



# Internal Audit Function Report 2025

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# Message from the Head of Internal Audit

## Dear colleagues and collaborators

If I were to highlight a defining aspect of the 2025 financial year, it would undoubtedly be the high level of commitment demonstrated by the Group's Internal Audit team and its outstanding delivery capability. This collective effort was key to the successful execution of the Annual Audit Plan and to the continued evolution of the function, in a particularly demanding environment marked by significant external, technological, and organizational challenges.

Throughout the year, the Group's internal audit activity focused on the execution of a Work Plan designed using a risk-based approach, fully aligned with the Group's strategic objectives, the evolving regulatory framework, and the main emerging risks. The work performed contributed meaningfully to the strengthening of the internal control system, risk management, and corporate governance processes, providing an independent perspective firmly oriented towards continuous improvement.

During the reporting period, internal audit and advisory work were carried out across a wide range of corporate and business areas, with particular emphasis on critical processes, risk management, internal control, regulatory compliance, information security, business continuity, and sustainability. The conclusions and recommendations arising from these works were communicated in a timely manner, and the agreed action plans were subject to systematic follow-up, resulting in a high level of implementation.

One of the most significant milestones of the year was the completion of the Internal Audit function's transition to the new Global Internal Audit Standards issued by the Institute of Internal Auditors (IIA). In this context, throughout 2025, the function underwent an independent external quality assessment and achieved the highest possible rating. This outcome confirms that the Group fully complies with the highest standards of quality, independence, rigor, and effectiveness established by the IIA for the internal audit function, representing clear recognition of the Group's continued commitment to best practices in Corporate Governance and to the robustness of its processes.

This assessment was particularly relevant as it coincided with the entry into force, at the beginning of 2025, of the new Global Internal Audit Standards. Achieving the maximum certification rating already under this new framework further demonstrates the Group's strong commitment to international best practices and to full compliance with the newly established requirements. It is also worth highlighting the

high level of satisfaction expressed by internal stakeholders, reflecting a relationship built on proximity, deep knowledge of the business, and value creation.

In line with a modern and forward-looking internal audit vision, 2025 also saw the adoption of solutions based on artificial intelligence and advanced data analytics to support key internal audit processes. These initiatives contributed to increased efficiency, broader risk coverage, and the reinforcement of a more continuous and preventive audit approach. The activity was carried out under the oversight and support of the EDP Group Financial Matters Committee and the Audit Committee of EDP Renewables, as well as with the full backing of the Executive Board of Directors and the entire organization, in line with best practices in Corporate Governance.

Looking ahead, the Group's Internal Audit function approaches the future with energy and determination, committed to further evolving its operating model by adopting an increasingly efficient and flexible approach. This will enable the optimization of resources, ensure appropriate coverage of key risks, maintain strong alignment with the Company's strategic objectives, and anticipate emerging risks in an increasingly dynamic and demanding environment.

Finally, I would like to express my sincere appreciation to the entire Group Internal Audit team for their professionalism, commitment, and dedication, as well as to the wider organization for the support, collaboration, and constructive attitude demonstrated throughout the year. These factors were essential to the proper execution of our work and to the continuous strengthening of the Group's control and governance framework.

**Azucena Viñuela Hernández**  
**Head of Internal Audit**

# Mission

The purpose of the internal audit function is to strengthen the EDP Group’s ability to create, protect and sustain value by providing the Governance and/or Supervisory Bodies and the Organization with independent assurance, advisory, insight and foresight, based on risk and objectives.

# Vision

<p><b>Capable</b></p> <p>Equipped with adequate and up-to-date resources and skills to effectively add value. Agile, efficient and flexible, able to rapidly adapt to changing stakeholder needs.</p>	<p><b>Technological</b></p> <p>Continuously enhancing digital maturity and accelerating digital transformation across the Internal Audit function. Leveraging technological evolution to achieve broader and more efficient audit coverage and to facilitate coverage of the auditable universe.</p>	<p><b>Informed</b></p> <p>Closely connected to the business, the organization’s strategy, emerging trends, evolving risks and regulatory developments to add value.</p>
<p><b>Group-wide</b></p> <p>Adopting a Group approach, aligned in vision, methodologies, best practices and knowledge. Ensuring a comprehensive view and global coverage of Internal Audit activities.</p>	<p><b>Delivery-focused</b></p> <p>Maintaining ambitious coverage consistent with the size and evolution of the Group, fostering trust and transparency and adding value to the organization. Aligned with the expectations and needs of the different stakeholders.</p>	<p><b>Well-being</b></p> <p>Placing the team at the center of the strategy, with the purpose of ensuring sustainable alignment, balance and well-being.</p>

