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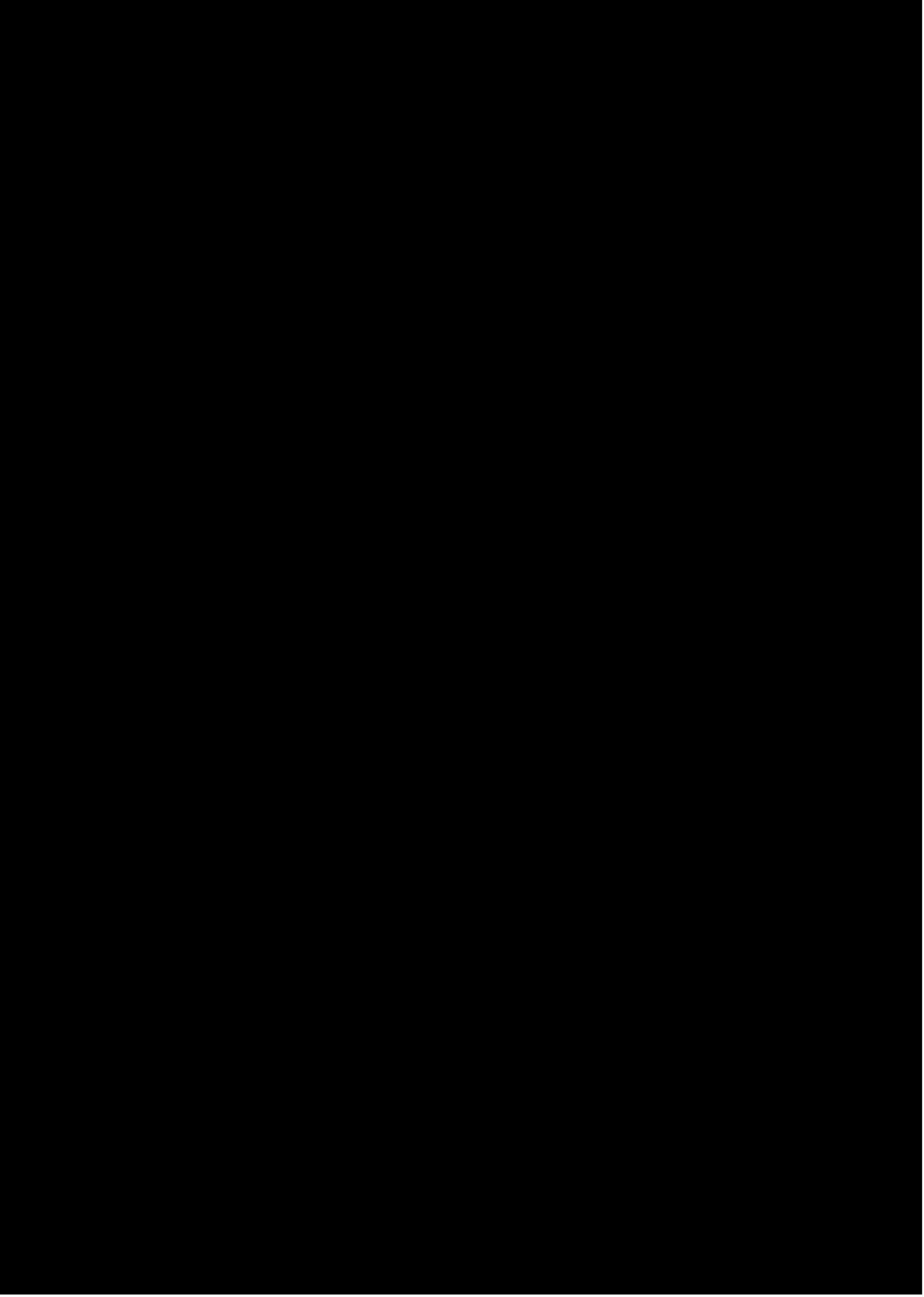
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INTERNAL AUDIT AND
COMPLIANCE REPORT
2019





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MESSAGE

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MESSAGE

The 2019 Internal Audit and Compliance Plan of Activities culminates in the preparation of this annual report, which we share with all our stakeholders the most relevant points that marked our activity.

This report configures the activity of DAIC's - Internal Audit and Compliance Department - of all the Group's geographies, as an organizational structure that until December 2, 2019, was responsible for the activities of Internal Audit, Internal Financial Reporting Control (SCIRF) and Compliance.

