



# Anti-Corruption Policy of EDP RENOVÁVEIS

June 2019

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## 1. Introduction

### 1.1 Purpose

One of the key factors of EDPR reputation is its ability to conduct business with the highest ethical standards of business integrity, honesty, transparency, loyalty and in compliance with the laws, regulations, and international standards and guidelines, both domestic and foreign that apply to its business.

Our adherence to quality business standards is supported by our Code of Ethics. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption. In accordance with the mentioned commitment, this anti-corruption Policy has been adopted for the purpose of providing basic standards and a framework for the prevention and detection of bribery and corruption in EDPR's operations and promoting the EDPR's full compliance with all applicable anti-bribery and anti-corruption laws.

### 1.2 Application

This Anti-Corruption Policy was adopted by the Board of Directors of EDPR on the 19 December 2014 and amended on 2 May 2017, its adoption and enforcement is mandatory for EDPR and its subsidiaries. A revised version of the Anti-Corruption Policy was approved by EDPR Executive Committee on July, 15 2019.

This Anti-Corruption Policy covers all activities conducted by EDPR worldwide and applies to the Company, the Company Personnel and the Transaction Partners acting in name and on behalf of the Company in any jurisdiction.

Compliance with this Policy and with the Applicable Laws is mandatory. The Company will not authorize, participate in, or tolerate any business practice that does not comply with this Policy and with the Applicable Laws.

The Board of Directors has overall responsibility for ensuring this Policy complies with EDPR's legal and ethical obligations, and that all those under EDPR's control comply with it.

The Compliance Officer of EDPR with the support of EDPR Compliance Department and Local Legal Counsels in every country have primary day-to-day responsibility for implementing this Policy, and for monitoring its use and effectiveness. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy and are given adequate and regular training on it.

### 1.3 Definitions and key words

- **Anything of Value** shall be interpreted broadly to cover anything that could benefit the recipient. It comprises payments of money in any amount and in any form, including cash, gift cards, discount cards, commissions, rebates, loans at favorable terms, use of houses, cars or other property without economic consideration, offers of employment, or other compensations, as well as donations, in-kind services, gifts, meals and entertainment, travels, contractual rights, other business advantages, favors, and anything else of economic value.
- **Applicable Laws** refers to international anti-bribery and corruption laws and conventions, including Foreign Corrupt Practices Act and UK Bribery Act among others and any other anti-

bribery and corruption laws and regulations of all other countries where the Company may conduct business directly or indirectly.

- **CEO** refers to the Chief Executive Officer of EDP Renováveis, S.A.
- **Company or EDPR** refer to EDP Renováveis, S.A. and all its subsidiaries worldwide.
- **Company Personnel** includes all directors, officers and employees of EDPR.
- **External Parties** refers to any individual or entity including:
  1. Governments, government departments, government agencies, government instrumentalities, public institutions, sovereign funds, or any entity that is wholly or partially state-owned or state-invested, and any officer or employee of such entities;
  2. Public international organizations and any officer or employee of such entities;
  3. Any other individual who performs public service;
  4. Political Parties, political parties' officials, or candidates for office;
  5. All customers, suppliers or agents of the Company, and any director, officer or employee of such entities; or
  6. An agent or other individual acting on behalf of any of the individuals or entities covered by points 1 to 5.
- **Facilitating Payment** means taking a small payment of cash or Anything of value made to a Government Official to perform or expedite routine, non-discretionary government actions to which the Company is already entitled, and/or which is not required by law.

Examples of actions in which a Facilitating Payment may arise:

- Processing governmental paperwork (for example, issuing visas or licenses)
- Loading or unloading cargo
- Picking up or delivering mail
- Releasing goods held in customs
- Obtaining utility services such as water or power supply.
- **Foreign Corrupt Practices Act or FCPA** refers to the Foreign Corrupt Practices Act of 1977 (which has been amended from time to time), is a United States federal law, known primarily for two of its main provisions, one that addresses accounting transparency requirements under the Securities Exchange Act of 1934, and another concerning bribery of foreign officials.
- **Transaction Partners** includes any third party acting in any capacity in name and on behalf of the Company who may interact from time to time with External Parties (i.e. agents, consultants, customs clearance agents).
- **UK Bribery Act or UKBA** refers to the UK Bribery Act 2010, is an Act of the Parliament of the United Kingdom that covers criminal law relating to bribery.
- **OECD Anti-Bribery Convention** officially known by Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, it is a convention of the OECD aimed at reducing corruption in developing countries by encouraging sanctions against bribery in international business transaction carried out by companies based in the Convention member countries.

- **Officers** the officers of EDPR are the Chief Executive Officer, Chief Operating Officer Offshore and Development Officer, Chief Operating Officer for Europe and Brazil, Chief Operating Officer for North America and Compliance Officer.
- **Reporting Officer:** The Officer to whom the person that request the approval reports directly or indirectly.
- **Safety Payment** means payment of cash or Anything of value made to a Government Official to avoid imminent danger or physical harm or the unwarranted confiscation of personal property in situations.