# Principles

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**Integrity and Ethics**  
Internal auditors act with integrity, ethics, honesty, professional courage and responsibility, promoting trust and sustaining the credibility of their professional judgement.
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**Confidentiality**  
Internal auditors respect the value and ownership of the information acquired during the performance of their duties and do not disclose such information without proper authorization, unless legally or professionally required.
- 

**Objectivity and Independence**  
Internal auditors maintain objectivity and independence in performing their duties, ensuring balanced, impartial assessments free from undue influence.
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**Professional Competence**  
Internal auditors apply the knowledge, skills and experience necessary to deliver Internal Audit services with quality and effectiveness.
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**Due Professional Care**  
Engagements are planned and performed with due professional care, considering the nature, complexity and circumstances of each activity.
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**Compliance**  
Internal auditors comply with applicable laws and regulations and with internal and external standards in force.

# Main events

**1T25**

## January

Approval of the EDP Group Internal Audit Activity Plan for 2025 by the Financial Matters Committee (FMC) and presentation of the closure of the 2024 Activity Plan.

FMC Group meeting.

Preparation of the 2024 Internal Audit self-assessment.

Evaluation by the Financial Matters Committee (FMC) of the Internal Audit function for 2024.

## February

Kick-off the GenAI project for the preparation of audit reports.

## March

Cross-functional training session for all Internal Audit employees on the Global Internal Audit Standards.

**2T25**

## April

Conclusion of the project to align the Group Internal Audit function with the Global Internal Audit Standards.

Launch of the Internal Audit competency assessment process and definition of individual development plans.

Participation in the Annual Conference of the Institute of Internal Auditors in Houston.

## May

Approval and publication of the new version of the EDP Group Internal Audit Manual.

Beginning of cross-functional training initiatives on Business & Risk from an Internal Audit perspective, involving all Internal Audit employees.

## June

FMC Group meeting.

Approval by the FMC of the EDP Group Internal Audit Charter.

Beginning of the review and update of auditable processes for the preparation of the 2026 plan.

# Main events

**3T25****July**

Visit by the Head of Internal Audit and the Business and Digital COE's leads to EDP Brazil.

Cross-functional training session for all Internal Audit employees on Ethics in Internal Audit.

Kick-off the external quality assessment of the Internal Audit function by a qualified and independent assessment team.

**September**

Start of the preparation of the Global Internal Audit Plan for 2026.

Meeting of the Group Audit Committees.

Kick-off the Mind4Internal Audit project.

**4T25****October**

Participation in the annual conferences of the Institutes of Internal Auditors of Portugal and Spain.

Conclusion of the external quality assessment of the Internal Audit function by a qualified and independent assessment team.

**November**

Participation in the Annual Conference of the Institute of Internal Auditors of Brazil.

**December**

FMC Group meeting.

Preparation of the proposal for the EDP Group Global Internal Audit Plan for 2026.

# 01. Performance indicators

## 1.1. Performance indicators

The performance of the Internal Audit function, as well as the composition of the team, the level of knowledge and experience, the development of employees, and the degree of satisfaction of internal stakeholders, are monitored and assessed throughout the year, both internally and by the Governance and Supervisory Bodies, through a set of performance indicators presented below.

This systematic monitoring supports the continuous improvement of the internal audit activity, ensuring its continuous alignment with its objectives and with the Group's strategic priorities.

