



# Internal Audit Report 2024

Our energy

Speaks of our stamina, our track record and what drives us to continuously deliver green energy

and heart drive

Highlights our people and their key role in delivering our commitment to our clients, partners and communities

Reflects our ambition and leadership in making change happen

a better tomorrow

The reason why we work every day

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## Message from the Director



**Azucena Viñuela Hernandez**  
Message from the Internal Audit Corporate Director

### Dear colleagues and collaborators,

I am delighted to share the 2024 Internal Audit Activity Report of the EDP Group, a year of challenges, learning, and significant results that reflect the continuous commitment of the entire team, with excellence and integrity.

During this period, we have strived to achieve our strategic objectives, strengthening processes and expanding our reach, to provide greater value to the Organization while adapting our approach to the new organizational structure of the Group. Through the combination of rigorous analysis, effective collaboration, and the application of new technologies, we have undertaken a series of key activities that positively impacted the Group's risk management and control.

Our primary objective was to evaluate and strengthen internal controls across the various activities of the Organization, promoting improvement initiatives and providing recommendations to optimize operational efficiency, and mitigate potential risks with sustainable solutions that foster transparency and accountability at all levels of the company, as well as continuous improvement. At the same time, we reinforced our mechanisms for monitoring and continuous tracking of continuous audit indicators, utilizing mass data analysis technologies that allowed us to extend the reach and coverage of relevant areas.

In alignment with the international standards that regulate the internal audit function and by which we are certified, we also initiated the process of adapting the function to the new Global Internal Audit Standards that reinforce the principles ensuring the quality and consistency of the function, promoting the trust of various stakeholders. As we move forward into the future, we reaffirm our commitment to continue being a reliable and trustworthy partner for the Executive Management, the Executive Board of Directors, the Financial Matters Committee, and the General and Supervisory Board. We will continue to work to strengthen corporate governance, protect the interests of our shareholders, and promote a culture of integrity and accountability throughout the Organization.

I would like to express my gratitude to the entire Internal Audit team for their dedication, professionalism, and unwavering commitment. The achievements are the result of the hard work and dedication of the entire team's contributions. I am confident that, with our strategic guidance and our passion for continuous improvement, we will continue to achieve our objectives in the coming years.

**Azucena Viñuela Hernandez**

# 01 Mission and Vision of the Internal Audit



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EDP Headquarters II  
Alejandro Aravena  
Lisbon, Portugal

## 1.1. Mission

Internal Audit is an objective and independent activity, of assurance and consulting, designed to add value and improve the operations of EDP Group, assisting the organization to accomplish its objectives, through a systematic and disciplined approach in assessing and improving the effectiveness of risk management, control, and governance processes.

The internal audit function has the mission of increasing and protecting the value of EDP, providing assurance, advisory and insight, covering several fields of action.

## 1.2. Vision

### Empowered

With adequate and updated resources and skills, to be capable of adding value; Agile, efficient, and flexible, capable of quickly adapting to changes in stakeholders' needs.

### Technological

Continuing to improve digital maturity and accelerate digital transformation across the function's activities; Leveraging technological advancements for greater and more efficient coverage of activities, facilitating the coverage of the auditable universe.

### Informed

Connected with the business, organization's strategy, trends, evolution of risks, and regulation to be capable of adding value.

### Transversal

Group focus, alignment of vision, methodologies, best practices, and knowledge; Ensuring a comprehensive vision and global coverage of activities.

### Delivery

With ambitious coverage, consistent with the Group's size and evolution, generating trust and transparency, and adding value to the company; Aligned with the expectations and needs of the different stakeholders.

### Well-being

Positioning our team at the center of the strategy, with the purpose of ensuring alignment, balance, and well-being of the team, sustainably.

## 1.3. Principles



### Integrity and ethics

Internal auditors' integrity builds trust and, therefore, provides a basis for relying on their judgment.



### Confidentiality

Internal auditors respect the value and ownership of the information they receive and do not disclose information without proper authorization, unless legally or professionally required to do so.



### Objectivity

Internal auditors demonstrate the highest degree of professional objectivity when collecting, evaluating, and communicating information about the activity or process under review. Internal auditors make a balanced assessment of all relevant circumstances, and their judgments are not influenced by private interests and the opinions of others.



