



Ethics & Compliance Standard

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1. VERSION HISTORY

Version	Approval date	Preparation	Approval	Comment	Main Changes
1	18/01/2021	DCO	FMC	Initial Issue	
	02/02/2021		EBD		
2	11/01/2022	DCO	FMC	Review	
	26/01/2022		EBD		
3	25/10/2022	DCO	N/A	Review	Updating the reference to reporting channels
4	09/12/2024	E&C	EBD/FMC	Review	Update to adapt to new organizational structure

2. CONSIDERATIONS

Considering:

- A context of increasing regulatory demands and coverage in the various areas in which the EDP Group operates.
- The fact that the EDP Group is present in capital markets, a means of obtaining funds from shareholders, bondholders, and the financial system.
- The special importance that the EDP Group places on strict compliance with the laws and regulations applicable to it, best professional and industry practices, and respect for the principles and values contained in its Code of Ethics, which are fundamental to achieving the objectives and rigorous execution of its strategy.
- The EDP Group's commitment (i) to ensuring appropriate identification, assessment and management of compliance risks, to minimize the risk of sanctions, particularly financial, and its reputational risk, and (ii) ensuring the confidence of its stakeholders and, consequently, strengthening the competitive position of the companies in the EDP Group's consolidation perimeter, thereby maximizing business opportunities.
- The importance of incorporating a robust system for identifying, assessing and managing risks of non-compliance in the definition of strategic planning as well as in day-to-day business operations for the strengthening of an effective ethics and compliance culture.

- The importance that the adoption of integrity values and a robust Compliance Management System have in protecting the organization itself, to avoid or minimize the risks of non-compliance.
- The importance of a Compliance Management System as an effective means to demonstrate an organization's commitment to complying with applicable laws and regulations, best professional and industry practices, and the expectations of society and its stakeholders.
- Legislative and jurisprudential developments, which have been referencing and suggesting organizational commitment to compliance through the implementation of a Compliance Management System, that has proven to be a key factor in defining the measures to be applied in situations of non-compliance.
- The diversity of the legal systems applicable to the EDP Group, the cross-cutting nature of many legal rules, namely because they result from the transposition of European Union legislation, and local specific aspects that lead to the need to implement Specific Compliance Programs in certain Platforms and Regions, while ensuring their effective coordination.
- The continuous monitoring of the organization of the Compliance Management System as defined and approved within the EDP Group.
- The recent merge of the Ethics and Compliance areas into the Ethics & Compliance Business Enablement Function (hereinafter – Ethics & Compliance or E&C)

A revision of the Compliance Standard (hereafter, Standard) was deemed necessary.

3. OBJECTIVE

The purpose of this Standard is to:

- formalize the mission and responsibilities of Ethics & Compliance at the EDP Group level;
- define the basic principles and methodological rules that govern the carrying out of the Ethics and Compliance function;
- document and systematize the components of the Compliance Management System.

4. SCOPE

This Standard is applicable to all the companies that are part of the EDP Group, to their employees, always in strict compliance with the legal framework applicable in the countries where the Group is present, namely regarding EDP Renováveis, S.A. (EDPR), EDP España, S.A. (EDP España) and EDP – Energias do Brasil, S.A (EDP Brazil). This Standard is also applicable to the Fundação EDP, the Fundación EDP and the Instituto EDP – which, for the purposes of this Standard, shall be considered as integrated in EDP Group – as well as their respective employees.

EDP's representatives on the boards of directors of subsidiaries are given the responsibility of adopting the measures and developing the actions necessary for the transposition of this standard.

In turn, EDP's representatives in joint ventures and/or in companies in which EDP does not hold a controlling position shall always ensure that the provisions of this Standard are observed in the

performance of their respective functions and shall encourage, as far as possible, the application of its principles or of similar principles in those companies, particularly by promoting the development of specific policies and procedures for this purpose.

The details of the activities carried out by the EDP Group are described in chapter 7.1. Organization Context.

5. REFERENCES

- ISO 37301 | Compliance management systems
- COSO (Committee of Sponsoring Organizations) Internal Control – Integrated Framework Principles
- Institute of Internal Auditors' 3 Lines-of-Defense model
- ISO 37001 | Anti-bribery management system
- UNE 19601 | Criminal Compliance management system

6. TERMS AND DEFINITIONS

Ethics & Compliance Officer (ECO): Head of Ethics & Compliance, who hierarchically reports to the CEO and functionally to the Chairman of the General and Supervisory Board.

Local Compliance Officers. In situations where the law foresees the existence of a “Compliance Officer”, his or her appointment must be ensured on a case-by-case basis. This role may be assumed by the Ethics & Compliance Officer, by the local legal representative, by other areas/responsible parties or even by external entities, when deemed more appropriate.

E&C Focal Points (ECFP): role assumed by employees (belonging or not to Ethics & Compliance), who have been identified as points of contact with Platforms and Regions, and who are responsible for implementing and promoting awareness of the different Programs of Ethics & Compliance in their areas of influence.

E&C Supporters (ECS): role assumed by employees belonging to other BEFS, Platforms or Regions, with knowledge in regulatory frameworks, who support Ethics & Compliance in implementing and promoting awareness of the different Programs of Ethics & Compliance in their areas of influence.

Decision-maker: All natural persons who, by virtue of the exercise of their respective functions, have direct or indirect authority and responsibility for the planning, direction, and control of activities in EDP Group shall be considered decision makers, under the terms described below:

- (i) The members of EDP's corporate bodies and its Subsidiaries Companies;
- (ii) EDP Group employees classified in job grades from 84 to 90, irrespective of the EDP Group company with which they have a contractual relationship or in which they perform duties;
- (iii) Whenever the decision maker defined in (ii) identifies, as decision makers, other Group employees, with a job grade lower than 84, to whom he/she has attributed identical competencies;
- (iv) Whenever the EBD expressly qualifies EDP Group employees as decision-makers, indicating the respective scope of activity.

Fragmented: structure of compliance management responsibilities not defined. Usually, management at the operational level is carried out based on current practices not specifically designed to ensure regulatory compliance and does not include a structured approach based on risks and controls.

Intelligent: compliance management responsibility structure, with a defined model in terms of standards, policies, risk and control identification and assessment, training programs, and periodic internal reviews. In some cases, there may also be external reviews of regulatory compliance or assessments of the management model.

