifying any gaps in compliance with the standards, including reviewing the adequacy of the risks and controls matrix, (ii) testing the controls/mitigation measures implemented, in accordance with a defined test plan, in order to assess their adequacy and effectiveness for risk mitigation purposes and (iii) identifying any recommendations / opportunities for improvement, it was possible to conclude that:

- The Integrity Specific Compliance Programme / Anti-Corruption Management System is aligned with the requirements of ISO 37001;
- The methodology adopted for identifying corruption risks and the respective analysis of impacts/assessment is appropriate;
- The controls/mitigation measures tested were considered adequate and effective.



Likewise, in January 2023, AENOR carried out the external Audit for the maintenance of the Certification of the Compliance Management System and the Anti-Corruption Management System of EDP – Energias de Portugal, S.A. and confirmed the implementation of the Systems in accordance with the requirements specified in the corresponding ISO standards, and no nonconformities were identified.

III. Conclusion

Overall, based on the continuous monitoring of the control mechanisms / risk mitigation measures implemented within the PPR, as well as on the results of the internal and external audits, carried out by independent entities, to the Integrity Specific Compliance Programme of EDP – Energias de Portugal, S.A., it can be concluded that, in all materially relevant aspects, the preventive and corrective measures identified are adequately and effectively implemented.

Therefore, the residual risk assessment of the risk factors identified in the PPR remains valid and at levels considered acceptable, with no situations of high risk.

IV. Final Provisions

The publication of this Annual Assessment Report to EDP Group employees is ensured through the intranet and EDP's official website within 10 days of its elaboration.