Examples:

- *Being stopped by the police, military, or paramilitary personnel who demand payment in order for you or your personal property to pass through.*
  - *Being threatened with imprisonment for a routine traffic violation unless a payment is made.*
  - *Being asked by someone claiming to be security personnel, immigration control, or health inspectors to pay for (or avoid) an allegedly required inoculation or similar procedure.*
- **United Nations Convention against Corruption or UNCAC** refer to a multilateral convention negotiated by members of the United Nations. It is the first global legally binding international anti-corruption instrument, and it requires that States Parties implement several anti-corruption measures which may affect their laws, institutions and practices.

## 2. The anti-corruption and anti-bribery laws

### 2.1 Applicable Laws

Almost all countries have laws prohibiting corruption of their public officials, and many countries have laws criminalizing corruption of foreign officials. Besides, many countries have laws prohibiting commercial bribery among private parties.

As a multinational organization doing business worldwide, EDPR and Company Personnel are subject to different laws, regulations and international anti-corruption treaties, prohibiting corruption of public officials and private parties, such as:

- United States Foreign Corrupt Practices Act (FCPA)
- UK Bribery Act issued in the United Kingdom;
- United Nations Convention against Corruption.
- OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions;

In general terms, the main international anti-corruption laws state the following prohibition principles:

- Bribery of public officials: a) The promise, offering or giving to a public national official, foreign public official or an official of a public international organization, directly or indirectly, an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties, in order to obtain or retain business or other undue advantage; (b) The solicitation or acceptance by a public national official, foreign public official or an official of a public international organization, directly or indirectly, an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties.
- Bribery in the private sector. Commit intentionally in the course of economic, financial or commercial activities: a) The promise, offering or giving, directly or indirectly, of an undue advantage to any person who directs or works, in any capacity, for a private sector entity, for the person himself or herself or for another person, in order that he or she, in breach of his or her duties, act or refrain from acting; b) The solicitation or acceptance, directly or indirectly, of an undue advantage by any person who directs or works, in any capacity, for a private sector entity, for the person himself or herself or for another person, in order that he or she, in breach of his or her duties, act or refrain from acting.
- Trading in influence: a) The promise, offering or giving to a public official or any other person, directly or indirectly, an undue advantage in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority, an undue advantage for the original instigator of the act or for any other person; b) The solicitation or acceptance by a public official or any other person, directly or indirectly, an undue advantage for himself or herself or for another person, in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of an undue advantage.



## **2.2 Relationship with other policies and local laws**

Anti-Corruption laws in some countries may impose specific requirements not found in this Policy. Similarly, EDPR may have established local policies in some countries that impose additional requirements.

Generally, if there is a difference between this Policy and local policies or regulations, the more restrictive standard applies. Notwithstanding, in case of conflict between this Policy and a local law or policy or in case of doubt about how to coordinate this Policy with any local law or policy, the Compliance Officer of EDPR must be consulted.

## **2.3 Consequences of non-compliance with this Policy and the Applicable Laws**

EDPR shall use every reasonable effort in order to prevent any conduct in violation of this Policy and/or the Applicable Laws, and to interrupt and sanction any contrary conduct by Company Personnel or Transaction Partners.

Failure to comply with this Policy and with the Applicable Laws can have severe consequences for the Company, the Company Personnel with supervision duty and the Company Personnel directly involved.

The consequences can result in significant monetary penalties against the Company and can subject Company Personnel to prosecution, criminal fines, and imprisonment. Furthermore, other legal consequences may arise from such violations including debarment from contracting with public entities, confiscation/disgorgement of money made or damages claims. Even more importantly, such events cause a material adverse effect on a company's reputation.

The Company will view any violation of this Policy or of the Applicable Laws as a significant matter subject to disciplinary action including termination of employment in the case of Company Personnel, and termination of the relationship and claims for damages in the case of a Transaction Partner or an External Party.

### 3. Transactions involving External Parties

#### 3.1 Scope

As mentioned, EDPR has adopted this Anti-Corruption Policy in order to establish a zero-tolerance standard to bribery and corruption.