Monitor: an area that follows up and monitors the Promoter 's initiatives to develop and maintain a Specific Compliance Program.

Management Bodies: the Boards of Directors of the subsidiary companies, in their respective areas of operation.

Platforms, Regions and Global Business Services Management Teams: inorganic structures of the EDP Group that are continuously looking for solutions to impact day-to-day operations and promote improvements in the management of their activities, through business reviews and information sharing.

Promoter: area that promotes and leads the implementation and maintenance of a Specific Compliance Program, identifying risks and defining ways to mitigate them, with the support of Ethics & Compliance, Ethics & Compliance Focal Points or the Ethics & Compliance Supporters, the Provider (when identified for the Program in question) and the Regions, Platforms, and Business Enablement Functions.

Provider: area that provides the methodology and tools necessary to support the responsible involved in developing and maintaining a Specific Compliance Program.

Ethics & Compliance Management System: a set of cross-cutting Compliance mechanisms, aimed at promoting and monitoring compliance with the relevant regulations in all the activities, businesses and countries where the EDP Group is present and encouraging an ethical organizational culture.

Specific Compliance Program: a set of Compliance mechanisms aimed at promoting and monitoring compliance with the obligations associated within a specific legal and/or regulatory scope. The development of a Specific Compliance Program goes through several sequential phases:

- (i) **Planning:** identification of legal and regulatory requirements, key stakeholders, identification and assessment of specific risks;
- (ii) **Conceptual structuring and design:** analysis of existing management practices, identification of areas for improvement, definition and discussion of action plans, and definition of proposals for cross-cutting internal standards;
- (iii) **Implementation support:** support for the implementation of action plans, coordination between different stakeholders, review of proposed procedures, collaboration in the development of training and awareness mechanisms;
- (iv) **Monitoring the implementation of measures:** periodic monitoring of action plans and review of the Compliance mechanisms implemented;
- (v) **Design Maintenance:** monitoring of legislative and regulatory changes and/or business processes, periodic review of procedures and control mechanisms, follow-up of incidences, and continuous improvement of the Program.

Top-down: although not formally defined, the main risks are known and there are Compliance practices/controls that consider the main aspects to ensure compliance.

7. DESCRIPTION AND RESPONSABILITIES

7.1 Organization Context

EDP S.A. ("EDP") is a company whose shares are listed on the Euronext Lisbon stock exchange.

The EDP Group's businesses are currently focused on the generation, transmission, distribution and supply of electricity and supply of natural gas. Although complementary, the Group also operates in related areas such as engineering, laboratory tests, professional training, energy services and property management. Other activities are also carried out, specifically in support of the main business, by the subsidiaries of the holding, namely the following: provision of consultancy services related to the energy sector, insurance mediation (non-life products), technological innovation, venture capital, real estate, engineering works, and provision of health care¹.

EDP operates essentially in the European, North and South American and APAC energy sectors.

EDP counts with more than 13,000 people – more than 60 nationalities across the world – embracing a purpose-driven career, where empowerment, transparency, respect, and meaningful work are key goals.

The company's vision is to lead the energy transition to create superior value for all. EDP's transformation in recent years into a more global, inclusive, and future-focused company, emphasizing sustainability, innovation, and social responsibility, is now reflected in its image and brand signature 'We Choose Earth.' This claim gives voice to this change and aims to mobilize the entire society in this urgent and necessary transition.

At EDP, we anticipate goals and have very ambitious commitments to the planet, combating climate change, and leading a fair and inclusive energy transition: being coal-free by 2025; having 100% renewable production by 2030; and achieving net-zero greenhouse gas emissions across the entire value chain ('NetZero') by 2040. EDP's position is very clear: we are a brand that chooses Earth in our words, decisions, and actions, and we act accordingly with concrete actions: we walk the talk, meaning we communicate what we do after making it happen.

EDP, S.A., acts as a holding company, with the mission of promoting and managing projects and transversal activities aimed at increasing and improving the performance of all the companies in its Group.

¹ Every year the companies acquired, sold, incorporated, and merged, as well as any other changes to the consolidation perimeter of the EDP Group, are identified in the Group's Annual Report available on the EDP website ([Financial reports & presentations | edp.com](#)).

7.2 Governance Model

The EDP Group’s Compliance Management System, aligned with the risk management model, relies on a system of internal control based on the Institute of Internal Auditors “3 lines of defense” to identify and suitably manage the risks arising from the activity, under which:

- **The 1st line of defense** (Business) has, among other aspects, responsibility for the daily and proactive management of compliance risks, in line with established regulations. The main responsible are the decision makers of each functional, business or support unit and all employees working in these areas.
- **The 2nd line of defense** (Ethics & Compliance) has, among other aspects, responsibility to ensure support for the business in identifying, analyzing, assessing, mitigating, and monitoring risk, as well as challenging and questioning potential risks that may emerge. Ethics & Compliance, the Ethics & Compliance Focal Points and the Ethics & Compliance Supporters can be identified as the main responsible parties. The risk function is covered in separate regulations, regardless of the necessary coordination between these two control functions.
- **The 3rd line of defense** (Internal Audit) has, among other aspects, responsibility for conducting independent audits of the Ethics & Compliance activities, as well as of Compliance Management System. These audits may also be carried out by independent external entities which have a recognized capability of undertaking this activity.

This model, as defined and in an integrated manner, enables the rationalization of resources and efforts, promotes coordination between functions and the standardization of language, and links all Regions, Platforms, Business Enablement Functions and Global Business Services through a common infrastructure, which shares the same processes and information systems.

The Executive Board of Directors (EBD), approved the following structure for Ethics & Compliance.