### Competence

Internal auditors apply the necessary knowledge, techniques and experience in the performance of internal audit services.

02  
Main Events



2.1. Main events

8

Pereira Barreto Solar Park  
São Paulo, Brazil

## 2.1. Main events

### 1Q24

#### January

Approval of the 2024 Group's Internal Audit Activities Plan by the Financial Matters Committee (CMF) and presentation of the Group's 2023 activities closure.

EDP Group CMF meeting.

Onboarding of the Internal Audit Director for the South America region.

Closure of the 2021-2023 Internal Audit Strategic Plan.

Launch of the ReFactor continuous audit project (implementation of the solution in Datalake/Datahub).

#### February

Approval of the 2024 Group's Internal Audit Activities Plan by the Executive Administration Board (CAE) and presentation of the Group's 2023 activities closure.

Presentation of the 2024-2026 Internal Audit Strategic Plan.

#### March

Visit of the Head of Internal Audit and Business and Digital Centers of Excellence responsables to EDP Brazil.

Launch of the implementation of a new tool for monitoring the activity plan and recommendations.

### 2Q24

#### April

EDP Group CMF meeting.

Kick-off of the project for adapting the Group's Internal Audit function to the new Global Internal Audit Standards.

Launch of the skills assessment process for Internal Audit and definition of the individual development plan.

Participation in the anual conference of the Institute of Internal Auditors in Houston.

#### May

Donations to the victims of the rains in the southern region of Brazil.

#### June

EDP Group CMF meeting.

Presentation of the new structure of the Group's Internal Audit to the employees.

Initiation of the adaptation of the organizational and work model of Internal Audit to the Group's new organizational structure.

Methodological changes in the prioritization of auditable processes for the preparation of the 2025 plan.

## 3Q24

### September

Start drafting the Internal Audit Global Activities Plan for 2025.

6<sup>th</sup> Focus Group session – Certifications of interest for Internal Audit.

Meeting of the Group's Audit Committees.

## 4Q24

### October

Initiation of the project to adapt the activity dashboards of Internal Audit to the Global Internal Audit Standards and the Group's new organizational structure.

Participation in the annual conferences of the Internal Audit Institutes of Portugal, Spain and Brazil.

Participation in the international meeting of KPMG's IT Internal Audit practice.

### December

EDP Group CMF meeting.

Internal Audit self-assessment and evaluation of the audit work done by CMF.

Preparation of the proposed Internal Audit Group Activity 2025 Plan.

Castelo de Bode Hydro Power Plant  
Abrantes, Portugal



# 03 Performance Indicators



3.1. Performance indicators

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# 03. Performance indicators

## 3.1. Performance indicators

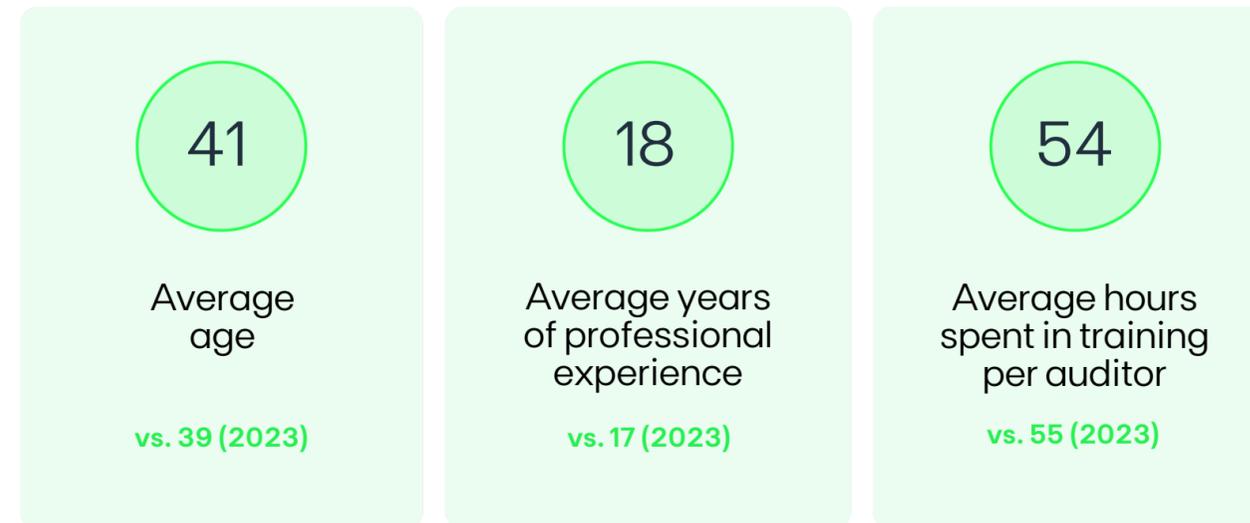
The performance of the Internal Audit activity, the composition, knowledge, degree of experience and development of the employees, as well as the level of satisfaction of internal clients are subject to analysis and monitoring throughout the year, both internally and by the Governance and Supervisory Bodies through performance indicators, which are presented below.

