



edp

Ethics Ombudsperson Report 2022

We Choose Earth



Our Purpose

Our energy

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

and heart

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

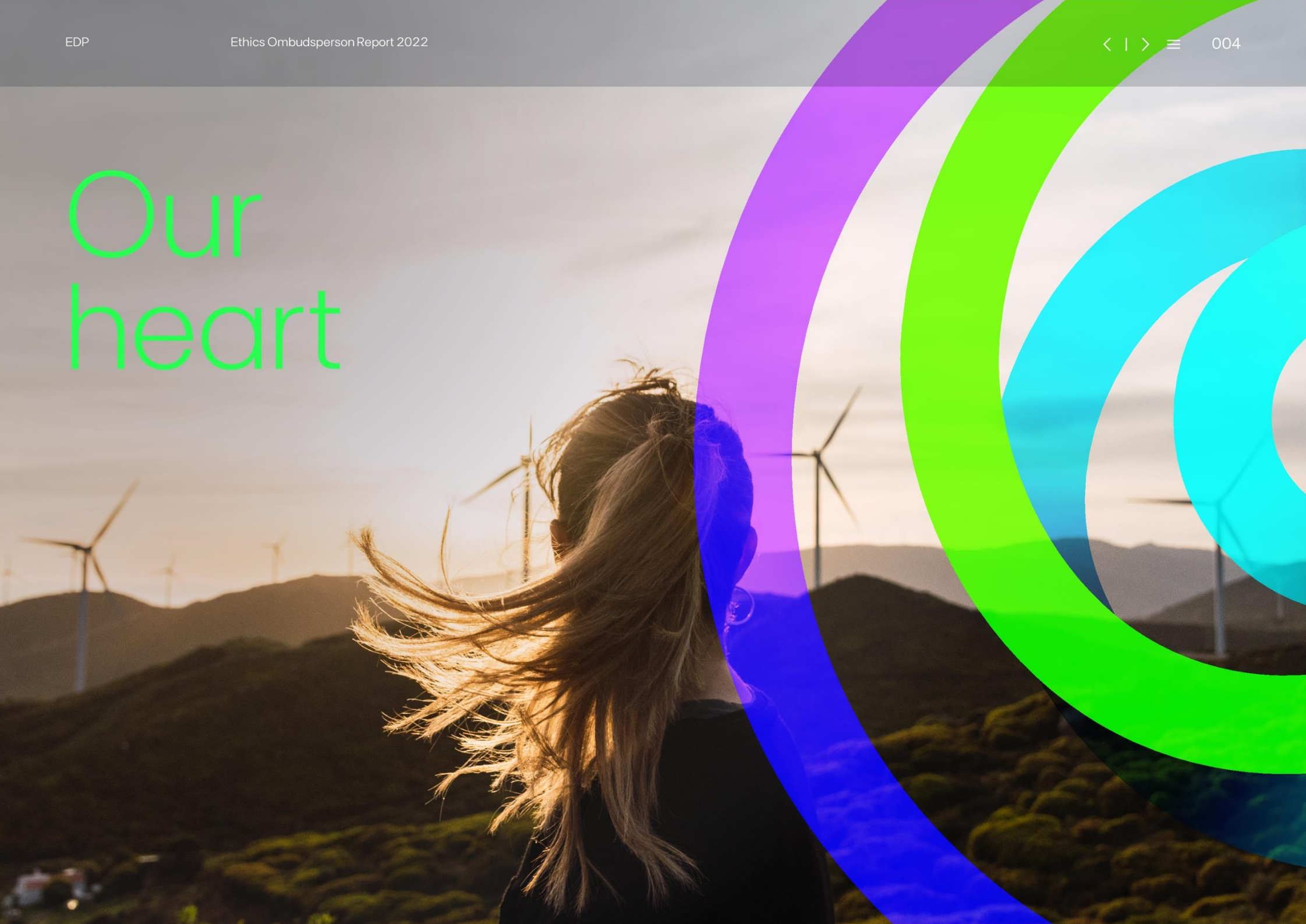
drive a better

Reflects our ambition and leadership in making change happen

tomorrow

The reason why we work every day

Our heart



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01. Opening note

2022, a year of a steady and confident journey into the future



Manuela Silva EDP Group's Ethics Ombudsperson

EDP pressed ahead in 2022 with the path it had been following for some time in consolidating its corporate ethics policy: it defined its forecast management instruments for 2022–2024 – the multi-annual Ethics Programme, the annual Plan, the Training & Communication Plan – it perfected processes, procedures and systems, in particular by ensuring in Portugal the implementation of the Law 93, of December 2021, on the protection of whistleblowers; and it guaranteed the full exercise of its governance model in all its geographical areas, in particular by holding all its Ethics Commission meetings as planned