In general terms, EDPR expressly prohibits the following behaviors:

- The Company, the Company Personnel, and the Transaction Partners shall not pay bribes and shall not, directly or indirectly, offer to give, promise to give, authorize to give, or give Anything of Value to any External Party (or to the spouse of, or to a relative, or to any other person having a close-relationship or a common interest with the External Party) or to any other person or entity when all or some portion of the thing of value would be offered to be given, promised to be given, or given to an External Party for the purpose of inducing the External Party to use his or her influence or authority to secure an improper advantage, such as obtaining or retaining business, or for the purpose of rewarding the External Party for the use of his or her influence or authority to have secured an improper advantage.
- The Company, the Company Personnel and the Transaction Partners (or the spouse of, or a relative of, or any other person having a close-relationship or a common interest with the Company, the Company Personnel or the Transaction Partners) shall not, directly or indirectly, solicit, agree to accept, or accept Anything of Value from any External Party for the purpose of inducing the Company, the Company Personnel, or the Transaction Partners to use their influence or authority to secure an improper advantage, such as obtaining or retaining business, or for the purpose of rewarding the Company, the Company Personnel or the Transaction Partners for the use of their influence or authority to have secured an improper advantage.

#### 3.2 Key issues in providing Anything of Value to External Parties

##### 3.2.1 Common criteria

Genuine business gifts and hospitality or other legitimate business expenditure are an established and important part of building and maintaining business relationships, but they can be used to hide bribery and corruption.

This Policy does not prohibit normal and appropriate gifts and hospitality or other legitimate business expenditure when conducting business for or on behalf of the Company provided that any expenditure involving External Parties addressed in this Policy meets **all** of the following criteria:

- The expenditure must be directly related to one of the following activities:
  - The promotion, demonstration, or explanation of the Company's products or services;
  - the execution or performance of a contract by the Company; or
  - any other bona fide business activity of the Company.
- The expenditure is not made with the intention of improperly or illegally:
  - Inducing to obtain or retain business or any other business advantage;
  - rewarding the provision or retention of business or of any other business advantage; or
  - exchanging (explicitly or implicitly) favors.



- The expenditure must not be related to an offering to External Parties involved in a tender or competitive bidding process where the Company is bidding.
- The expenditure must be related to an offering given openly and transparently (not in secret).
- The expenditure must be appropriate in the circumstances, taking account of the reason for the gift or hospitality, its timing and its value.
- The expenditure must not be related to an offering of cash or cash equivalent.
- The expenditure must be reasonable in amount (not lavish or excessive).
- The expenditure must be infrequent when combined with all other business courtesies offered by the Company to the same recipient (both infrequent in relation to the same individual and infrequent in relation to offerings addressed to several individuals of the same entity).
- The expenditure must be accurately recorded in the books, registers and logs of the Company as provided in this Policy.
- The expenditure is made with prior written approval as provided in this Policy.
- The expenditure must be permissible under the Applicable Laws.

Moreover, the Company is aware that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.

If any Company Personnel or Transaction Partner is unsure about whether a particular act constitutes bribery or corruption in a specific country, it should be raised to the Compliance Officer of EDPR who will count with the support of the Compliance Department and Local Legal Counsels.

### **3.2.2 Specified transactions**

#### **a. Gifts**

All gifts provided to an External Party must be reasonable, bona fide or directly related to the promotion, demonstration or explanation of the Company's facilities, plans, assets or services and must meet **all** of the following criteria.

- Under this Policy it is strictly prohibited:
  - Offering or giving gifts during periods when important decisions, regarding the award or retention of business or of a business advantage, are being made with an External Party;
  - offering or giving gifts of cash and cash equivalent; and
  - providing gifts for a spouse, relative, or guest of an External Party.
- Gifts must be of a reasonable amount, must be reasonable in frequency, must be appropriate according to the reasons for the gift and its timing.
- Giving or offering gifts above the thresholds contained in the Annex I to this Policy must be approved in advance by the Reporting Officer (informing the Compliance Officer), in compliance with this Policy and the Applicable Laws. Should total value of the gift exceed the "high value" as defined in Annex I a secondary approval should be obtained by the CEO.

- Providing gifts to an External Party must be permitted under local laws and regulations and rules of the recipient's organization. Moreover, gifts must be in line with the local customs of the country where provided and must be consistent with generally accepted standards for professional courtesies.

Gifts must be offered in an open and transparent manner and accurately recorded in the Company's books and records and a gifts log must be kept registering all gifts offered to External Parties.

#### **b. Meals and entertainment**

All meals and entertainment provided to an External Party must be reasonable, bona fide or directly related to the promotion, demonstration or explanation of the Company's facilities, plans, assets or services and must meet **all** of the following criteria:

- Meals and/or entertainment must be of a reasonable amount and must be reasonable in frequency.
- Providing meals above the thresholds contained in the Annex I to this Policy must be approved in advance by the Reporting Officer (informing the Compliance Officer), in compliance with this Policy and the Applicable Laws. Should total value of the meals exceed the "high value" as defined in Annex I a secondary approval should be obtained by the CEO.
- Providing meals and/or entertainment must be permitted under local laws and regulations and rules of the recipient's organization. Moreover, meals and/or entertainment must be in line with the local customs of the country where provided and must be consistent with generally accepted standards for professional courtesies.
- Offering or paying for meals and entertainment expenses of a spouse, relative or guest of an External Party is not permitted.