Thus, it becomes possible to improve the internal audit function's activity in accordance with its objectives and in alignment with the Group's strategic pillars.

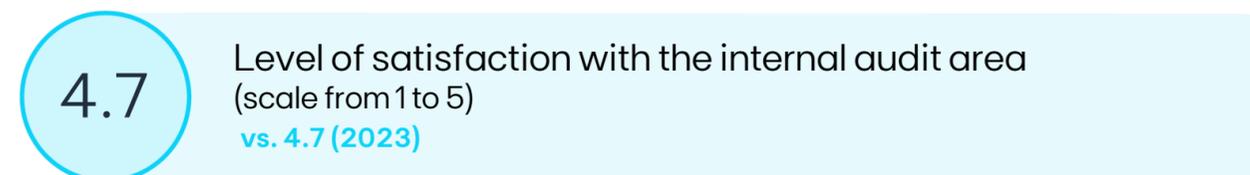
### Performance



### Human resources



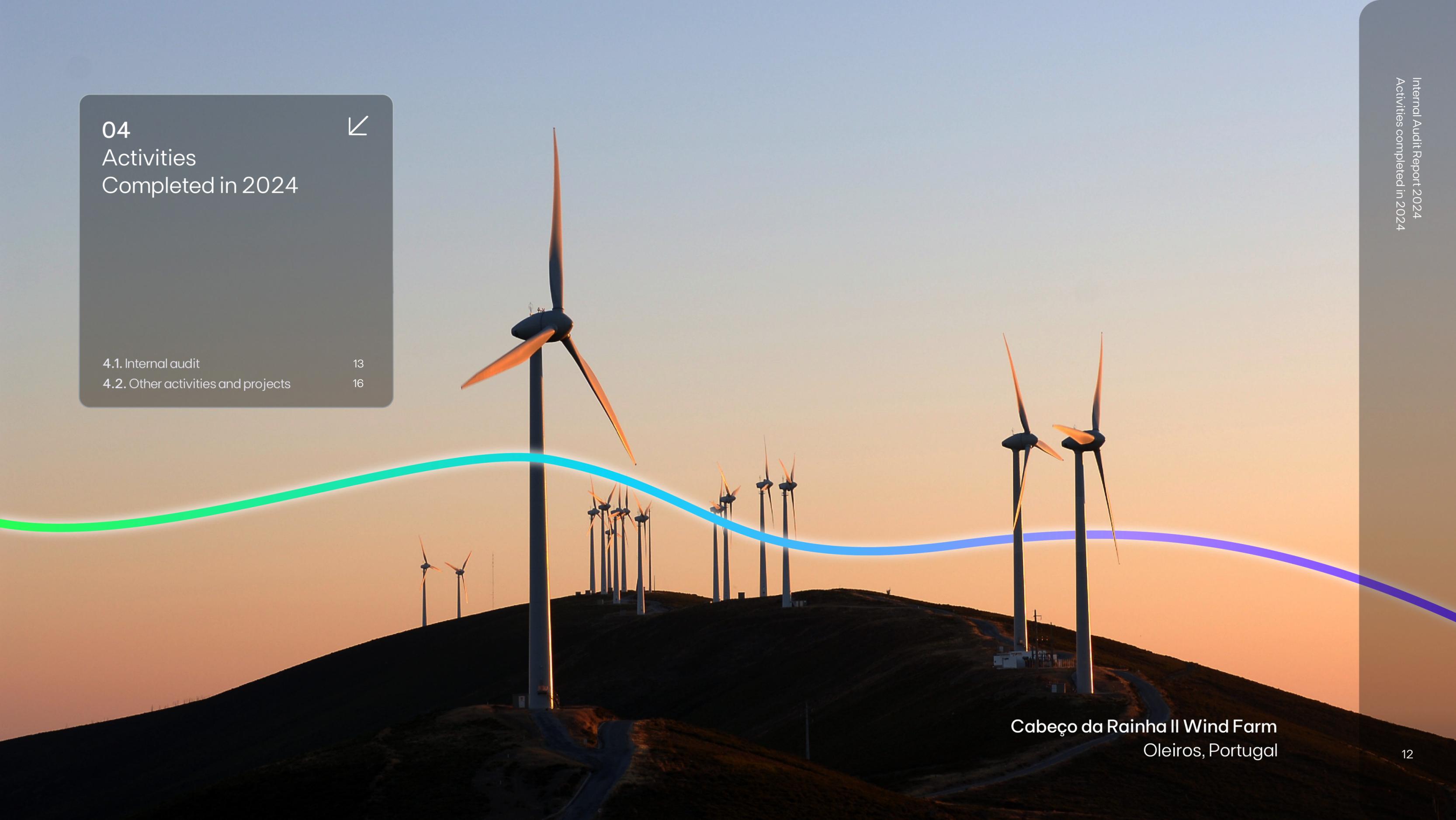
### Quality and effectiveness



## 04 Activities Completed in 2024



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4.2. Other activities and projects	16



Cabeço da Rainha II Wind Farm  
Oleiros, Portugal

# 04. Activities completed in 2024

## 4.1. Internal audit

The organizational restructuring of the Group during 2024, consolidating management via business platforms while highlighting a new regional perspective, had an impact on the Internal Audit activity fundamentally through three avenues:

- The necessity to review the portfolio of audits in progress during the year to identify any changes in responsibility at the management and senior management levels, impacting the phase of contrasting conclusions and issuing reports.
- The initiation of an exercise to review pending recommendations to confirm the correct assignment of responsibilities for the respective action plans to the appropriate responsible parties.
- The preparation of a proposed audit plan for 2025, adapted to the activities carried out by the different platforms and regions based on perceived risks.

Furthermore, the Internal Audit activity was also impacted by the reorganization of the internal audit function itself, with the creation of Centers of Excellence within internal audit, both from a Business and Digital perspective, as well as an operational organization fundamentally distributed by geographic regions and lines of activity.

This new organization has completed the steps that have been taken in integrating all methodological and operational activities related to internal audit within the EDP Group, fostering the coordination and optimization of internal audit teams, leveraging the experience and skills of all members, and conducting audits of an increasingly transversal nature.