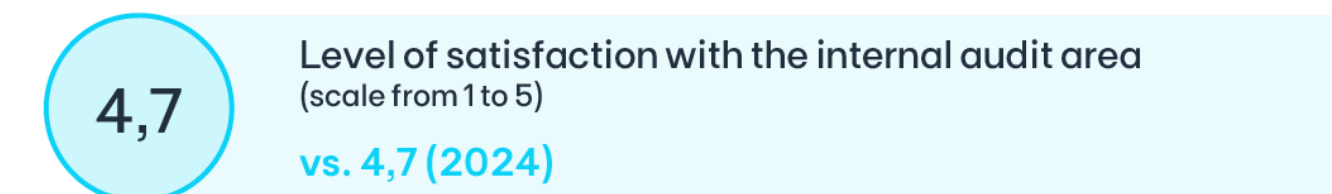
### Performance



### Human resources



### Quality and effectiveness



## 02. Activities completed in 2025

### 2.1. Internal Audit

Between the end of 2024 and the beginning of 2025, the Internal Audit function adapted its methodologies and practices to the new Global Internal Audit Standards, which reinforce its strategic role by emphasizing a stronger focus on governance, alignment with organizational objectives, and value creation.

This new framework introduced enhanced requirements for the continuous assessment of the effectiveness of internal controls, strengthened independence and objectivity requirements, and clarified the responsibilities of the Governance Bodies within the scope of the Internal Audit function. In parallel, guidance regarding the use of technology and data analytics as supporting tools for audit activities was further developed and embedded.

The adaptation process was subject to an independent external assessment carried out by an accredited entity, which confirmed full compliance of the work performed with the new requirement, resulting in the highest possible rating. This outcome demonstrates the Group's consistent commitment to international best practices and to excellence in the performance of the Internal Audit function.

In 2025, the Group's Internal Audit function operated fully within the context of the new organizational structure, adjusting the audit plan accordingly. The activity was primarily characterized by a combination of transversal audits, coordinated by the Business and Digital Centers of Excellence, and local and regional audits. This approach ensured consistent coverage of the Group's key risks, reinforcing alignment with strategy and the creation of sustainable value.

The 2026 audit plan was prepared taking into account contributions from the Group's different areas, platforms, and regions, and applying a process prioritization methodology adapted to the new organizational reality. This process ensured the continued alignment of Internal Audit with the Group's overall strategy, contributing to value creation through focused growth, business optimization, and a distinctive and resilient portfolio.

In 2025, Internal Audit maintained a strong focus on the core domains of internal control, including the effectiveness and efficiency of operations, the reliability of operational and financial information, the safeguarding and security of assets, and compliance with internal and external regulations. The activities carried out were directly aligned with the execution of the Group's Strategic Plan and with the

monitoring and control of the key pillars aimed at ensuring the orderly development of the business within the defined risk appetite across all relevant dimensions. In particular, the following areas are noteworthy:

- Audits within the scope of the Global Energy Management Platform (GEM), covering transversal topics such as the practical implementation of decisions taken by its governance bodies, the level of internal control preparedness of the new ETRM system under development, as well as other strategic matters, including Portfolio Optimization activities.
- Ongoing monitoring of growth associated with the execution and delivery of investment projects managed by EDP Renewables, which continued to represent a key focus of internal audit activity. This included internal audits of specific projects—assessing the sequencing and staging of decisions—the review and update of historical recommendations issued throughout the investment life cycle, considering the associated risks and controls, and other audits focused on more specific aspects inherent to that cycle (such as PPA origination and the practical application of frameworks designed to mitigate budgetary and/or schedule deviation risks).
- Execution of several operational audits covering core activities of the Networks Platform in Portugal, Spain, and South America.
- Coordination of the internal audits required within the scope of certified management systems across the Group.
- Development of additional internal audit activities in operational processes, aimed at identifying opportunities for continuous improvement and operational excellence.
- Continued audits of IT and OT supplier contracts from a cybersecurity and internal policy compliance perspective.
- Assessment of the physical security management process for facilities, considering the Group-defined model.
- Performance of audits addressing compliance with applicable artificial intelligence requirements.
- Continued maintenance and development of the portfolio of continuous auditing indicators applicable to matters relevant from an internal control perspective.
- Expansion of continuous auditing indicators, evolving from local application to global coverage across all Group regions.