However, the year was also, and in a special way, a year for honouring its commitment to evolve from an ethics "of infrastructure", in which it already stands out from most of its peers, to an ethics "of substance", which means a steadfast search to make its employees experience this subject on a daily basis in a more expressive way, by thinking and acting in order to "do right for the right reasons".

This transformation, which is naturally still under construction but which is a firm desire, is being achieved, along with other actions, through training sessions for an important group of the Company's managers, namely middle managers – those who on a daily basis interact very closely with teams and partners in the conduct of business – raising reflection and challenge on the behaviour that EDP's Code of Ethics sets out as a benchmark for us to abide by.

Also contributing to this change were the efforts made to ensure that all stakeholders, and employees in particular, can rely on an organisation, policies and procedures that allow them to signal their concerns about alleged violations of the Code of Ethics, the Integrity Policy or related documents, in a transparent and secure way, without any fear of retaliation and with the assurance that the resulting follow-up to their reports will take place. The strengthening of the framework for this activity is evident in this year's review and update of the Code of Ethics, with particular emphasis being placed on the *Speak up* and *Non-Retaliation* Policies.

And, since Ethics is not a "curtain" for EDP but rather a commitment to "doing well", it was with enormous pride that the company saw its recognition by Ethisphere, for the 11th consecutive year, as one of the "World's Most Ethical Companies", alongside a hundred other large international companies.

In the challenging global context we face, cultivating ethical fortitude – as the capacity that enables people to maintain their moral convictions and ethical values – is decisive in reinforcing a society's moral compass.

This is what we have tried to do, even in the most difficult of times, by providing our contribution over many years based on a clear purpose, each year renewed through new activities and commitment, with the aim of always performing better.

Highlights of 2022

Jan

- Building the 2022/2024 Ethics Program

Feb

- Launch of the Ethics & Compliance Cartoon – “Do what's right!”

Mar

- Ethisphere's “World's Most Ethical Companies” Recognition, 11th Consecutive Year

Jun

- Launching of the new whistleblowing management model (aligned with the Group)

May

- Conducting the training program for middle managers/ Approaching Ethics/ EDP PT and EDP R

Oct

- Celebration of World Ethics Day

Nov

- Review of the Code of Ethics

Dec

- Implementation of the “Lead Now” Ethics Module, EDP PT

02. The governance of ethics and policies of *speak up* and non-retaliation

Progress in “we give everyone a voice”

The Ethics governance model at EDP has long been based on the pillars of Corporate Governance and Sustainability Committee (CGSC) of the General and Supervisory Board (GSB), Ethics Ombudsperson, Ethics Commissions and Executive Boards of EDP SA and the Group's Business Units.

The Corporate Governance and Sustainability Committee is a specialized committee of the GSB for the issues of corporate governance, in which Ethics, as well as sustainability, are included. With regards to Ethics, this committee submits the Group's Ethics Policy to the CGS, ensures its compliance and regularly monitors the management of global complaints. The Ethics Ombudsperson is, in turn, the body that supports the various institutional bodies mentioned above, and is responsible – along with the Group's Compliance Directors for legal and integrity issues – for the whistleblowing management process. The designated Ethics Committees – of EDP SA, EDP Renewables and EDP Brasil – are the forums where, mostly, the complaints submitted are analysed and deliberated upon after due investigation. These Committees also monitor the implementation of the annual Ethics Plans in each geography. Finally, the Executive Boards of Directors of EDP SA, EDP Renewables and EDP Brasil are responsible for applying the global Ethics Policy through processes and procedures on specific topics, and also for enforcing the recommendations issued by the respective Ethics Committees with regard to the complaints they analyse.

These pillars of the ethics governance model at EDP are supported by the Ethics Office and the Ethics and Compliance areas of the companies mentioned, and in particular the corporate Compliance & Internal Controls department (C&IC).