Maintaining focus on the major internal control topics related to the effectiveness and efficiency of operations, the reliability of operational and financial information, the safeguarding and security of the Group's assets, as well as compliance with internal and external regulations, the activities of 2024 were characterized by covering subtopics directly linked to the implementation of the Group's Strategic Plan and the control and monitoring of the axes aimed at ensuring the normal development of business within the limits of the defined risk appetite in all applicable aspects. Specifically highlight are the following matters covered by the activity plan during 2024:

- Mechanisms and controls implemented by the Group to supervise the alignment of effectively assumed risks with the defined risk appetite.
- Operationalization of the counterparty risk management policy in the main business units of the Group exposed to such risk.
- Controls and measures implemented in Group companies with regulated activities to ensure proper separation of activities.
- Methodology applied in the pricing of transactions carried out within the scope of market access services provided by the energy management business platform.
- End-to-end operationalization of the DG Solar business at the Iberian level and in other areas of commercial growth of the Client Solutions platform in Europe.
- Execution of audits focused on the decision and execution of major investments.
- Execution of audits on topics aimed at safeguarding the Group against the occurrence of contingent scenarios derived from events impacting security and cybersecurity.
- Conducting audits within the ESG scope, supporting the pursuit of environmental, social, and governance excellence.
- Development of other internal audit activities in more operational processes, aiming to identify opportunities for continuous improvement and excellence.
- Continuation of audits on IT and OT supplier contracts from a cybersecurity perspective and compliance with Group policies.

Additionally, the year 2024 included the initiation of coordination of necessary internal audit activities within the scope of the certified Compliance systems existing in the Group.