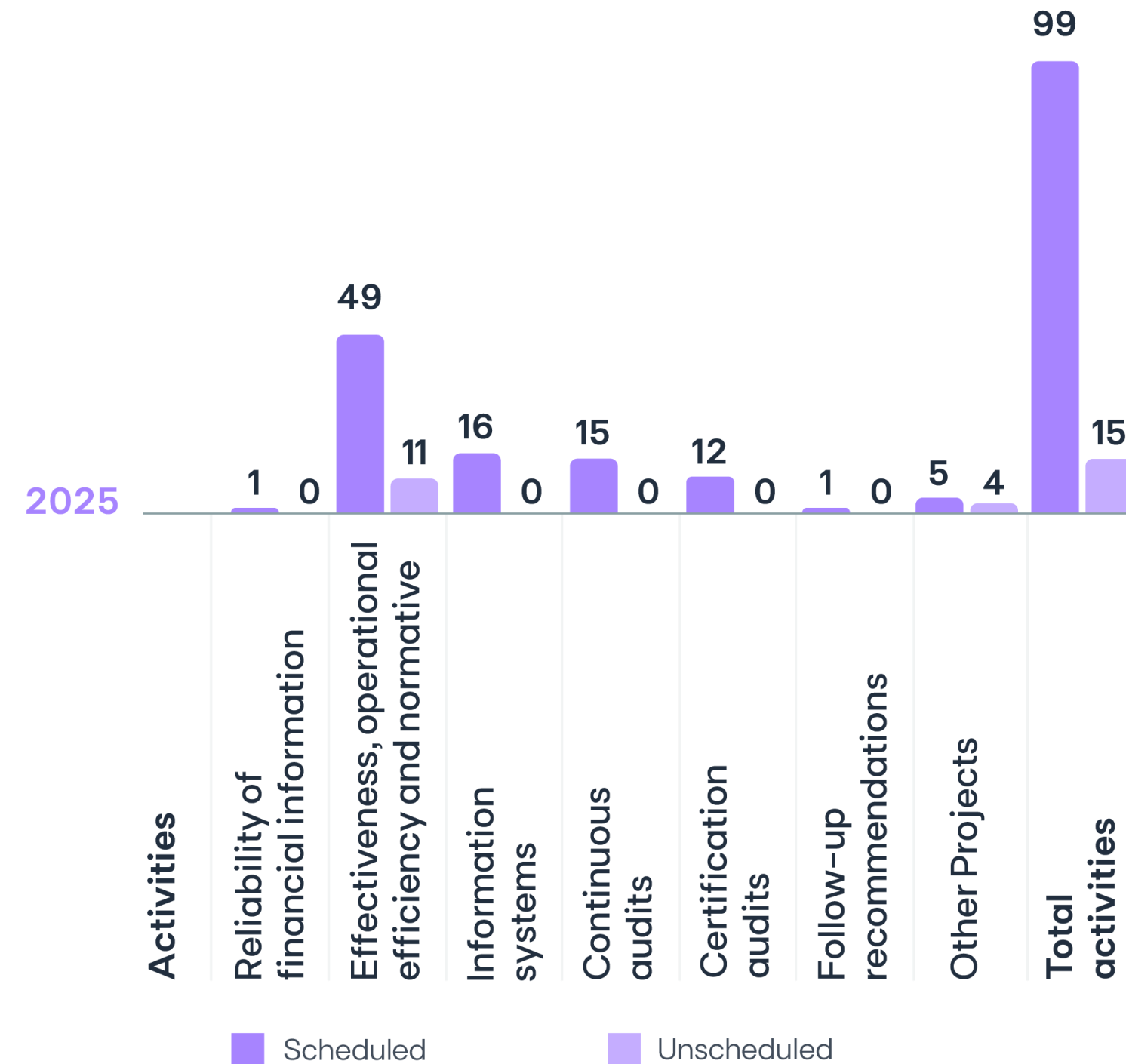
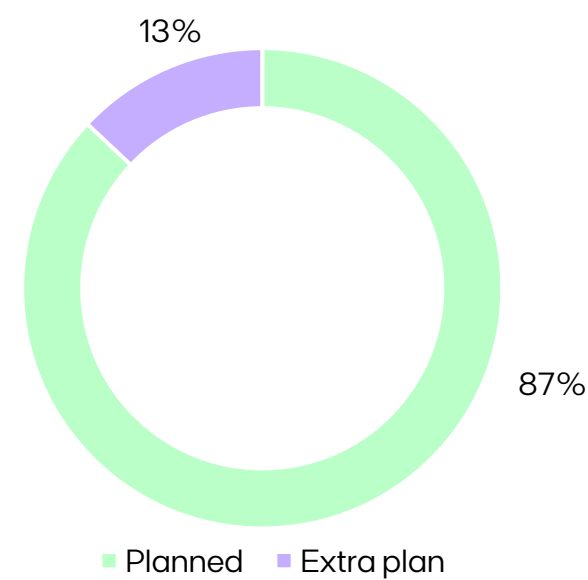
Finally, 2025 marked the second year of execution of the Group’s Internal Audit Strategic Plan for the 2024–2026 period, with a significant portion of the planned initiatives successfully delivered across the previously defined axes: governance model, business–informed and aligned auditing, organization and human resources, technology and methodology, and quality.