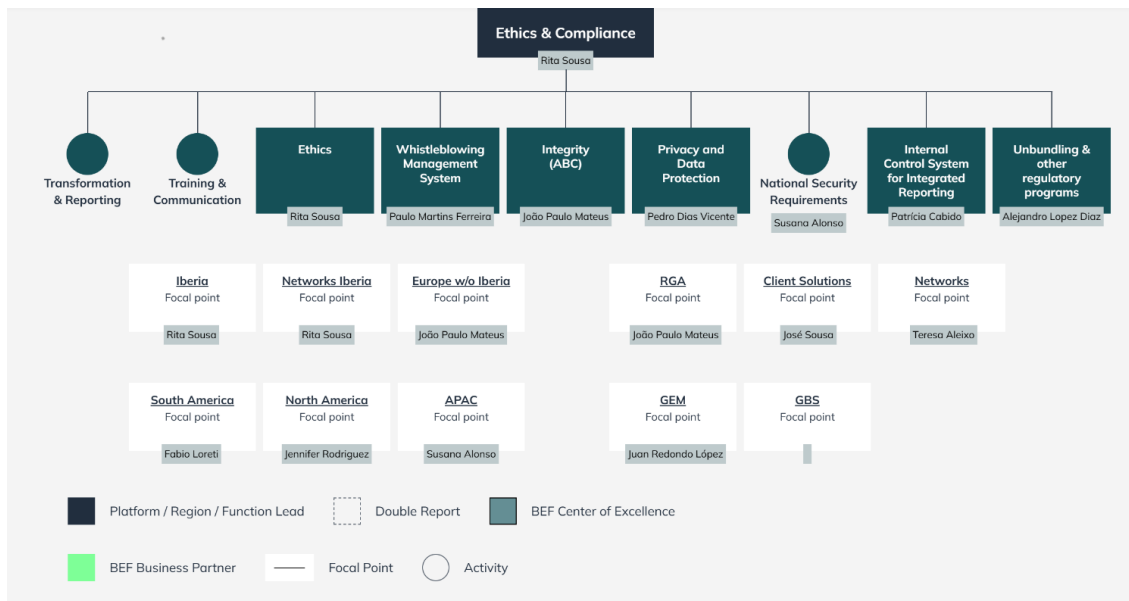


Figure 1 – Ethics & Compliance organization structure

The Ethics & Compliance reporting model is shown in the image below.

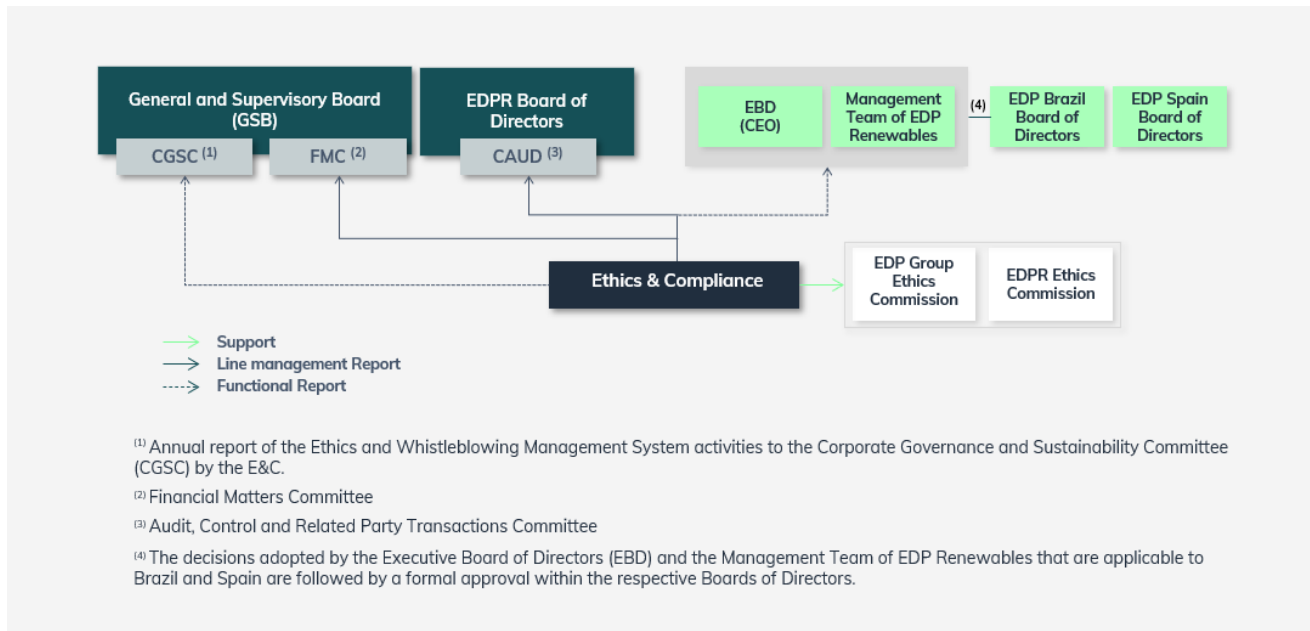


Figure 2 – Reporting organization chart

7.3 Characterization of Ethics & Compliance

7.3.1 Mission and accountabilities of Ethics & Compliance

The Ethics & Compliance Mission and Accountabilities are as follows:

Mission: Define group wide ethics and compliance vision and strategy, identifying, analyzing and evaluating compliance risks, defining and implementing control mechanisms for identified risks and providing advice to business proactively and systematically.

Accountabilities:

- Leads the implementation of EDP Group Ethics and Compliance Programs;
- Coordinates the process of identifying and reviewing specific ethics & compliance processes to be developed;
- Coordinates the process of analysis and periodic assessment of specific Compliance risks;
- Leads the handling of complaints and investigation procedures received through Speak up channel;
- Works with the Ethics Commission;
- Monitors, treats and proposes measures to resolve non-compliance cases and monitor their resolution;
- Provides objective advice to the organization in matters of Ethics and Compliance;
- Plans, monitors improvement actions and reports on the degree of development of the EDP Group's Compliance Programs;
- Monitors external Compliance and Internal Controls audits in the group;

- Monitors the implementation of corrective and improvement actions resulting from the audits;
- Proposes and manages the implementation of communication and global compliance awareness actions;
- Proposes and coordinates the implementation of training plans associated with the EDP Group Compliance Program;
- Supervises SCIRF Annual Cycle.