Furthermore, 2024 was characterized by the exploration and further development of the relevant portfolio of continuous audit indicators in always relevant matters from an internal control perspective, such as the Group's payment management or within the scope of administrative handling of purchases, as well as the progressive expansion of continuous audit techniques to other matters such as real estate purchases and sales or continuous contracting in the distribution business in Portugal.

Following the design in 2022 and execution in 2023, in 2024 the scope of continuous access management audits was expanded, more than doubling compared to 2023, the set of relevant applications in the different companies of the EDP Group.

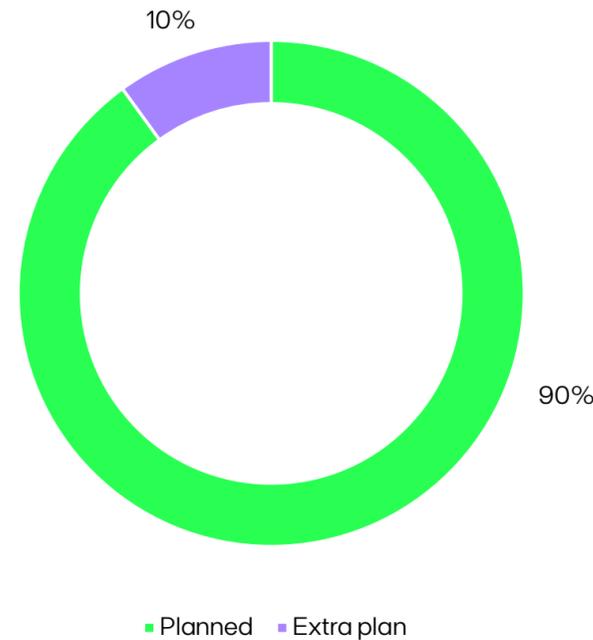
Finally, 2024 was the first year of execution of the specific Strategic Plan for the internal audit function of the Group corresponding to the time interval 2024-2026 around the

previously defined axes – governance model, informed and business-aligned audit, organization and human resources, technology and methodology, and quality.

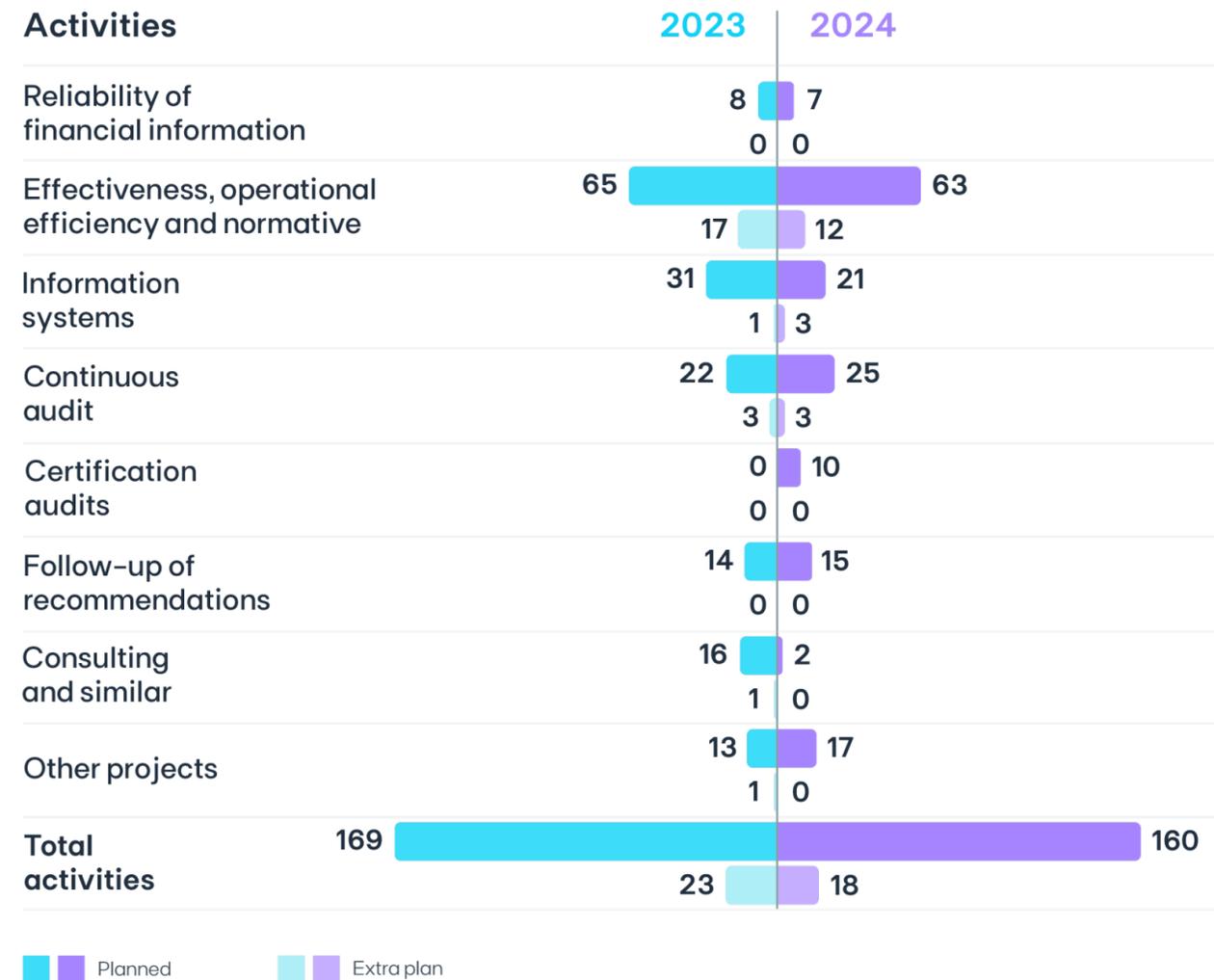
### Audits, consulting and other projects