Meals and entertainment must be offered in an open and transparent manner and accurately recorded in the Company's books and records and a meals and entertainment log must be kept registering all meals and entertainment offered to External Parties.

#### **c. Travels and lodging**

All travel and lodging provided to an External Party must be reasonable and directly related to the promotion, demonstration or explanation of the Company's facilities, plans, assets or services and must meet **all** of the following criteria:

- No travel or lodging may be provided for an External Party without prior written approval from the Area Director and/or the Officer (depending on whose direct area of responsibility its) according to the criterion established in the EDPR Global Travel Policy.
- Travel and lodging must be of a reasonable amount, must be reasonable in frequency, and must be appropriate. In determining whether amounts for travel, lodging or local transportation are reasonable, the following criteria must be met:
  - Travel and lodging equivalent to that reserved by Company Personnel attending the same event will generally be considered reasonable.
  - Overnight layovers must be avoided.

- The location and duration of the event must determine the destination airport and the maximum length of stay.

Additionally:

- No payment must be made directly to any invitees; the Company should directly purchase travel or lodging, utilizing EDPR's corporate travel agencies as established EDPR Global Travel Policy. If it is not possible and if reimbursement for expenses is necessary, the payment must be done to the recipient's employer. No reimbursement will be paid without the presentation of appropriate receipts.
- "Per diem" expenses shall not be offered under any circumstances.
- Offering or paying for any travel, lodging, local transportation, meals, entertainment, or any other expenses of an External Party of any side trip is strictly prohibited.
- Offering or paying for travel and lodging expenses of a spouse, relative, or guest of an External party is not permitted.

Travel and lodging must be offered in an open and transparent manner and accurately recorded in the Company's books and records and a travel and lodging log must be kept registering all travel, and lodging offered to External Parties.

#### **d. Facilitation payments and kickbacks**

"Facilitation payments", also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official).

"Kickbacks" are typically payments made in return for a business favor or advantage.

Making or accepting facilitation payments or kickbacks are strictly prohibited under this Policy.

Any activity that might lead to a facilitation payment or kickback being made or accepted by the Company or on the Company's behalf or that might suggest that such a payment will be made or accepted, must be avoided.

##### Exception for Safety Payments

The Company understands that in certain situations, you or others may be in danger or you or your personal property may be arbitrarily taken or damaged.

If you are able to consult with the Compliance Officer in advance of making a payment, contact the Compliance Officer ([complianceofficer@edpr.com](mailto:complianceofficer@edpr.com) or call to the compliance area. Otherwise, you may make a Safety Payment without prior approval.

As soon as reasonably possible, the Company requires that any Safety Payment be reported to your manager and to [complianceofficer@edpr.com](mailto:complianceofficer@edpr.com). In reporting the Safety Payment, the following information is required in a memorandum:

- Information about the parties involved
- The amount of the payment
- The circumstances giving rise to the payment
- A receipt if available
- Whether the payment was made in cash, check or credit

**e. Political contributions**

Political contributions are strictly prohibited under this Policy.

This policy recognizes the rights of the Company Personnel to make political contributions as individuals in their personal capacity. To be permitted, it has to be entirely clear that the Company Personnel do not represent the Company in doing so.

In addition, whenever permitted by law, EDPR will provide properly regulated mechanisms for employees' participation in political processes, which may include voluntary personal monetary contributions.

**f. Donations**

EDPR may give donations to support the development of local communities and disadvantage people where performs its activity. All the donations should be performed under the requirements detailed in EDPR's Social Investment Policy

The Company needs to be certain that donations to non-profit entities, local communities and people in need within disadvantaged groups will not be used to disguise illegal payments to government officials in violation of international and local anti-corruption or anti-bribery laws. In this regard, donations must meet the following criteria:

- Donations must be made only in favor of organizations not recently incorporated, well-known, reliable and with outstanding reputation or directly to people in need of a disadvantaged groups that have been awarded within programs directly manage by EDPR to improve live of these people in the local communities where develops its activity; and,
- it is not permitted to offer or make a donation without the prior written approval of the Reporting Officer(\*) when the donation is between 100 Euros and 1.000 Euros (informing the Compliance Officer); and if equal or above 1.000 Euros should be approved by the CEO. Approval indicated above is not necessary for donations already foreseen in the budget including the corresponding information with the adequate level of detail and are part of the catalog of Donations established the Social Investment Policy.

*(\*) optionally COO could delegate this signature, under his responsibility, to whom is considered more suitable to do so.*

Additionally, payments related to donations must meet all the following standards:

- Payments must not be made in cash or cash equivalent (payments must be performed by bank transfer); and
- payments must not be made to any individual or entity other than the non-profit entity in question or directly to people in need within those disadvantaged groups or local communities that have been awarded with the assistance or to a bank account outside of the country where the people in need or non-profit entity in question resides.