All these institutional and support elements of Ethics governance operate within the framework of the Group's Ethics Policy and rely, among others, on a relevant tool that is the whistleblowing management process. Indeed, an essential part of this Policy is that it defines speak up and “non-retaliation” as determining factors of a strong ethical culture: whoever is a target or witness of behaviours that violate the Code of Ethics, has the obligation to report

them; and, with the key assumption that such reports are made in good faith, complainants cannot, under any circumstances, suffer any retaliation.

The whistleblowing management process allows any EDP stakeholder – employees, customers, partners, or others – to submit complaints to the Corporate Centre or to companies, through secure channels now called “Speak up”, regarding alleged violations of the ethical principles set out in EDP's Code of Ethics.

Such claims are subject to prior analysis by the Ethics Ombudsperson – in the fields of compliance and integrity, and as mentioned above, by the respective areas of responsibility at EDP SA and EDP Renewables (at EDP Brasil the process is identical, but not exactly the same) – and, if their potential ethical nature is determined, they are then investigated and submitted to the Ethics Committee. Upon analysis and consideration, the Ethics Committees decide whether or not the cases at hand are meritorious, and issue, if applicable, recommendations for action in the business units involved in the claims. Complainants are informed of the Committees' deliberations and, as previously stated, the Executive Boards of Directors receive recommendations when remedial action is to be taken.

The Ethics Committees and the CGSC regularly review the global evolution of the complaints management process, consider possible across-the-board measures to be suggested as well as benchmarking on similar practices in other companies outside the Group.

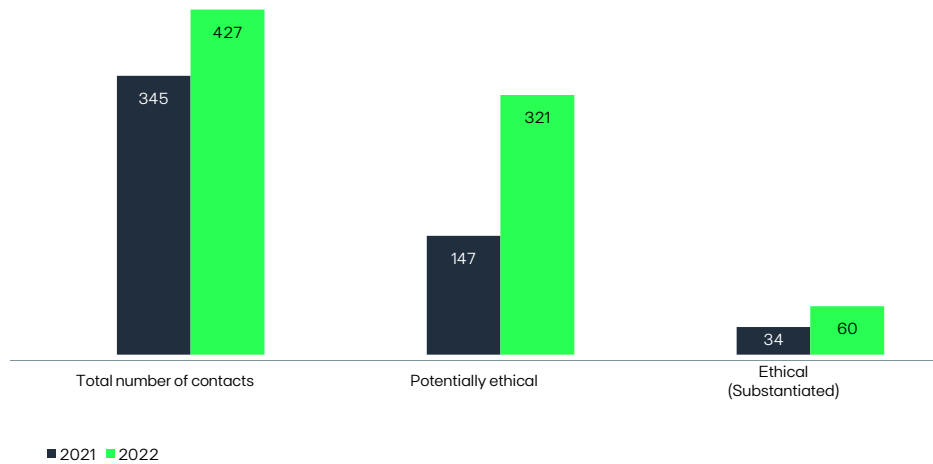
In 2022, EDP SA revised and updated its whistleblowing management process, implemented several years ago, in the context of the compliance with Law 93/2021 of 20 December, which is the result of the transposition of a European Directive on this matter, known as the “Whistleblowing Law”. By means of this legislative compliance, EDP companies in Portugal employing over 50 people now have, in addition to the corporate Speak Up channel, a dedicated Speak Up channel staffed by a local manager. Specificities for businesses regulated in Portugal were also catered for at this stage. Moreover, and taking advantage of the synergies arising from all the revision work on this matter, namely the internal technological platform that has been improved in the meantime, the entire complaints management procedure was also replicated at EDP Renewables during the 2nd half of 2022, anticipating the implementation of the European Directive in the countries where this will be mandatory in the short term.