7.3.2 Principles of action of Ethics & Compliance

In addition to the provisions of the EDP Group's Code of Ethics, all employees carrying out Ethics & Compliance functions must act in accordance with the following principles:

- **Integrity** – they must act with integrity, ensuring compliance with all external and internal legislation and regulations;
- **Independence** – they must remain free from conflicts of interest or influence that could compromise their ability to act fairly and objectively;
- **Diligence and professional competence** – they must perform their functions diligently, striving to secure the skills and knowledge necessary to perform their activity;
- **Transparency** – they must ensure that the reports produced do not exclude any information that is relevant for the proper understanding of a given situation and for decision making;
- **Professional secrecy** – they must keep confidential all the information, data and reports they have access to during the course of their functions, without prejudice to the duty of transparency and information. The duty of professional secrecy of the members of Ethics & Compliance, the Ethics & Compliance Focal Points and the Ethics & Compliance Supporters will persist even after the termination of their functions;
- **Risk-based approach** – they should adopt an approach that reflects the size, nature and complexity of the business and associated risks;
- **Proactive Approach** – they should adopt a proactive approach to non-compliance risk management;
- **Cooperation** – they should try to act as a business partner, advisor and trainer;
- **Ongoing Improvement** – they must continually seek to improve the processes and methodologies they adopt, through promoting their periodic review;
- **Training** – they must seek to ensure continuous updating of their knowledge of the subjects and techniques necessary for carrying out their activity with quality;
- **Networking** – they must seek to establish and maintain a robust internal and external network of contacts and partnerships, in order to facilitate support and interaction with the different business areas, as well as share specific knowledge, trends and best practices in Ethics & Compliance, without prejudice of complying with the independence principle.

7.3.3 Ethics & Compliance requirements

The Ethics & Compliance function, when being carried out, must have:

- Sufficient and adequate economic, technical and human resources, as well as sufficient skills, knowledge and experience regarding the nature of business and the energy sector;
- Access and communication capacity with the EBD and/or the Management Team of EDPR, the GSB and the Financial Matters Committee (FMC/CAUD), as well as the Regions and Platforms, BEFs and Global Business Services (GBS) Decision Makers, and other relevant responsible managers;
- Unlimited access to the information and documentation necessary for undertaking its activities, without prejudice of complying with applicable legal rules; and
- The ability to call on internal or external advice when necessary.

7.4 Main functions in terms of Ethics and Compliance

7.4.1 GSB /Board of Directors of EDPR

- Approve the Code of Ethics
- Appoint EDP /EDPR's members of the Ethics Commissions

7.4.2 Executive Board of Directors/Management Team (EDPR)

- Establish a risk culture regarding Ethics and Compliance, as well as the tone at the top regarding the matters mentioned here;
- Approve Policies and Procedures issued by the Ethics & Compliance;
- Define and approve the EDP Group's Compliance management methodology and the respective Compliance Management System Standard, ensuring it is aligned with the Group's strategy;
- Approve and ensure the implementation of the Global Ethics and Compliance Program and the Specific Compliance Programs;
- Decide and approve the measures to be adopted in situations of significant non-compliance;
- Ensure a suitable allocation of financial, technical and human resources, as well as access to decision-making bodies and to all the necessary information within the scope of the Ethics & Compliance Function, with a view to the suitable carrying out of its responsibilities;
- Demonstrate the importance of effective compliance risk management and alignment of business processes with the requirements of the Compliance Management System;
- Raise awareness, direct, and support the organization to promote everyone's contribution to a solid Compliance Management System embedded within its business processes;
- Define Ethics & Compliance objectives within the performance evaluation of employees

7.4.3 Financial Matters Committee (FMC/CAUD)

- Oversee the risk culture established with regard to Compliance, as well as the tone at the top regarding the matters referred to in this Standard;
- Approve and ensure the supervision of the Ethics & Compliance Activity Plan;
- Consider and follow up on recommendations on actions to be taken in situations involving significant non-compliance;
- Supervise regulatory compliance and the alignment of business processes with the requirements of the Compliance Management System.

7.4.4 Corporate Governance and Sustainability Commission (CGSC)

- Monitor the activities of the Ethics Commissions of EDP Group, namely through annual reports drawn up by the ECO and previously submitted to the Ethics Commission, as well as to issue recommendations as it may consider appropriate to the established procedure.

7.4.5 Ethics Commissions

- Analyse the processes of infringement of the Code of Ethics instructed by the Ethics & Compliance Officer, and issue an opinion on them, as to the relevance of their classification as a breach of the Code of Ethics, as well as on the possible need to conduct a more in-depth investigation to fully clarify the implications and those involved;
- Ensure the continuous appropriateness of the Code of Ethics to the needs of the EDP Group and promote reviews, at least every two years, of that document;
- Propose reflections and possible advice on management measures in matters of business ethics to EBD / MT EDPR.

7.4.6 Ethics & Compliance Focal Points

Within their area of expertise and in coordination with Ethics & Compliance, Ethics & Compliance Focal Points (ECFP) have the following functions:

- Keep track, assisted by the Ethics & Compliance Supporters, of the legislation and regulations regarding the activities they are responsible for;
- Assist in the implementation and development of the Global Ethics and Compliance Program and the respective Specific Compliance Programs;
- Assist in the design and implementation of control activities and the verification of their operational effectiveness;
- Promote the dissemination, knowledge, training, and implementation of the Global Ethics and Compliance Program and Specific Compliance Programs;
- Respond to queries or doubts about the Global Ethics and Compliance Program and Specific Compliance Programs;
- Monitor the degree of development of the Global Ethics and Compliance Program and Specific Compliance Programs;

- Inform Ethics & Compliance in a timely manner of any compliance incidents;
- Promote the drawing up of specific performance standards that may be established and developed in specific areas of activity related to Specific Compliance Programs, which, in any event, must be aligned with the Ethics & Compliance Standard and the Global Ethics and Compliance Program;

7.4.7 Ethics & Compliance Supporters

Within their area of expertise and in coordination with Ethics & Compliance and, where applicable, with the Ethics & Compliance Focal Points, the Ethics & Compliance Supporters have the following functions:

- Keep track of the legislation and regulations related or applicable to Ethics and Compliance
- Coordinate, as directed by Ethics & Compliance or by the Ethics & Compliance Focal Points, the implementation of Compliance Programs and assist in the design and implementation of control activities and in the verification of their operational effectiveness.