The activity plan for 2024, which included a target of 131 audit works and 16 consulting and other projects, underwent some changes, with 18 works being included that were not initially planned. As of December 31, 2024, 174 works had been completed or were in the final stages of completion, resulting in a completion rate of 119% compared to the objectives set for the year.

**Audit works by type (%)**



The fulfilment of the plan covered 32 Business Units audited across the various geographies where the Group is present, and a significant number of activities aligned with the Group's Strategic Plan were executed.



## Main areas covered by Internal Audit works

Internal Audit is fully integrated into the Group's global strategy, focused on leading the energy transition, accelerated and sustained growth, excellence in ESG, preparing the organization for the future, a solid financial strategy, and sustainability.

Below are the main matters covered by internal audit tasks, each aligned with one or more of the major strategic objectives.



### Accelerated and sustainable growth

- Third party management
- Core processes
- Investments and divestments
- New business lines
- New geographies
- Joint ventures
- Business continuity



### Future-proof organization

- Innovation
- Digitalization
- Data governance
- IT and OT security
- IT processes
- Recruitment
- Artificial Intelligence



### ESG excellence and attractive returns

- Compliance
- Regulatory compliance
- Safety and health
- Governance
- Risk management

## Internal quality indicators

According to what is defined in the Internal Audit Manual of EDP Group, audit works concluded are subject to a quality assessment by the Business Units or audited areas, through the completion of a questionnaire which classifies the quality and satisfaction level attributed to the respective audits.

The average level of quality and satisfaction of internal clients in the Group was 4.7 (on a scale of 1 to 5).

## Recommendations

In the 174 works concluded in 2024, 1,127 recommendations were issued, which gave origin to implementation plans prepared by the respective interlocutors and supervised by the respective responsible parties, which are monitored quarterly by Internal Audit.

The table below provides a detailed breakdown of the recommendations issued by typology.

## Type of the recommendations issued in 2024

TYPOLGY	ISSUED IN 2024	%	ISSUED IN 2023	%
Operational	883	78%	529	73%
Procedural	188	17%	132	18%
Regulation observance	56	5%	64	9%
<b>Total</b>	<b>1,127</b>		<b>725</b>	<b>100%</b>

## 4.2. Other activities and projects

In 2024, other projects and activities were developed, namely:

- The initiation of the project to adapt the internal audit function to the new Global Internal Audit Standards.
- The start of the project to implement a tool transversal to all Internal Audit functions within the Group, aimed at digitizing the management and follow-up processes of the activity plan, time tracking and follow-up of recommendations.
- The launch of the ReFactor project for continuous audit to implement a new infrastructure supporting continuous audits, which also involves a new governance model, migration of historical information, and rewriting of analysis processes to be adapted to the new reality.
- The completion of the ACL upgrade project.
- The development of the new responsibility model for the Group's Internal Audit in line with the Group's organizational restructuring.