The following charts allow us to characterise the evolution of complaints within the Group in 2022, and also to draw some conclusions

Main numbers and conclusions

EDP Group Registered Contacts

In 2022 a higher number of contacts across the Group and through the dedicated channels were recorded: +24% than in 2021, a total of 427

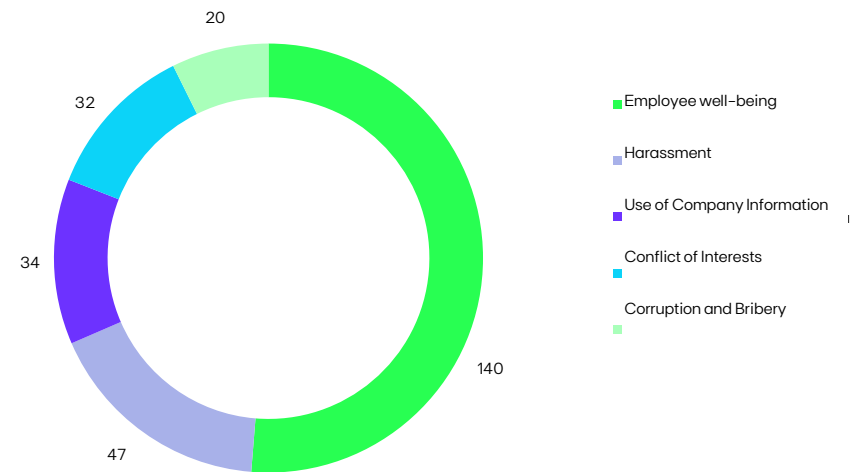


Of the registered contacts, 76% were potentially ethical at the outset, but only 19% were deemed, after investigation, to be of an ethical nature. This substantiation rate is much lower than the benchmarking.

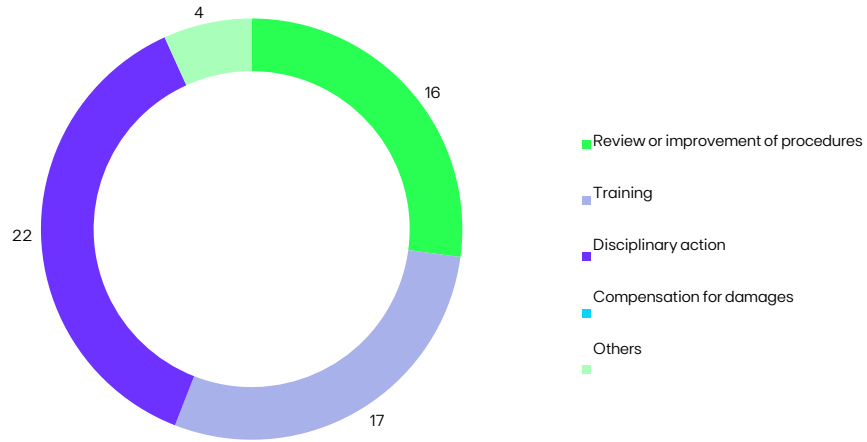
Complaints brought before the Ethics Committees, by topic – 2 years (#)



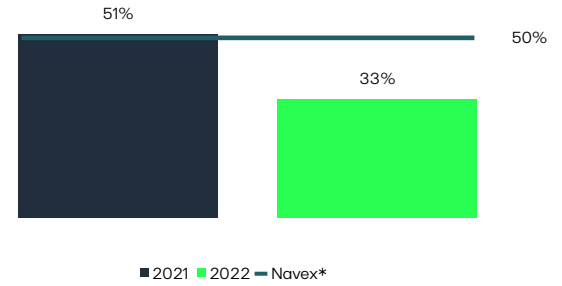
Topics of the Code of Ethics brought to the Ethics Committees (top 5)



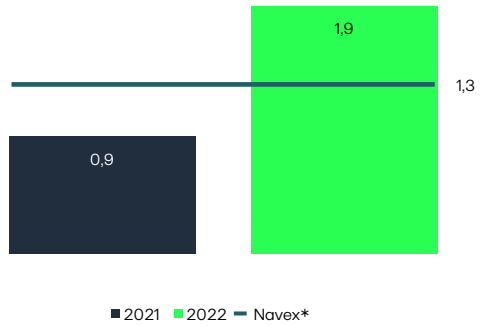
Actions determined by the Ethics Committees (#)