7.4.8 Regions, Platforms, BEFs and GBS

a. Decision Makers

- Comply with internal Ethics and Compliance policies and procedures;
- Identify actual compliance risks, the control activities that mitigate them and those responsible for their execution, particularly through identifying the applicability of certain Specific Compliance Programs to their scope of action;
- Communicate possible changes in compliance risks to Ethics & Compliance, Ethics & Compliance Focal Points, and to the respective Boards of Directors/Management Team;
- Ensure that the Specific Compliance Programs applicable to their scope of operations are aligned with the Global Ethics & Compliance Program;
- Propose to the Promoter of the respective Specific Compliance Program additional/alternative risk reduction/mitigation measures to reduce their respective impact and/or probability of occurrence;
- Ensure the reporting/provision of information to the Promoters of the Specific Compliance Programs applicable in the respective area of operation, regarding the respective development, within the scope of their responsibilities;
- Inform the Promoter of each Specific Compliance Program applicable within their scope of action regarding the effectiveness of the control activities undertaken;
- Detecting non-compliances and reporting them to the respective Promoters of the Specific Compliance Programs, or alternatively, through the channels specifically provided for this purpose;
- Ask compliance-related questions and encourage their employees to ask them as well;
- Participate in relevant training activities;
- Develop awareness and provide guidance to employees on Ethics and Compliance obligations and promote training with sufficient frequency to ensure that knowledge is updated;

- Supervise the activity of employees in order to ensure that they comply with the legislation / regulations applicable to their scope of activity and that control activities are carried out effectively;
- Ensure the enforcement of the applicable mechanisms of employee accountability, under the terms of the law, in situations of non-compliance, particularly relating to disciplinary action.

b. Employees

- Comply with the internal Ethics and Compliance policies and procedures;
- Keep up to date on legislation and regulations under their management responsibility;
- Identify possible changes in Compliance risks and communicate these to the respective line management;
- Ensure compliance with relevant legislation/regulations within their scope of activity and carry out control activities in accordance with the respective Specific Compliance Programs;
- Prove/provide evidence of the effectiveness of the control activities carried out;
- Propose additional/alternative risk reduction/mitigation measures to the respective line management to reduce their respective impact and/or probability of occurrence;
- Cooperate with the respective line management and with the Promoters of the Specific Compliance Programs in the development and updating of specific procedures associated with such Programs;
- Ask questions related to Ethics and Compliance;
- Participate in training and use the resources available at the EDP University and/or facilitated by Ethics & Compliance, so as to perform their functions diligently and in accordance with the specified methodology;
- Report concerns, questions, and cases of non-compliance to any Ethics & Compliance individual or through the appropriate channels provided for this purpose.

7.5 Methodology

The Compliance Management System is based on a Global Ethics and Compliance Program and various Specific Compliance Programs.

The Global Ethics and Compliance Program is carried out at the corporate level and covers all activities, Platforms and Regions, defining the organization and operating model of Ethics and Compliance and identifying the specific regulatory areas that are most relevant, for which the development of a Specific Compliance Program is planned.

Regarding Specific Compliance Programs, these are associated with certain topics identified within the scope of the Global Ethics and Compliance Program, which may differ over time and location, depending on the risk analyses periodically carried out.

Within this context, there are two categories of Specific Compliance Programs:

- Specific transversal Compliance Programs: programs that, by their nature, cut across the entire EDP Group or several Platforms and /or Regions.
- Specific Compliance Programs: programs with a more restricted scope and which, due to their specific nature, may only be applicable to one Platform or Region.

7.5.1 Components of the Compliance Management System

The EDP Group has adopted a model to structure its Compliance Management System, applicable to the General Ethics and Compliance Program and to the Specific Compliance Programs which form part of it, based on components, namely:



Figure 3 – Compliance Management System components

1. **Risk identification and assessment:** adoption of a methodology for identifying, assessing, and controlling compliance risks.
2. **Governance Model:** definition of a governance model based on a clear structure of compliance roles and responsibilities.
3. **Control mechanisms:** Standards, policies and procedures (documented formalization of the elements that make up the Compliance Management System, including Compliance control mechanisms) and Third party due diligence (internal procedure that aim to screen third parties with which EDP Group entities have a relationship, and to promote that they also comply with EDP's Compliance policies, standards and procedures as applicable to them, according to the respective context).
4. **Training and communication:** development of training and communication plans addressing different compliance issues for a specific target audience.
5. **Whistleblowing channels and incident management:** the management of complaints, incidents and other related issues is ensured through the appropriate channels and respective mitigations actions are adopted.

6. **Monitoring and Auditing:** the Compliance Management System and its effectiveness are continuously monitored, at different levels, either by Ethics & Compliance itself or based on analyses carried out by other functions (particularly internal and/or external auditing).
7. **Implementing improvement opportunities:** implementation through the conclusions reached in the monitoring carried out, the periodic review of Compliance processes and methodologies, as well as through the recommendations issued by internal and/or external audit.
8. **Continuous improvement/ Risk reassessment:** the Compliance Management System is constantly being improved through the update of policies, procedures and processes, as well as implementation of initiatives to ensure greater efficiency and digitalization.

By adopting these eight components, it is possible to ensure:

- Prevention, which is achieved through:
 - the implementation of a solid governance model;
 - adoption of mechanisms to identify and manage compliance risks;
 - adoption of internal compliance policies, standards and procedures;
 - provision of training and communication of compliance regulations and mechanisms.
- Detection, through:
 - mechanisms for monitoring, follow-up and supervision of the Compliance Programs;
 - established communication channels, as well as the definition and implementation of investigation procedures;
 - Compliance audits and the corresponding definition of action plans.
- Response to non-compliance situations, which is ensured through:
 - follow-up of the defined action plans;
 - application of corrective measures, within a perspective of continuous improvement.

7.5.2 Components of the Global Ethics and *Compliance* Management System

7.5.2.1 *Compliance* Risk Management

The EDP Group's Compliance risk management methodology is based on the following pillars:

- i. **Identification and systematization of legal and regulatory requirements**, both external and internal;
- ii. **Risk identification, analysis, and assessment;**
- iii. **Characterization of existing Compliance practices and analysis of their maturity;**
- iv. **Characterization of potential development**, according to maturity, risk, and the specific requirements of regulations.

The identification and evaluation of compliance risks is carried out periodically or whenever there are material changes in circumstances in the legal and regulatory context or within the organizational context, undertaken through the coordination of Ethics & Compliance, and whenever justified, in coordination with relevant business and support areas.

7.5.2.1.1 Identification and systematization of legal and regulatory requirements

The risk management process begins with identifying the main legal and regulatory requirements applicable to the activities undertaken by the EDP Group, as well as other relevant compliance risks. These requirements are then aggregated into normative blocks.

Note that in the event of a legislative or regulatory change impacting a specific Compliance Program or Compliance Management System, a reassessment will be made of the various implementation phases and of the possible degree of maturity of the Specific Compliance Program in question or of the Compliance Management System, when applicable.