05  
Human Resources



5.1. Number of employees	18
5.2. Professional qualifications	19



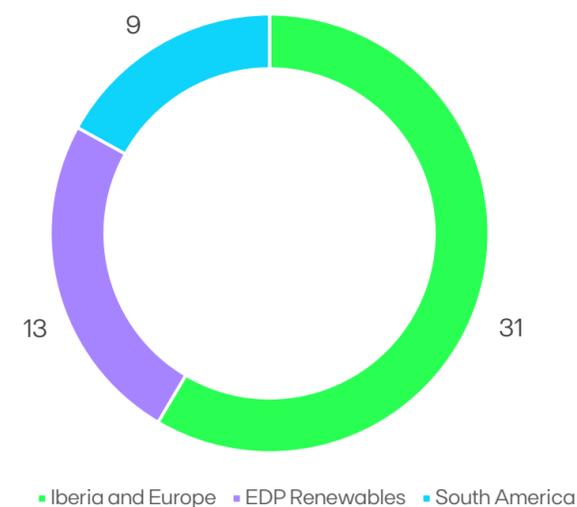
EDP Headquarters I  
Aires Mateus  
Lisbon, Portugal

# 05. Human resources

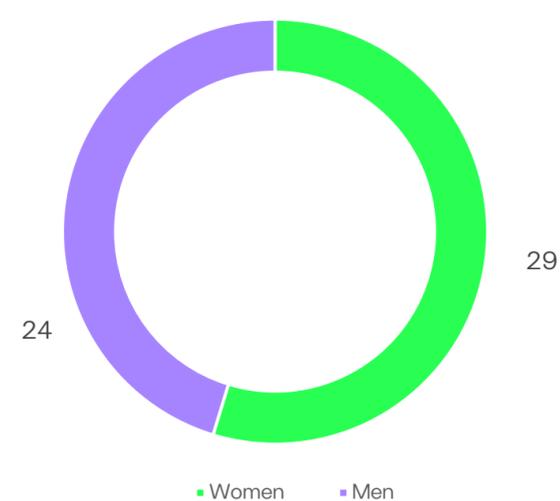
## 5.1. Number of employees

2024 was marked by the adaptation of the Internal Audit structure to the new organizational model of the EDP Group. The size of the Group's Internal Audit decreased by approximately 2% compared to 2023, to a total of 53 employees, with an average age of 41 years. The distribution of the number of employees by region is represented in the following chart:

**Number of employees per region (%)**



**Distribution of employees by gender (%)**



Throughout 2024, 2 new employees were recruited, and 3 employees departed, with their distribution by regions and recruitment sources/destinations illustrated below.

Additionally, during 2024, in Portugal, was kept the policy of providing recently graduated students with the opportunity for their first contact with the real business world resulting in the hiring of some interns outside the Group.



## 5.2. Professional qualifications

One of the basic principles for all Internal Audit employees is to fulfill the objective of continuous training, aiming to update knowledge of the subjects and techniques necessary to perform their activities with quality.

The total number of training hours provided internally and externally to the Group's Internal Audit employees in 2024 was 2,759 hours, compared to 2,860 hours in 2023. The average number of training hours per employee was 54 hours in 2024 (55 hours in 2023).

### Training summary table 2024

TRAINING FIELD	TRAINING AREA	TOTAL	%
Behavioral		52	2
	Emotional intelligence	37	
	Leadership	15	
Organizational		52	2
Technical		2,655	96%
	Fraud	734	
	Certifications	214	
	IPAI/ IAI	199	
	Internal audit and risk management	174	
	Information systems	169	
	ESG (including EFR)	146	
	Sampling and statistical inference	143	
	Energy business	129	
	Safety and health	124	
	Artificial intelligence	119	
	Languages	116	
	Continuous audit	82	
	Cibersecurity	78	
	Compliance and internal control	77	
	ACL software	72	
Others	79		
<b>Total</b>		<b>2,759</b>	