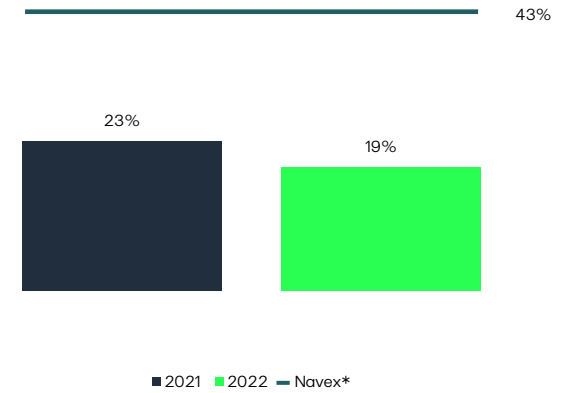
% Of anonymous contacts



Contacts/ 100 employees



Substantiation rate



*Navex, 2022 Hotline & Incident Management, Benchmark Report

SUBSTANTIATED CONTACTS BY CATEGORY (#)

Employee well being	29
Harassment	8
Conflict of Interest	6
Use of assets	5
Use of Company Information	4
Relationship with Suppliers	2
Corruption and Bribery	2
Human Rights	1
Relationship with Customers	1
Privacy and Personal Data Protection	1
Others	1

From the results presented we conclude:

- There was a significant growth of 24% in "registered contacts" in 2022, compared to the previous year, having the preliminary assessment of "potentially ethical" contacts also grown by over 100%. However, after deliberations by the Ethics Committees, only 19% of these contacts were considered to be of an "ethical nature". This "source" rate is slightly lower than that recorded in 2021 and well below the benchmarking figures obtained (43%).
- The main topics of the contacts that were considered "Founded" are: Employee Well-being, Harassment and Conflict of Interest.
- The main sources of contacts are "Employee" (48%) and "Anonymous" (33%). Given the substantial increase in the total number of contacts received in 2022 (24% more compared to 2021) the growth of contacts with these sources naturally accompanied this increase, being, however, much more expressive in the "Employee" case (350%), although also significant in the "Anonymous" source (43%). The percentage of "Anonymous" in the overall potentially ethical contacts has decreased compared to 2021 (from 51% to 33%) and is also well under the *benchmarking* (50%).

03. Training and communication in ethics

An essential key to help change behaviours

Developing employees and increasing their engagement with the corporate ethics policy is at the heart of our strategy to "make ethics real" thus changing behaviour in line with our ethical commitments. Therefore, in 2022 we continued to carry out across-the-board development sessions for all employees in the various geographic areas and specific development sessions aimed specifically at managers.

As part of transversal development we continued to focus on sharing knowledge through *eLearnings*, addressing the Code of Ethics – sessions "Let's live our Code of Ethics" and "Ethics in me, in society, at EDP" – the need to speak openly and if necessary report – session "Speaking is building" – and the fight against harassment in all its aspects – session "Say no to harassment".

Specific development was focused on carrying out programmes to develop the ethical knowledge of leaders, using differentiated approaches and segments. The ethical development of all employees is essential to cultivating an ethical culture in the company, but leaders have a special duty to promote and disseminate appropriate behaviour. In fact, it is leaders who, through their example, frame, guide and inspire their teams. Through awareness of the company's corporate ethics policy, EDP's values and its Purpose, leaders promote behavioural standards that allow their teams to learn by example which behaviour is the most ethically appropriate.

Leaders, especially middle managers, are also a privileged link to employees. That is why, in 2022, the largest investments in ethical development at EDP were earmarked for them. Indeed, in partnership with AESE Business School, and as part of an Ethics Chair that EDP has held with this School of Managers for more than a decade, a face-to-face training programme was designed that calls for reflection on the role of Ethics in our lives as human beings, but also as members of the business community in which we work. This programme, called "Approaching Ethics", has already involved about two hundred leaders to whom the challenge of "thinking" and calling on EDP's Code of Ethics has been carried out, in our opinion with great success. The discussion of real cases is part of the programme's methodology and allows each session to recall the guidelines of the company's Code of Ethics in the various

potentially ethical issues most commonly faced. At the end, managers receive a "Support Guide" which will assist them in their future management of these issues with their teams.

In addition to this programme, a series of actions were also carried out, equally directed at the middle managers of some business units, but focusing on a practical perspective of debating cases that reflect concrete situations experienced in them, using a model of *peer group dilemmas*, streamlined by a trainer of the unit in question and with the support of the *Ethics Office*.

Regarding new leaders, the *Ethics Office* also developed, with AESE, Business School, the session "*Ethics Matters*" – integrated in the program *Lead Now*. For senior managers, a session on Ethics was also held in the leadership program conducted by EDP University, the *Leading Through Others*.