7.5.2.1.2 Risk Identification, analysis and assessment

The identification, analysis, and assessment of risks is based on a qualitative assessment, carried out with those responsible in the relevant areas, through applying probability and impact criteria.

- a. **Probability criteria** – the frequency with which non-compliance associated with the normative block under analysis occurs or may occur within the organization is assessed (time interval between instances of non-compliance).
- b. **Impact criteria** – potential economic, operational and reputational impacts are assessed.
 - **Economic impact:** effect of regulatory non-compliance risk in monetary terms, with this mainly being related to potential monetary penalties.
 - **Operational impact:** effect of regulatory non-compliance risk on the continuity of operations. This may affect specific processes or even the maintenance of certain businesses.
 - **Reputational impact:** effect of regulatory non-compliance risk on the company's image and reputation among its stakeholders.

The Compliance Management System presupposes the regular review of risks that are aggregated into normative blocks in order to ensure that the risk management process considers all risks that directly impact the Compliance Management System.

In the event of a relevant legislative and/or regulatory change, a reassessment of the risk is undertaken in order to identify if it is already part of a Specific Compliance Program or if there is a need to create a new one. This analysis will identify the action plan to be considered with regard to the identified change.

7.5.2.1.3 Characterization of existing Compliance practices and analysis of their maturity

At this stage, as a result of the analysis of the nine components of the model, the Compliance practices for each of the normative groups are classified into three maturity levels, namely:

- Fragmented
- Top-Down
- Intelligent

This assessment is carried by Ethics & Compliance with the support of the Ethics & *Compliance* Focal Points and the Ethics & Compliance Supporters, when applicable.

The existing practices include, among others, the identification of existing controls both at the “Entity level” (policies and procedures) and at the level of operational processes.

Depending on the level of maturity of the compliance practices (current or to be developed), the risk level of the regulatory groups, and any regulatory requirements, Ethics & Compliance or Ethics & Compliance Focal Points can assume the roles of Promoter, Provider or Monitor (either in the initial development and implementation phase of Specific Compliance Programs, or in their subsequent maintenance).

Regardless of the role assumed, Ethics & Compliance must be informed of the relevant aspects concerning each Specific Compliance Program, including, namely:

- The identification of key interlocutors in the management of Compliance obligations;
- The introduction of important regulatory changes; and
- Possible lawsuits, contingencies, audit results, whistleblowing situations and/or non-compliances identified.

7.5.2.1.4 Characterization of potential development

Finally, considering the existing management maturity level and the assessed risk level, the necessary Compliance mechanisms are defined, namely, the additional risk mitigation and control measures required in order to ensure the levels of maturity and residual risk deemed appropriate.

In this phase, action plans are defined that include actions to manage the risks and opportunities for improvement identified, in an integrated manner with the Compliance Management System already in place, as well as mechanisms for assessing the effectiveness of these actions.

7.5.2.2 Standards, Policies and Procedures

Considering the risk evaluation carried out, standards, policies, procedures and control mechanisms are developed, defining the fundamental principles regarding Compliance management and detailing and implementing them, becoming key elements for the dissemination of a culture of *Compliance* at EDP Group level.

On one hand, standards, policies, and procedures of a general nature are established at the level of the Global Ethics & Compliance Program to provide a framework for key activities regarding the operationalization and dissemination of compliance practices at the Group level.

Additionally, specific standards, policies, procedures and mechanisms are also defined for each relevant regulatory block, within the scope of the respective Specific Compliance Programs.

7.5.2.3 Training and Communication

EDP must ensure Ethics and Compliance training for all its employees and third parties acting on its behalf, when applicable, from the beginning of their functions and with a suitable regularity, in order to ensure that they know and understand EDP’s commitments, principles and rules of action, as well as their role, the standards and procedures implemented and the implications of non-compliant

behavior in relation to the requirements defined within the scope of the EDP Group's Compliance Management System.

The training provided should be:

- a) appropriate to the functions of each employee and the compliance risks to which they are exposed;
- b) assessed as to its effectiveness;
- c) reviewed and replanned on a regular basis to ensure alignment with changes in the Compliance Management System and that employee knowledge is kept up to date.

Ethics & Compliance training and communication plan forms part of its global Activity Plan, which is approved by the EBD.

After the approval of the Activity Plan, the communication plan is sent to the Communication Department for incorporation within the Group's communication plan.

Likewise, training activities associated with Ethics & Compliance (and included in E&C Activity Plan) are included in the EDP Group's Annual Training Plan carried out by the EDP University and approved by the EBD.

7.5.2.4 Whistleblowing Channels

EDP provides whistleblowing channels (Speak-Up channel) for contacting and reporting / whistleblowing (identified in Annex I). All its employees must report any type of behavior that, in good faith, they consider violates the requirements of the Compliance Management System, both under the Global Ethics & Compliance Program and the Specific Compliance Programs, as well as applicable laws, regulations, policies, standards and internal procedures.

The reporting of non-compliance situations should be made through the channels mentioned above, so that they are properly handled, avoiding the exposure of employees and third parties to situations that may cause any inconvenience associated with direct action concerning the issues, or inaction regarding their responsibilities.

EDP adopts investigation procedures under which Ethics & Compliance must (i) ensure the analysis and, when justified, the investigation of all situations of non-compliance or misalignment with the requirements of the Compliance Management System of which it becomes aware, which are communicated to it and about which any reasonable indication of suspicion of non-compliance is raised and (ii) promote the development of appropriate corrective actions. As such, all areas that receive complaints within the scope of the Compliance Management System must inform Ethics & Compliance of their occurrence.

EDP ensures the protection, non-discrimination and non-retaliation of whistleblowers, whether they are employees or third parties, who report inappropriate practices or situations of legal non-compliance or non-compliance with policies and procedures in force. Any acts of reprimand or retaliation against those who make such communications or complaints in good faith and in a reasoned manner will not be tolerated.

Likewise, EDP will not tolerate any actions involving a reprimand, retaliation, discrimination or disciplinary action against anyone who refuses to engage in a particular activity because he or she reasonably believes that it represents a risk of illicit practices, non-compliance with the law and/or

associated policies, standards and procedures. Any such behavior must be reported through the available reporting channels and will be subject to disciplinary action under the law and in accordance with EDP's internal policies.