Moreover, the written agreement with the above non-profit entity or people in need must contain inter alia, the following specific wording:

- To prohibit the non-profit entity or people in need within those disadvantaged groups that have been awarded with the assistance from altering the nature or purpose for the use of the donation without written approval from the Company.

- To provide, at the request of the Company, supporting evidence of the use of the donation in compliance with the specific purpose.
- To comply with the Applicable Laws in relation to the receipt and use of the donation.

Donations must be offered in an open and transparent manner and accurately recorded in the Company's books and records, and donations log must be kept registering all charitable contributions offered to External Parties.

This policy as well recognizes the rights of the Company Personnel to make donations as individuals in their personal capacity. To be permitted, it has to be entirely clear that the Company Personnel do not represent the Company in doing so.

#### **g. Sponsorship activities**

EDPR performs sponsorships in both local communities and sector related events. Local communities' sponsorships should be made under the requirements established on the Social Investment Policy.

Sponsorship activities must be reasonable, bona fide or directly related to the promotion, demonstration or explanation of the Company's facilities, plans, assets or services.

Sponsorship activities must be compliant with the following standards:

- Partners under sponsorship agreements must be well-known, reliable and with outstanding reputation.
- Sponsorship activities must be made in accordance with the approved budget.
- Sponsorship activities out of the agreed budget must be authorized in advance by Executive Committee according to EDPR Delegation of Authority Policy. Those that were already foreseen in the budget including the corresponding information with the adequate level of detail, it will not need to be again submitted for approval;

Additionally, payment made directly to any of the above partners must meet all the following criteria:

- Payments must not be made in cash or cash equivalent (payments must be performed by bank transfer); and
- payments must not be made to any individual or entity other than the sponsored in question or to a bank account outside of the country where the sponsored in question resides or to the professional/educational organization.

Moreover, the written agreement with the above partners must contain inter alia, the following specific wording:

- To prohibit the partner under sponsorship agreement from altering the nature or purpose for the use of the fees without written approval of the Company.
- To provide, at the request of the Company, supporting evidence of the use of the fees in compliance with the specific purpose.
- To comply with the Applicable Laws in relation to the receipt and use of the fees.

Sponsorships must be offered in an open and transparent manner and accurately recorded in the Company's books and records, and a sponsorship log must be kept registering all sponsorships offered to External Parties.

### **3.3 Key issues in receiving Anything of Value from External Parties**

At times, Company Personnel or Transaction Partners may be offered Anything of Value from External Parties. In these cases, the following criteria must be met:

- Under this Policy it is strictly prohibited:
  - Accepting Anything of Value when the purpose of the offering is intending to induce or reward a specific decision being considered by the recipient.
  - Requesting Anything of Value from External Parties.
  - Accepting Anything of Value during periods when important decisions, regarding the award or retention of business or of a business advantage, are being made with the Company;
  - Accepting cash or cash equivalents from External Parties.
- Anything of Value provided from an External Party must be of a reasonable amount, must be reasonable in frequency, must be appropriate according to the reason of the offering and its timing.
- Accepting Anything of Value from External Parties must be permitted under local laws and must be in line with the local customs of the country where provided.
- Accepting gifts, travels, meals and/or entertainment reasonably believed to be valued above the thresholds contained in the Annex I of this Policy must be approved in advance by the Reporting Officer (informing the Compliance Officer), in compliance with this Policy and the Applicable Laws. Should total value of the gift and/or the meal/entertainment exceed the “high value” as defined in this Annex secondary approval should be obtained by the CEO.

A gifts, travel, meals and entertainment log must be kept registering all gifts, travels, meals and entertainment received above the thresholds included in Annex I from External parties.

### 3.4 Books, records, and documentation

The Company and all Company Personnel shall make and keep books, records, and accounts which contain reasonable detail and accurately reflect the transactions and dispositions of the Company's assets. At a minimum, all financial transactions must:

- Be authorized in accordance with the Company's expense authorization approval limits;
- be recorded in accordance with International Financial Reporting Standards and the Local Generally Accepted Accounting Principles; and
- be periodically reviewed to identify and correct any accounting discrepancies, errors, or omissions.

Secret, unrecorded, or knowingly inaccurate use or recording of accounts, funds, or assets of the Company with intent to defraud, or to violate this Policy and the Applicable Laws, is strictly prohibited.

Supporting documents for all financial transactions must be specific and detailed enough to properly support the true nature of the transactions. An invoice related to an expense, must be obtained and the nature of the expense must be clearly recorded.

In addition, all the following details shall always be provided in any expense report of the specified transaction types involving External Parties under this Policy:



- Business intent;
- name of participants along with their job titles and organization or company;
- cost (broken down as necessary for accounting and audit purposes);
- date(s) of purchase and date(s) of provision of the gift or meal or entertainment; and
- original invoice.