In addition to the aforementioned initiatives, actions adapted to their realities were also promoted in some of the countries where EDP is present. EDP Renewables, within the scope of the local Ethics & Compliance visits it conducted, addressed in face-to-face sessions the ethical principles that should guide employees' behaviour, as well as the EDP Renewables Code of Ethics and its importance. These sessions were held at EDP Renewables' offices in Italy, Greece, France, Romania, Brazil, Colombia and Hungary.

At EDP Brasil, and celebrating National Ethics Day, an online event was held with philosopher Lúcia Helena Galvão, where the presence (or lack) of ethics in our daily lives was discussed.

The promotion of a culture of ethics and integrity was also pursued through the monthly publication of the Ethics & Compliance Cartoon called "Do the right thing!", in which each story dealt with topics of the Code of Ethics in a simple and entertaining way. This initiative was launched in February 2022 and ended in December of the same year, encompassing all EDP Group companies.

In 2022 we also maintained our concern about spreading EDP's ethical culture among the main service providers with the initiative "Talking about ethics with partners", which covers a significant number of the employees of those companies.

Finally, a note to highlight the celebration at EDP SA, on October 19, 2022, of World Ethics Day, in which we held – in addition to a digital campaign launched in all geographies with the disclosure of data on Ethics at EDP – a global conference on "The ethical culture in business – the importance of Psychological Safety", with keynote speaker Brooke Deterline.

4839

global hours of training;

25

Participants in peer group dilemmas sessions in business units (EDP Portugal);

75%

overall eLearning completion rate in the Group;

359

participants EDP Renewables Ethics & Compliance sessions (Italy, Greece, France, Romania, Brazil, Colombia and Hungary);

170

approaching Ethics participants (EDP in Portugal and EDP Renewables);

+ 25,000

Views Ethics & Compliance Cartoon "Do the right thing!".



What our employees say about the Approaching Ethics sessions:

Approaching Ethics EDP Portugal

"It makes us reflect on why we should be ethical. It is so important that we recall its necessity from time to time."

"It allows a moment of focus and reflection on the essential theme of Ethics that should guide us all by encouraging discussion of topics and examples"

"The possibility to speak and debate what Ethics is, such a rare occasion, but so relevant in the professional and even personal context; the dynamics of the presentations and the invitation to audience participation."

Approaching Ethics EDPR

"I think that both the duration and the focus of the training were very appropriate. At first sight the subject could seem "dense" but the training has been very interesting and easy to follow, awakening my interest in the subject".

"As I explained it was very interesting and enjoyable, given that it is a subject that can be complex to explain."

"It is always important to be reminded of all the measures EDP has in place to ensure that we continue to behave ethically in our workplaces. The philosophical part of ethics, extremely interesting. (...) Enlivening the course with case studies helps to sustain attention and further learning".

04. A network of committed interlocutors

Stronger together

EDP is increasingly a global company. Therefore, our concern with across-the-board dissemination of the EDP culture and its practices in the field of Ethics is essential. And together we can certainly do more and better!

Here we share the perspectives of *Ethics Office* stakeholders in all countries on the subject of Ethics. The work we have done together has been very strong, we have brought the perspectives of Ethics and Compliance closer together in a logic of indispensable complementarity, and our aspirations for the future are a commitment by all.

We asked those responsible in each geography what they think about the current ethical climate and what challenges EDP faces in this area. And these are their testimonies:

1. The strengthening of an ethical culture has been a commitment undertaken by the EDP Group. Ethical principles are constantly evolving, in the sense that they must accompany and anticipate market trends and best practices, as well as the activity developed by the Group. In 2022, continuity was given to this effort, and the Code of Ethics was revised, precisely to reflect these developments. The revision now carried out reinforces the idea that the code is a "living" document that follows and anticipates trends and best practices in business ethics. In 2022, we also reinforced the message of the importance of giving a voice to our stakeholders, and restructured the reporting channels to simplify and improve accessibility. This is a path we have been following and in 2022, for the first time in the EDP Group, anonymity ceased to be the main source of whistleblowing, thus demonstrating that our stakeholders, in particular employees – the main source of whistleblowing in the year now ended –, show confidence in the whistleblowing management process implemented and in the non-retaliation policy adopted by the Group.
2. The ethical culture, having a set of basic principles, should be proactive and anticipate potential new risks. As such, the year 2023, for which it is planned to continue the EDP Group's growth, both organic and through acquisitions, in various geographies, with different cultures, brings added challenges in the implementation of a single ethical culture in the EDP Group, which manages to make the ethical identity of the Group

compatible with respect for the different cultural characteristics in the various geographies and the different corporate cultures of the acquired companies.