Without prejudice to the final decision on the process under investigation, in situations of manifest urgency and seriousness, appropriate measures must be adopted to protect the interests of EDP and/or the Interested Party in the face of the irregularities detected, and the area responsible for the analysis must immediately notify the EBD, or in case of a conflict of interest with it, the GSB directly or via the corresponding delegated Commission.

The corrective measures may take the form of: i) Changes to processes and control methods or policies; ii) Corrections or adjustments to documentation; iii) Increased awareness or training on specific issues; iv) Termination of contractual relations; v) Initiation of disciplinary proceedings, with possible or loss of membership of a corporate body, where applicable; vi) Notification of the competent authorities, including the institutions, bodies, offices or agencies of the European Union, for the investigation of the offence, when provided for by the applicable regulations, ensuring the preservation of the rights and guarantees of the parties involved; vii) Initiation of legal proceedings, filing of a criminal complaint or a measure of a similar nature.

If any type of non-compliance is identified in a particular Specific Compliance Program, the specific consequences of non-compliance related to it need to be considered.

7.5.2.5 Monitoring

To ensure that the Group's compliance objectives are met, and the compliance management system is monitored at different levels.

The 1st line of defense must ensure documentation and effective carrying out of the controls applicable in the Compliance Programs impacting their respective activities, as well as the corresponding self-certification mechanisms, when applicable.

In accordance with the responsibilities defined in the Governance Model, Ethics & Compliance the Ethics & Compliance Focal Points and the Ethics & Compliance Supporters (2nd line of defense), when applicable, ensure the monitoring of the development of the Global Ethics & Compliance Program, through the corresponding Specific Compliance Programs, of any legislative changes and applicable requirements and, according to the risk assessment carried out, of the operation of the respective controls and any incidences, as well as the consequent applicable action plans and other identified opportunities for improvement.

In the event that incidences are observed at the level of a Specific Compliance Program, immediate communication must be made with the Promoter of the program in question.

From a more global perspective, indicators are also adopted to support the assessment of compliance objectives and the performance of the Compliance Management System.

Finally, the Internal Audit (3rd line of defense) checks the suitability of the design and effectiveness of controls and their degree of implementation.

Furthermore, reviews or audits may also be undertaken, either for specific components of the Compliance System, or within a more wide-ranging perspective, carried out externally, using independent external entities qualified for this purpose.

7.5.2.5.1 Internal Audit

Within the scope of the 3rd line of defense, with the aim of identifying possible anomalies or opportunities for improvement, both regarding compliance with internal standards and the requirements of the ISO 37301 Standard, ISO 37001 Standard and UNE 19601 Standard, EDP defines an annual internal audit plan on the Compliance Management System.

a) Dimensions of the Annual Internal Audit

The annual internal audit plan for the Compliance Management System includes the following aspects:

- i. Review of the System's alignment with the requirements of the ISO 37301, ISO 37001 and UNE 19601 Standard

An annual review of the System should be carried out regarding its alignment with the requirements of the ISO 37301, ISO 37001 and UNE 19601 Standard, including the evaluation of the different criteria provided for in the Standard.

- ii. Auditing/testing of the Compliance Management System controls

As part of the audit of the controls of the Compliance Management System, the global controls (policies, procedures, internal standards, etc.) that have a transversal reach to different Specific Compliance Programs and/or that define the guidelines / associated rules of a specific Compliance Program, as well as the specific controls included in the different matrixes, contributing to the mitigation of different compliance risks, are tested and evaluated on a rolling basis over a three-year period.

The tests of the global controls must include, on one hand, an analysis of the relevant documentation in order to verify their validity and, on the other hand, the analysis of their adequate communication / dissemination and training (when applicable).

- iii. Specific audits/tests within the scope of the different Specific Compliance Programs

The annual audits carried out within the scope of the different Specific Compliance Programs and the respective results must also be considered in the monitoring of the Compliance Management System, with emphasis on the annual audits of the Integrity Specific Compliance Program, the Internal Control System for Integrated Reporting (ICSIR), the Environmental Management System and the Health and Safety Management System.

- iv. Specific internal audits

Specific internal audits are also carried out annually on certain components of the Compliance Management System (e.g. application of specific procedures associated with different Specific Compliance Programs) and/or on certain areas of the organization, based on an analysis of the most relevant risk factors or other information arising from the operation of the System (e.g. communications of irregularities received, consultations with the compliance area, concerns expressed by management, results of previous audits, etc.).

- a) Requirements for the selection of the auditor

The audits carried out must be conducted by independent, objective and impartial auditors, who must comply with the requirements of experience and adequate technical and behavioral competences, whether they are internal auditors or external specialists hired for this purpose, namely:

- Integrity;
- Independence, impartiality and absence of conflicts of interest (the auditor cannot have been involved in the design and/or implementation of any aspect/mechanism that is the object of the audit to be carried out);
- Objectivity;
- Due Diligence;
- Confidentiality;
- Relevant academic training;
- Experience (minimum of 2 years) in auditing techniques and review of management and control models/systems;
- Knowledge of the ISO 37301, ISO 37001 and UNE 19601 Standards and other standards or best practices in terms of compliance management;
- Knowledge of risk management and control benchmarks;
- Understanding of the EDP group's business and activities.

b) Auditor's responsibilities

The auditor is responsible for the various stages of each audit work, from the planning of the specific work to be carried out, to the definition of the respective work program, its execution, and to the preparation of the final report. In each audit, an opening meeting is held in order to align the audit objectives and the respective work program, as well as interviews with the audited areas, and objective evidence of the audited process is collected, in order to allow the audit records to be tracked in the future, if necessary. Detailed evidence of the tests carried out and the respective occurrences analyzed are also maintained.

c) Audit results

The audit results are previously discussed with the audited areas, and the audit report, with the non-conformities, improvement recommendations and observations pointed out by the auditor, is forwarded to Ethics & Compliance for final review, disclosure and planning of necessary actions (if applicable). The results of the audits are reported, by Ethics & Compliance, to the EBD/MT EDPR, to the GSB/BoD EDPR and the Financial Matters Committee (FMC/CAUD).

When applicable, the results of the audits are monitored in the record of non-conformities and opportunities for improvement of the Compliance Management System, identifying the respective corrective actions and its implementation status. This record is integrated in the annual management review process of the Compliance Management System.