### Audits and other projects

The activity plan for 2025, initially defined with the objective of carrying out 98 audit works and 5 additional projects, was adjusted throughout the year, with the inclusion of 15 additional works and the non–execution of 4 initially planned. As a result, as of 31 December 2025, a total of 110 works had been completed or were in the final stages of completion, corresponding to an execution level of 108% against the objectives initially established for the year.

The execution of the plan covered 28 Business Units across the different geographies in which the Group operates, with activities developed in alignment with the Group’s Strategic Plan.

**Audit works by type (%)**



## Main areas covered by Internal Audit works

The Group’s Internal Audit function is fully integrated into the Group’s overall strategy, supporting leadership in the energy transition, accelerated and sustainable growth, excellence in ESG, organizational preparedness for the future, a sound financial strategy, and long-term sustainability. Within this framework, the main areas covered by the work developed by internal audit are presented below, aligned with the Group’s overarching strategic objectives.



## Internal quality indicators

In accordance with the provisions set out in the Group’s Internal Audit Manual, completed works are subject to quality assessment by the audited Business Units or areas, through a questionnaire designed to measure the level of quality and satisfaction associated with the audits performed.

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

## Recommendations

In the 110 works completed in 2025, a total of 630 recommendations were issued. These resulted in implementation plans prepared by the respective interlocutors and supervised by the respective responsible parties, which are monitored on a quarterly basis by the Group’s Internal Audit function.

The table below presents the distribution of the recommendations issued by typology.

## Type of the recommendations issued in 2025

Typology	Issued in 2025	%	Issued in 2024	%
Operational	448	71%	883	78%
Procedural	122	19%	188	17%
Regulation observance	60	10%	56	5%
<b>Total</b>	<b>630</b>	<b>100%</b>	<b>1,127</b>	<b>100%</b>

## 2.2. Other activities and projects

In 2025, additional projects and activities were carried out, of which the following are particularly noteworthy:

- Review of the new Procurement Policy in light of the revised organizational structure of the function, from an internal control perspective.
- Organization of a broad set of training initiatives under the common designation “Business & Risks”, delivered by and for internal auditors across the Group. These sessions provide an overview of the Group’s main activities and businesses, as well as the key associated risks, from an internal audit perspective.
- Continuation of the project to implement a transversal tool across all the Group’s Internal Audit functions, aimed at the digitalization of processes for managing and monitoring the activity plan and audit recommendations.
- Execution of the pilot phase of the Continuous Auditing ReFactor project, aimed at implementing a new supporting infrastructure for continuous auditing, including a new governance model, the migration of historical data, and the redesign of analytical processes to ensure alignment with the new operating environment.
- Launch of the project to migrate and centralize the ACL server infrastructure to the corporate Microsoft Azure cloud platform, replacing hosting in the Group’s physical data centers.
- Development of a Generative Artificial Intelligence tool, “GenAI Audit Reports”, designed to support auditors in the preparation of audit reports.