Rita Sousa

Compliance & Internal Control, EDP

1. Ethics is something intrinsic to the culture of the EDP Group and EDPR. All our employees are expected to follow the principles upheld in the Group's Code of Ethics, and our people are expected to live up to these principles. Not out of requirement. But because we believe that this is the only way to do business and meet the company's objectives. The year 2022 was marked by a significant strengthening of EDP's culture and ethical instruments. The creation of the Speak Up channel and the strengthening of a culture in which everyone feels free and encouraged to speak out and express their doubts and opinions are part of the construction of a modern, dynamic and responsible company in which everyone can identify and wants to work.
2. The way we work, the way we interact in the company, with our teams and between different areas is changing. What we don't know yet is how much and where to. EDP is growing to new geographies, new cultures, new horizons. It is important to understand these changes to ensure that business ethics are well managed and that everyone feels equal in an increasingly diverse and multicultural company.

João Paulo Mateus

Compliance Officer, EDP Renováveis

1. In 2022, EDP Brasil took an important step towards highlighting the value of taking decisions permeated by Ethics. The current Ethics Committee at EDP Brasil was set up in 2021, comprising only external members with regard to senior management. I believe that a great challenge of the Commission in 2022 has been achieved: that of consolidating itself as a gravitational centre for reflections on ethical themes and as an instance of reference for the investigation of denunciations that enter the EDP Brasil Ethics Channel.
2. I believe that organizations evolve in the measure in which they exercise their culture day by day, and I believe that in 2023, in the midst of an energy transition and worries more and more acutely focused on an ESG agenda, the culture of exercising Ethics necessarily involves an implicit posture – a way of acting – that we may call Business

Ethics. In other words – and being very practical, we have to ask ourselves whether we are making decisions following ethical principles.

Fabio William Loreti

Compliance & Internal Control, Corporate Advisory, EDP Brasil

1. The year 2022 was marked by the consolidation of the new governance model of the Ethics Commission, which brought greater independence and robustness in the management of incoming contacts of an ethical nature. This movement translated into an increase in the trust of the employees and other stakeholders in the use of the EDP Brasil Ethics Channel to report their concerns and allegations of noncompliance with the Code of Ethics.

It also stands out, as a relevant fact for the ethical building, the reflections that took place within the scope of the Ethics Commission and the revision of the EDP Group's code of ethics, which demonstrates the company's legitimate interest in having a "contemporary" and "live" code of ethics.

2. In 2023, EDP Brasil's main challenges will be the involvement of leaderships in the maintenance and strengthening of the ethical culture in an environment of constant changes, as well as the awareness of the use of the Ethics Channel as a continuous improvement tool within the organization.

Marcos Campos

Internal Audit, EDP Brasil

05. Ethical perspectives in a new world

Cultivating ethical fortitude is a priority

The last few years have been marked by highly complex events with strong effects on a global scale, forcing us, citizens of the world, to learn to live very differently from what we were used to, particularly in the so-called developed part of the planet. One of these events, the covid 19 pandemic, had devastating consequences, with a huge and unexpected loss of human lives, and evidence of the fragility of health issues, raising its maintenance with quality and the indispensable prevention, to a place of top priority. A war in Europe broke out as a result of an unexpected and unreasonable invasion of an independent country with clear borders, threatening the value that peace had represented for many of us for decades. This was followed, as might be expected, by great geopolitical instability and marked volatility in the economy.

Given this context, companies have had to face, are and will continue to face, major organisational changes that force them to reinvent themselves and where the defence and promotion of the ethical culture becomes more important than ever.

From a business standpoint, the ability to withstand with flexibility such large impacts of the environment, along with the necessity of being quick to react and to return to the focus of efficiency, have become imperative actions to ensure sustainability.