7.5.2.6 Third-Party Compliance

Being aware that the outsourcing of certain activities or processes does not exempt it from complying with applicable legal and regulatory obligations, EDP ensures the identification and characterization of contractual relationships with third parties that participate in business processes that may affect the Group's Compliance environment, assessing their risk and defining controls and risk mitigation measures, which include:

- The obligation that third parties adhere to EDP's policies, standards and procedures;
- Through the implementation, by EDP, of a third-party Integrity Due Diligence process prior to a given transaction / contracting;
- In the adoption of contractual clauses or other equivalent Compliance mechanisms, of a general and cross-cutting nature, ensuring the responsibility of third parties for compliance with legal and regulatory obligations and with the applicable policies, standards and procedures of EDP; and
- In defining service levels / penalties associated with compliance matters.

Finally, the monitoring of these third parties must be assured during the execution of the respective contract, particularly at the level of the effective implementation and operationalization of the established Compliance mechanisms, when applicable.

7.5.2.7 Reporting

EDP adopts a reporting model based on a principle of transparency and communication of valid and reliable information on the operation and effectiveness of the elements of the Global Ethics & Compliance Program and of the Specific Compliance Programs, which aims to ensure that:

- ✓ Bottom-up: Information reaches the appropriate levels for timely decision making.
- ✓ Top-down: managers rely on the information received to make key decisions of a more operational nature or from an ongoing improvement perspective.

The reporting lines and duties are defined in the Governance Model of the Global Ethics and Compliance Program, without prejudice to any specific aspects foreseen in the respective Specific Compliance Programs.

When applicable, external reporting initiatives on compliance matters (generalized public reporting, reporting to external supervisory / regulatory bodies, etc.) may also be considered, either by legal imposition, when information disclosure requirements are foreseen, or at the initiative of EDP.

The reporting of Compliance information must occur not only periodically, but also whenever there are especially relevant situations, within the shortest possible time.

7.5.2.8 Continuous Improvement

The Compliance Management System is based on a logic of continuous improvement that is reflected particularly in the:

- Review of the analysis of EDP 's main Compliance obligations (legal requirements and applicable standards);
- Adaptation to new Compliance requirements;
- Updating / periodic review of all elements of the Compliance Management System, the Global Ethics and Compliance Program and the Specific Compliance Programs;
- System feedback based on the results of the Global Ethics and Compliance Program and Specific Compliance Programs follow-up, any incidences registered, the action plans defined, and other opportunities for improvement.

The continuous improvement of the system must be aligned with both the strategic and operational objectives of EDP, in order to enhance the operations to be undertaken.

The planning of continuous improvement actions should take into account, among other things:

- The purpose of the changes to be made and their possible consequences;
- The design and operational effectiveness (maturity) of the existing Compliance Management System;
- The availability of resources;
- The assignment or reallocation of roles and responsibilities.

7.5.2.9 Documentation and Record keeping

Accurate and up-to-date records must be kept, providing evidence of the conformity of the Compliance Management System itself, namely:

- of the objectives and structure of the Compliance Management System;
- the assignment of roles and responsibilities;
- of the main Compliance obligations;
- of the risk assessments carried out;
- of the internal regulations and Compliance mechanisms developed,
- of the training and awareness initiatives carried out, assessment and participation rates;
- of the monitoring actions carried out;
- of the recorded incidences;
- of the action plans, opportunities for improvement identified, and the respective follow-up;
- of the various reports undertaken.

For each of the Specific Compliance Programs, support documentation associated with the different components of the Compliance Management System is produced. The management of this documentation is carried out based on security standards, as reflected in the Group's Information Security Policy.

8. FINAL PROVISIONS

Ethics & Compliance is responsible for reviewing this Standard every two years or whenever there are material changes, namely in the legal and regulatory area or in the activities carried out by the EDP Group, and for submitting the proposed changes to the EBD/MT and to the FMC/CAUD for approval.

The Standard is available on the EDP Group's Intranet page.

ANNEX I – Contacts**1.- Speak Up Channel (Complaints / Denounce of irregularities Channel)**

EDP PT: <https://www.edp.com/pt-pt/sobre-nos/speak-up>

EDP Renovaveis: <https://www.edpr.com/pt-pt/speak-up>

EDP Brasil: <https://www.edp.com.br/canal-de-etica/>

E-REDES: <https://www.e-redes.pt/pt-pt/sobre-nos/etica/speak-e-redes>

SU ELECTRICIDADE: <https://sueletricidade.pt/pt-pt/page/2791/damos-voz>

2.- Data Protection Officer's contact Channel :

EDP Portugal.:

dpo.pt@edp.com

dpo@e-redes.pt

dpo@sueletricidade.pt

EDP Spain:

dpd@edpenergia.es

dpd@edpredesdistribucion.es

dpo.viesgo@viesgo.es

dpd.begasa@begasa.es

EDP Brasil:

encarregadodedados@edpbr.com.br

EDPR:

dataprotection@edpr.com

3.- Ethics & Compliance

E-mail address: compliance@edp.pt

ANNEX II – Most Significant Compliance risk normative Groups

The normative groups identified as priorities for action by the Ethics & Compliance Global Unit with a view to developing the respective Specific Compliance Programs were as follows:

Relevant Cross-cutting Standard Groups	Scope	Role of Compliance
1. Integrity/ Anticorruption/ Criminal Liability Legal Entities	EDP Group*	Promoter
2. Prevention of Money Laundering and Combating terrorism financing	EDP Group*	Promoter
3. Competition	Iberia and European Union	Provider
4. Unbundling of activities	Iberia	Promoter
5. Personal Data Protection	EDP Group	Promoter
6. Environment	EDP Group	Monitor
7. Health and Safety	EDP Group	Monitor
8. Tax	EDP Group	Provider

* In the countries where it is applicable

The following normative groups identified as most significant will tend to have a local management model (geographical area, business, or company), with a view to developing the respective Specific Compliance Programs:

Local normative groups	Scope	Role of Compliance
1. Critical infrastructures (Distribution)	Iberia	Monitor
2. Social support (Retail)	Portugal	Provider
3. Measuring and Availability of Data (Distribution)	Portugal	Provider
4. Change of supplier (Network operator)	Portugal	Provider
5. Technical Quality of Service (Distribution)	Portugal	Provider
6. Commercial Quality of Service (Distribution)	Portugal	Provider
7. Economic Regulation (Distribution)	Portugal	Provider