The Company must have appropriate internal controls in place related to financial information designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

### 3.5 Transaction Partners

To avoid corrupt payments being made or received by Transaction Partners in connection with the Company business, the Company must be diligent to ensure that it enters into business relationships with reputable and qualified Transaction Partners. Once these relationships are formed, Company Personnel should monitor the conduct of the Transaction Partners to ensure compliance with the principles reflected in this Policy and the Applicable Laws.

The following procedures outline the requirements for the Company's relationship with the Transaction Partners:

- **Background check:** Due diligence must be performed to ensure that prospective Transaction Partner is bona fide and a legitimate entity; is qualified to perform services for which it will be retained; and maintains business and ethical standards consistent with those of the Company. Diligence should be tailored to the risks associated with the situation. Diligence may include the following key items:
  - Every prospective Transaction Partner should fill out a questionnaire regarding its structure, history and connection to government officials. A questionnaire to be used in the Due Diligence process is attached as Annex III and when required will conduct further in person meetings with principals of the prospective Transaction Partners.
  - The prospective Transaction Partner should provide references.

Should any "red flag" (See Annex II) or other issues arise, it is critical that further investigation is undertaken until it has been agreed with the Compliance Officer of EDPR that the red flags are no longer a concern, or that the proposed Transaction Partner is unsuitable.
- **Written contract:** Agreements with Transaction Partners must be in writing and must describe the services to be performed, the basis for compensation, the amounts to be paid and the Transaction Partners responsibilities to abide by this Policy and the Applicable Laws. Concretely, written agreements should contain, inter alia, the following provisions:
  - A written agreement by the Transaction Partner to comply with this Policy and with all Applicable Laws and regulations.
  - A contractual right of termination of the contract if believed, in good faith, that the Transaction Partner has breached any relevant anti-corruption law or this Policy.
  - A requirement that all payments must be made directly to the Transaction Partner and must not be made in cash.
  - A "right to request reasonable information" provision, regarding the work performed under the agreement and related expenditures by the Transaction Partners.

There is template of Anti-Corruption Clause in Annex IV that can be used as a reference for contracts with Transaction Partners in order to comply with the above requirements.

- **Ongoing monitoring:** Once the relationship is formed the following procedures should be followed:
  - Transaction Partner should be kept informed about the Policy, understand its content and comply with its principles.
  - Company should accurately record the documentation leading to the appointment of the Transaction Partner and the ongoing management of the relationship.

## **4. Policy guidelines**

### **4.1 Training and communication**

Company Personnel shall be informed about the Applicable Laws and the importance of compliance with those laws and this Policy, so that they can clearly understand and be aware of the different crimes, the risks, the relevant personal and corporate responsibilities and the potential penalties in case of violation of the Applicable Laws and this Policy.

EDPR Human Resources Department, in conjunction with the Compliance Officer of EDPR, who will count with the support of the Compliance Department and Local Legal Counsels, will define and implement the anti-corruption training program for Company Personnel and Transaction Partners.

In this sense:

- Company Personnel and new employees shall receive a copy of this Policy.
- Training is provided to company Personnel that may be involved in transactions with External Parties or may be involved in any way in the relation with the Transaction Partners. Such training shall be tailored according to the specific risks associated with their specific posts.
- The management team should lead our zero-tolerance policy and to help the Company and the Company Personnel to prevent and detect any conduct in violation of the Applicable Laws and/or this Policy.
- Transaction Partners, suppliers and contractors should receive a copy of this Policy at the outset of the relationship.

### **4.2 Reporting**

Company Personnel and Transaction Partners are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage through the Compliance Officer mailbox. Any concern must be submitted in writing via email to the following email address [complianceofficer@edpr.com](mailto:complianceofficer@edpr.com).

The Compliance Officer shall analyze all the concerns and decide if they constitute a violation of this Policy or if a further investigation must be carried out. Once the investigation has concluded, the Compliance Officer shall decide the actions to be taken.

Further to the submission above, any complaints that could implicate irregular accounting of financial practices must be submitted as soon as possible to the Audit Committee according to the procedures and specific regulations of the EDPR Whistleblower Channel.

All submitted concerns will be registered and treated with the highest confidentiality. EDPR will not tolerate retaliation against anyone who reports an issue related to this Policy. Any retaliation against a person who raises a concern honestly, or participates in an investigation, is a violation of this Policy and the EDPR Code of Ethics.

If any Company Personnel is unsure about whether a particular act constitutes bribery or corruption or how to proceed in, it should be raised to the Compliance Officer of EDPR, who will count with the support of the Compliance Department and Local Legal Counsels.

Monitoring and review

The Compliance Officer of EDPR jointly with the support of EDPR Compliance Area and Local Legal Counsels, and the Internal Audit Department will monitor the effectiveness and review periodically the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness.