# 03. Human Resources

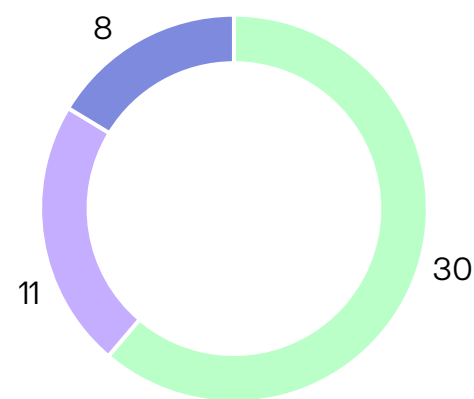
## 3.1. Number of employees

The year 2025 marked the first full year in which the Group’s Internal Audit structure operated in accordance with the Group’s new organizational model. The size of the Group’s Internal Audit function decreased by approximately 8% compared to 2024, totaling 49 employees, with an average age of 42 years. The distribution of headcount by region is illustrated in the chart below.

Throughout 2025, there were 2 new employees and 6 departures, the distribution of which by region and by recruitment source/destination is illustrated below.

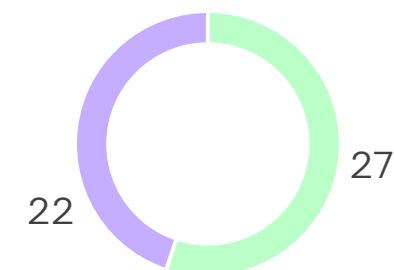
Additionally, in Portugal, the policy of providing recently graduated students with the opportunity for their first contact with the business environment was maintained-resulting in the hiring of some interns outside the Group.

**Number of employees per region**

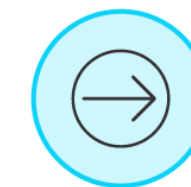


Iberia and Europe | EDP Renewables | South America

**Distribution of employees by gender**



Women | Men



**New employees**

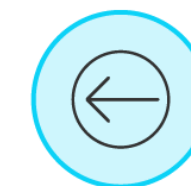
> 2

Iberia and Europe

2

**Sources of recruitment**

Internal mobility 1  
Unpaid leave 1



**Employee departures**

> 6

Iberia and Europe 3  
EDP Renewables 2  
South America 1

**Exit destination**

Leaving Group 4  
Internal mobility 1  
Retirement 1

## 3.2. Professional qualifications

Continuous training is a fundamental principle of the Group's Internal Audit function, ensuring the development of the technical and behavioral competencies required for the performance of its activities in accordance with high-quality standards.

The total number of training hours provided internally and externally to the Group's Internal Audit employees in 2025 was 3,221 hours, compared to 2,759 hours in 2024. The average number of training hours per employee was 69 hours in 2025 (54 hours in 2024).

### Training summary table 2025

Training Field	Training Area	Total	%
Behavioral		233	7%
	Leadership	99	
	Ethics	95	
Organizational	Human Skills	39	
		172	5%
Technical	Onboarding	108	
	Organizational – Structure	64	
		2.816	88%
	Business & Risks	1.173	
	Global Internal Audit Standards	388	
	Internal audit and Risk Management	183	
	Internal Audit Workshops	175	
	Decision-Making and Internal Audit Methodologies	143	
	ESG (Including EFR)	140	
	Artificial Intelligence	128	
	Languages	114	
	Energy Business	72	
	Compliance	55	
	Data Analysis, extraction, and querying	53	
Certifications	44		
Cybersecurity	35		
Others	113		
<b>Total</b>		<b>3.221</b>	

Internal Audit is composed primarily of senior profiles, with academic backgrounds 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 2025

Training Field	Collaborators
MBA	Concluded: 7 employees In training: 1 employee
Master or Postgraduate degree	25 employees (mainly in Management and Finance)
CIA certificate	Concluded: 8 employees
Additional certificates	Certified accountant: 4 employees ITIL Foundations: 4 employees "EFR" model: 4 employees COSO: 2 employees CISA: 2 employees ROC: 2 employees CFE: 1 employee Lead auditor ISO 27001: 1 employee Lead auditor ISO 20000: 1 employee