What about the people, at the centre of all this turmoil, how can we support them whilst keeping them involved with the company in these complex and demanding times? The companies that are getting it right – please note that in Edelman's Trust Barometer 2023, companies are the most trusted by people, unlike governments and other societal institutions – are managing hybrid working with balance; they are looking to invest in actions that ensure good mental health for their employees; are preparing new policies for attracting and retaining employees, bearing in mind the need to secure new skills profiles but also the well-being of people as a whole; are attentive and act effectively regarding diversity, equity and the inclusion of their employees.

In these new times, the profile and role of leaders is of great importance. In fact, to ensure a decisive conduct of business in the referred context, together with the construction and

retention of competent and happy teams, requires self-aware and inspiring leaders. This is why companies must also give them their utmost attention, helping them to fulfil their invaluable role as creators and defenders of their organisations' ethical culture.

Another area of activity that deserves special care in terms of Ethics is technology, in particular that related to Artificial Intelligence. We know that new technologies can be important facilitators of development and therefore their use is unavoidable and should be incorporated in the companies' strategies. But, on the other hand, the information that is becoming known about the potential danger of the use, namely, of Artificial Intelligence solutions, imposes a very cautious approach to the subject. The recent letter drawn up within the "Future of Life Institute", signed by some of the major players in the current state of these technologies, calls for a six-month pause in the creation of the most advanced forms of Artificial Intelligence in order to ponder their effects and how to control them. Also some of the scientists in this area of knowledge who have contributed the most to developments to date have left the companies where they developed such solutions, in order to be able to analyse and speak freely about their potential harm. We are, therefore, facing a situation that requires, particularly in companies, a proactive posture in identifying the potential ethical risks of the use of these new technologies – in issues such as the defence of privacy, the fight against bias and misinformation, the responsible management of the application of Generative Artificial Intelligence, among others – which should be followed by the preparation of action programmes for the prevention and fight against such risks. And once again, it must be up to leaders to ensure the responsible use of these new technologies so that people and businesses remain safe.

At EDP, which is committed to the ambition of leading the energy transition and ensuring demanding carbon neutrality targets for 2023-2026, the major goal of contributing to a positive climate world for future generations is firmly established. This path is framed by an ethical environment that we also hope to strengthen, continuing to promote full respect for the Code of Ethics "Our Energy", and now paying extra attention to the challenges of the context mentioned above, particularly in terms of people management and the responsible use of new technologies.

We are aware of the challenges that lie ahead and the difficulties they entail, but we are confident in the strength of our ethical framework, which we will continue to pursue tirelessly.

06. Acknowledgements to whom we are indebted for the support received

Each year, the ties that unite us at the Ethics Office are strengthened with all the teams with whom we interact and with whom we travel the path of building a strong ethical culture at EDP: managers at various levels and local interlocutors in the Group's various companies and members of the Corporate Centre. It is through all of them that our work is carried forward and that it makes sense, and for this we would like to thank them all.

Also essential is the guidance and trust that we receive from our corporate bodies – the General Supervisory Board (GSB), particularly in the person of its Chairman João Talone, and the Corporate Governance and Sustainability Committee of the GSB, and the Executive Board of Directors, especially its Chairman Miguel Stilwell d' Andrade – who challenge us to always go further: we owe sincere thanks to all its members and chairmen. Just as we owe thanks to the chairmen and members of the Ethics Commissions of EDP SA, EDP Renováveis and EDP Brasil, with whom throughout the year we assessed our performance and received inspiration for the qualified execution of our action plans.

The work in the area of Ethics – Ethics Ombudsperson and Ethics Office – relies decisively on all the company's stakeholders – employees, customers, partners, shareholders and all others – on the hope and security that they place in its advice for compliance, unfailingly, with the principles and ethical commitments set out in the Code of Ethics and all related Policies. Hence, thanking all those who approach us in this area is also indispensable.

Please allow me a final word of gratitude towards my team at the Ethics Office, without whom the results that I humbly believe to be positive would not have been possible: Paulo Martins Ferreira, Teresa Garcia and Rita Baptista. And also, although as external entities, but very close to EDP, the Católica Porto Business School and the AESE Business School, through the people who have represented them over the years in fruitful partnerships.

Our sincere thanks to everyone!

Manuela Silva

Ethics Ombudsperson
Head of Ethics Office EDP