Internal control systems and procedures will be also subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

Company Personnel are responsible for the success of this Policy and should ensure they raise concerns about any issue or suspicion of bribery or corruption following the provisions stated in this Policy. In the same way, Company Personnel are invited to consult or comment on this Policy and to suggest ways in which this Policy might be improved through the Compliance Officer of EDPR, who will count with the support of the Compliance Area and Local Legal Counsels.

The Compliance Officer of EDPR will periodically submit a report on its monitoring activity to the Board of Directors. This report must contain information about:

- Number of violations of the Policy.
- Number of concerns about this policy rose.
- Recurrence of the violations of this Policy (measure of the effectiveness of the disciplinary and the remediation actions).
- Recommendations for improvements.

**Annex I****Reasonable amount/value & frequency thresholds**

The below chart lists thresholds deemed to be reasonable forms of hospitality, however, items below the following thresholds can still be deemed as a bribe based on intent. This Annex shall be read together with the Anti-Corruption Policy and the Applicable Laws, and appropriate documentation or support should be maintained for any payment based on the accounting policies of the company.

Please always consult with EDPR Local Legal Counsel and if necessary with the Compliance Officer of EDPR if any clarification on this Annex, the Anti-Corruption Policy and/or the Applicable Laws is required.

This Annex may be subject to amendments from time to time to reflect any change in circumstances or Applicable Laws.

**1) Gifts and meals or entertainment provided to External Parties should not exceed the following thresholds without prior approval:**

Item	Amount/value per item	Frequency per year
Meal/Entertainment per recipient	100 €	3 times per year
Gift per recipient	100 €	3 times per year
High value per recipient	1.000 €	Each occurrence

Giving or offering gifts and/or the meal/entertainment above any of the thresholds of this Annex must be approved in advance by the Reporting Officer (informing the Compliance Officer), in compliance with this Policy and the Applicable Laws. Should total value of the gift and/or the meal/entertainment exceed the “high value” as defined in this Annex secondary approval should be obtained by the CEO.

**2) Gifts, travels, meals and/or entertainment received from External Parties should not exceed the following thresholds without prior approval:**

Item	Amount/value per item	Frequency per year
Meal/Entertainment per recipient	100 €	3 times per year
Gift per recipient	100 €	3 times per year
High value per recipient	1.000 €	Each occurrence

Accepting gifts, travels, meals and/or entertainment reasonably believed to be valued above the thresholds contained in the Annex I of this Policy must be approved in advance by the Reporting Officer (informing the Compliance Officer), in compliance with this Policy and the Applicable Laws. Should total value of the gift and/or the meal/entertainment exceed the “high value” as defined in this Annex secondary approval should be obtained by the CEO.

## Annex II

### Red flags

One of the key aspects of the Applicable Laws related due diligence investigations is the identification of “red flags” which may indicate the potential existence of a corruption problem. Red flags do not necessarily end the possibility of a business relationship with a Transaction Partner but require significant additional investigation and resolution.

The following list is not intended to be exhaustive and is for illustrative purposes only.

If any Company Personnel encounters any of these “red flags” while working for the Company, it must be reported promptly to EDPR Local Legal Counsel:

- The prospective Transaction Partner refuses to agree to comply with the Applicable Laws and to abide by this Policy;
- Any Company Personnel become aware that a prospective Transaction Party engages in, or has been accused of engaging in, improper business practices;
- Any Company Personnel learns that a prospective Transaction Partner has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- A government customer recommends or insists on use of a particular prospective Transaction Partner;
- The prospective Transaction Partner insists that its identify remains confidential or refuse to divulge the identify of its owners, directors or offices;
- The prospective Transaction Partner insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- The prospective Transaction Partner requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- The Transaction Partner requests that payment is made to a country or geographic location different from where it resides or conducts business;
- The Transaction Partner demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- The Transaction Partner requests that a payment is made to "overlook" potential legal violations;
- The Transaction Partner requests that any Company Personnel provides employment or some other advantage to a friend or relative;
- Any Company Personnel receives an invoice from a Transaction Partner that appears to be non-standard or customized;
- The Transaction Partner insists on the use of side letters or refuses to put terms agreed in writing;
- Any Company Personnel notices that the Company has been invoiced for a commission or fee payment that appears large given the service stated to have been provided; or
- The Transaction Partner requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Company.