## 04. Perspectives for 2026

### 4.1. Perspectives for 2026

With a view to continuous improvement and the structural strengthening of the function, in 2026 the Group's Internal Audit will focus on two priority pillars for its stakeholders:

- On one hand, the executive nature of internal audit reports will be further reinforced, with greater emphasis on key findings and the simplification of less critical content, to facilitate the clear identification of matters requiring heightened involvement and decision-making capability.
- On the other hand, a review of the recommendations and observations framework will be promoted, with the aim of more explicitly distinguishing those relating to matters of high relevance for the Group as a whole, from those with a more limited impact on the specific process or activity under audit. This approach will further enhance clarity, prioritization, and the value-creation role of the Internal Audit function.

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

- Maintaining internal audit activity in the context of investment projects, through different lines of action, including:
  - Continuation of a progressive analysis of investment projects, starting from a prior characterization of the project portfolio based on risk factors.
  - Performance of assessments on the adequacy and comprehensiveness of the controls effectively implemented, with a view to mitigating risks that impact the investment life cycle.
  - Verification of the safeguards in place for the control and monitoring of projects under development that have not yet been subject to a final investment decision.
  - Analysis of the consistency of the criteria applied to the re-approval of investment projects across different regions, where applicable.

- Extension of internal audit analyses and assessments traditionally performed at the Iberian level in recent years to the Global Energy Management activities in North America.
- Execution of audits specifically focused on Procurement, assessing compliance with the Procurement Policy, the associated internal regulations, and the application of best practices in this area.
- Continuation of internal audit activities within the Networks Platform, thereby ensuring an appropriate level of control and oversight over a business that is highly relevant and structural from a Group perspective and of a strongly regulated nature.
- Performance of audits covering other relevant topics, including core processes, more operational processes, ICFR (Internal Control over Financial Reporting), ESG-related matters, and management systems, among others.

At the beginning of 2026, the Group implemented a strategic reorganization of its Internal Audit Digital area. This resulted in the creation of two distinct areas: one focused on the oversight of digital processes within the scope of internal audit, and another dedicated to continuous auditing, digitalization projects, and Artificial Intelligence initiatives within the Internal Audit function. This reorganization aims to strengthen specialization, enhance operational efficiency, and ensure closer alignment with the organization's strategic priorities.

Regarding the areas covered by the 2026 activity plan for the Digital area, the following priorities are highlighted:

- Within the scope of internal audit works:
  - Performance of recurring IT and OT audits of contracts with external service providers, from a cybersecurity and control-robustness perspective.
  - Execution of audits covering the management of IT and OT facilities, including the assessment of compliance with applicable regulatory requirements.
  - Evaluation of the Group's cybersecurity risk management process, with a focus on the effectiveness of the governance model and the control mechanisms in place.

- 
- Review of the personal data protection compliance monitoring process, ensuring adherence to the applicable legal and regulatory requirements.
  - Performance of audits addressing compliance with artificial intelligence requirements, assessing alignment with the regulatory framework and established best practices.
  - Monitoring of the implementation of the new European NIS2 (Network and Information Systems Security 2) legislation, which has a transversal impact across the Group, as well as the definition of the audit approach to assess EDP's compliance with this legislation.
  - Within the scope of continuous auditing, digitalization projects, and Artificial Intelligence initiatives of the Internal Audit function:
    - Continued expansion of the scope of continuous access management audits, through the inclusion of additional applications and the integration of the new identity management system.
    - Completion and further expansion of Artificial Intelligence projects supporting Internal Audit processes, including initiatives such as GenAI Audit Reports, Mind4InternalAudit, among others.
    - Execution of the Audit Universe project, with the objective of mapping the Group's business processes across different regions and platforms, identifying the corresponding assurance map, assessing internal control ratings, and developing a digital tool to support the management and use of this information by the Group's Internal Audit function.
    - Standardization of global continuous auditing processes through the definition of harmonized reporting models, tools, and development and execution—monitoring techniques, at a global level.
    - Review of the Continuous Auditing Refactor project strategy, considering the preliminary results obtained from the pilot phase.