Internal Audit is composed in its majority by superior ranks, with base training in widely diverse areas such as finance, economics, management, auditing, accounting, law, engineering, and information technology, with some employees having complementary training, namely:

### Professional qualifications summary table 2024

TRAINING FIELD	COLLABORATORS
MBA	Concluded: 8 employees In training: 1 employee
Master or Post-Graduation	26 employees (mainly in Management and Finance)
CIA certificate	Concluded: 6 employees Close to conclusion: 2 employees
Additional certificates	CISA: 3 employees (1 employee in training)
	“EFR” model: 4 employees
	ISO 27001Lead auditor: 2 employees
	ISO 20000:1 employee
	COSO: 2 employees
	ROC: 2 employees
	ITIL Foundations: 4 employees
	Certified accountant: 3 employees
	CISM: 1 employee
	CFE: 1 employee
Executive Program of Big Data & Business Analytics: 1 employee	

06  
Perspectives  
for 2025



6.1. Perspectives for 2025

22

Timber Road Solar Park  
Ohio, USA

21

# 06. Perspectives for 2025

## 6.1. Perspectives for 2025

The entry into force of the new Global Internal Audit Standards in 2025 requires an adaptation of certain practices and methodologies which, in the context of continuity in the volume of activities included in the annual plan, represents a challenge that demands the participation and involvement of all audit teams.

2025 will be the first full year in which the new organizational structure of the Group will be in effect. In this context and having adapted the internal audit plan to this new organization, it will be necessary to draw lessons from the execution of this plan with the aim of optimizing the sizing and coverage of the activities carried out.

Also, 2025 will be the ideal period to effectively operationalize the desired model of relationship and coordination between the centers of excellence of the internal audit function and the operational audit teams distributed according to the geographic region in which they operate and the lines of activity they cover.

Regarding the matters covered by the activity plan scheduled for 2025, we can highlight, in the Business area, mainly:

- The strengthening of internal audit activity in investment projects, following different lines of action, including:
  - i. The implementation of a routine for progressive analysis of investment projects based on a prior characterization of the project portfolio according to risk factors.
  - ii. The identification of the main risks that can typically impact investment projects in the development, investment decision, and construction phases, with the aim of identifying desirable mitigating measures that can be used as benchmarks to measure the sufficiency and comprehensiveness of the controls effectively implemented.
- Conducting an in-depth diagnosis of the risks and mitigating measures associated with the activities of the energy management business platform.
- Evaluating the governance model applicable to procurement activities within the Client Solutions platform.

- Continuing our activities in the analysis of the design, effectiveness, and sufficiency of controls within the scope of financial reporting.
- Executing other audits on various topics (core processes, more operational processes, management systems, ESG scope, etc.).

Regarding the activity plan for the Digital area, it has a special focus on:

- Recurring IT and OT audits of contracts with external service providers, from a cybersecurity perspective.
- Audits related to IT and OT facility management.
- Utilization of new technologies such as artificial intelligence.
- Physical security management process of facilities, considering the model defined in the Group.
- Identity and access management process.
- Continuation of the expansion of the scope of continuous access management audits with the inclusion of new applications, as well as integration of the new identity system.
- Conducting audits on compliance with artificial intelligence requirements.

The continuation of the ReFactor project for continuous audit, co-led by Internal Audit and DGU, which will extend through 2026, as well as the promotion of the use of ACL by the Internal Audit teams, will be other projects to be carried out within the Digital scope.

Considering the constant technological evolution and its impact on internal audit functions, a strategic focus on initiatives related to the use of artificial intelligence is planned for the coming year. The purpose is to enhance the efficiency, effectiveness, and analytical capacity of audit activities, following international best practices and proactively responding to the growing challenges of complex organizational environments. The gradual and controlled adoption of these technologies will strengthen the role of internal audit as a strategic partner to management, maintaining the commitment to independence, objectivity and value creation for the organization.

In 2025, the internal audit function will undergo an external evaluation by a certified entity, which will be the first assessment since the new Global Internal Audit Standards came into effect. This process will allow us to assess the compliance of the work carried out to ensure alignment with the new requirements established by the standards. We are confident that the internal adaptation process will result in a positive evaluation, reinforcing our commitment to best practices and excellence in the performance of the function.



 edp