**Annex III****Transaction Partner's Due Diligence Questionnaire**

Due diligence must be performed to ensure that prospective Transaction Partner is bona fide and a legitimate entity; is qualified to perform services for which it will be retained; and maintains business and ethical standards consistent with those of the Company. In particular, to comply with this aim, any prospective Transaction Partner should fill out the following questionnaire:

1. General business profile
  - a) Name and trade names
  - b) Contact information
  - c) Nature of business
  - d) Years in business
  - e) Provide a general description of your principal clients/customers, and indicate how many are government or state-owned entities
  - f) Number of employees
2. Ownership/Management
  - a) List of all owners and shareholders who own more than 10% of the company
  - b) List of the Principal Officers and directors
  - c) Are any owners, shareholders, or other key personnel current or former government officials or have connections (family, business or otherwise) with government officials?
  - d) Are any owners, shareholders, or other key personnel current or former employees of state-owned entities?
3. Criminal convictions
  - a) Have any of your officers or executives been convicted of a criminal offense? If so, what is the conviction?
  - b) Are there any significant law suits which have been filed against your entity, that we should be aware? If so, what was the accusation and what was the determined outcome?
  - c) Have you identified any incidents of non-compliance with laws and regulations or recorded any sanctions in the past 5 years?
4. **Anti-corruption & anti-bribery policies and laws**
  - a) List any anti-corruption and anti-bribery practices, code of conduct, or reporting mechanisms (such as a whistleblower hotline) which your company currently has in place
  - b) Are there any reports (formal or informal) of corruption, improper payments, bribes paid, received, offered or solicited within the company's history or do you have knowledge any of these circumstances within your company?
  - c) Do you actively follow local legislation as applicable in territories which you conduct business?
  - d) Do you actively comply with applicable anti-corruption, anti-bribery regulation (such as the FCPA or the UK Bribery Act, United Nations Convention against Corruption, and/or OECD Convention on Combating Bribery) for all territories in which you conduct business?)

- e) Describe your due diligence process performed for on sub-distributors, consultants, Key Opinion Leaders, and other third parties engaged by your company to obtain licenses and permits, promote and/or distribute products on your behalf.

**Annex IV****Anti-Corruption clauses for contracts**

All written agreements must contain (i) the services to be performed, (ii) the basis for compensation and measurement or milestones in connection with any deliverables, (iii) the amounts to be paid, and (iv) any other material terms and conditions of the arrangement.

In addition, when applicable and appropriate given the third party risk profile, the written agreement should be analyzed to include the following anti-corruption compliance contractual provisions and representations and warranties:

- *Compliance with Anti-Corruption Laws:* a representation that the Third Party and its agents, employees, directors, officers and/or stakeholders will comply with all applicable anti-corruption laws and that during the business relationship, the Third Party (if required) will certify its compliance with these laws and confirm that nothing of value has been promised, offered, provided or authorized to be provided to a government official in order to retain or obtain business;
- *Audit Rights:* a standalone audit provision that requires the Third Party to respond to requests for information from the Company regarding the work performed under the agreement and related expenditures, including any expenditures incurred by the Third Party but not requested for reimbursement from the Third Party, and the right to audit the Third Party's books and records relative to the subject engagement with all appropriate means to access the people, systems and documents of the Third Party;
- *Termination Rights:* a standalone termination provision authorizing the Company to terminate the agreement immediately, without any liability for past or future services even if rendered, if the Company believes, in good faith, that the Third Party has breached any relevant anti-corruption law or regulation;
- *Duty to Notify of Breach:* a provision requiring the Third Party to notify the Company of any breaches of the agreement or noncompliance with applicable anti-corruption laws; and
- *Indemnity:* a standalone indemnity provision requiring the Third Party to release, defend, indemnify and hold the Company harmless from and against any and all claims or liabilities arising out of or relating to the Third Party's breach of any anti-corruption compliance contractual provision.

**Example of clause for contracts**

By means of this clause, the Service Provider/Contractor declares that its organization has implemented an appropriate compliance system, with adequate controls, to facilitate the prevention and detection of any crime that could be committed within the organization, by its employees, its directors or any other third party related to it.

The Service Provider/Contractor declares that while performing the duties included in this contract they will respect any applicable law, especially any anti-bribery and corruption laws and conventions and that they will not breach, in any manner, any applicable law

The Service Provider/Contractor acknowledges the Anti-corruption Policy of EDPR and declares that while performing the duties included in this contract they will respect the principles that derive from this Policy.

Additionally, the Service Provider/Contractor grants to EDPR a right to request reasonable information, regarding the work performed under the agreement and related expenditures by the Service Provider/Contractor providing access to the relevant records.

Furthermore, the Service Provider/Contractor recognizes EDPR's right of termination of the contract if believed, in good faith, that a breach of any relevant anti-corruption law or this Policy has occurred.

In the same way, the Service Provider/Contractor should inform EDPR should awareness that corruption is occurring or could occur in a breach of any relevant anti-corruption law.

Finally, the Transaction Partner understands that all payments under this contract must be made directly to the Transaction Partner and by bank transfer.

**The language for the above anti-corruption clauses will be maintained by Legal Department in coordination with the Compliance Officer and may be adjusted from time-to-time to account for changes in applicable law.**