The approved audit plan, designed to address the areas of greatest risk, was carried out in line with the specificities of each area and theme, requiring on the part of the audit teams and key contacts an effort with which we are pleased. Strategic partnerships with Hydroglobal and Joint Venture Offshore with Engie were also the object of our intervention.

The AI TI 3.0 project - Internal Audit of Information Technologies - aimed at responding to the challenges of digitalization, technological evolution and the sophistication of cyber threats was implemented. The project is endowed with methodologies, resources and knowledge in line with this new reality that allow it to be comprehensive, pragmatic and efficient in its execution.

Relating to 2019 SCIRF evaluation cycle, all activities related to its maintenance, monitoring and evaluation by the External Auditor were carried out in accordance with best practices. Further, the impact of RPA - Robotic Process Automation on SCIRF controls was identified and monitored, and the key reports used in the execution of internal controls were inventoried and analysed. We are also pleased to share that in the first quarter of 2019, the eGRC - Governance Risk and Compliance application entered in productive in all geographies.

The Compliance function developed 21 programs, involving all Business Units and Geographies, with different levels of development and maturity in order to protect the Group from risks in all areas of intervention, to respond to the different and diversified legal, regulatory, sectorial and business requirements.

Another important highlight of 2019 was the implementation of a broad training program, taught with the support of Universidade EDP and DPO - Data Protection Officer, on the protection of personal data, along with support sessions and dissemination of the use of the eGRC tool.

The participation of DAIC employees as speakers at conferences, on topics related to Prevention of Money Laundering and Internal Audit, as well as the presentation and dissemination of the AI TI 3.0 Project, deserved our best attention and availability, over the past year.

Social responsibility was promoted through volunteering campaigns, the “Christmas Campaign 2019” and “Casa Mão Amiga”. These campaigns mobilized most employees and reinforced team spirit through sharing and generosity towards the most fragile groups of the society.

Finally, we would like to thank all the teams and employees of all the different geographies for their hard work in achieving this vast, demanding and diversified work plan.

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RELEVANT FACTS

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RELEVANT FACTS

January

- Approval of the 2019 Plan of Activities of the Group, by the Financial Matters Committee/Audit Committee (CMF/CAUD) and presentation of the 2018 Group's closing of activities.
- Creation of a separate Internal Audit Investigation cell, in EDP Brasil.

February

- EDP Group CMF/CAUD meeting.
- Entry into productive in Portugal of the eGRC - Governance Risk and Compliance, support tool for SCIRF, in Portugal.

March

- Approval of the 2019 Plan of Activities of the Group, by the Executive Administration Board (CAE) and presentation of the 2018 Group's closing activities.
- Issuance, by the External Auditor, of the independent reports of the SCIRF 2018 assessment, relative to the consolidated accounts of the EDP Group and stand-alone of EDP Spain, EDP Renewables and EDP Brasil.
- Entry into productive in Spain and Brasil of the eGRC - Governance Risk and Compliance, support tool for SCIRF.
- Kick-off of the Project Scoring–Prevention of Money Laundering and methodological approach to Integrity Due Diligences.
- Beginning of the Continuous Audit Pilot Project, at EDP Brasil.

April

- Closing meetings of the 2018 SCIRF cycle and launch of the 2019 evaluation cycle in the Business Units.

May

- Kick-off of the 2019 SCIRF evaluation cycle with PWC.
- Beginning of the eGRC - Governance Risk and Compliance adaptation project for the management of controls at the operational level.
- Launch of the specific training plan on personal data protection, with face-to-face sessions, in articulation with the EDP DPO (Data Protection Officer) in Portugal.
- Participation in a round table at the 3rd International Conference on the Prevention of Money Laundering, organized by the Portuguese Compliance and Regulatory Observatory.

June

- EDP Group Internal Audit Days 2019, the “Jornadas”.
- Workshop for the analysis of the results of the AI TI project.
- Structuring and resource allocation in the Compliance area at EDP R.
- Beginning of the Technological “Jornada” at EDP Brasil.
- Conclusion of the AI TI 3.0 project.
- Launch of the coordination works with ENGIE for the Joint Venture Offshore.
- EDP Group’s CMF/CAUD meeting.

September

- EDP CAUD’s meeting.
- Beginning of the preparation of the 2020 Plan of Activities.
- Designation of a “Responsible for Regulatory Compliance” in the entities where it is required according to the law on the prevention of money laundering in Portugal.
- Participation of the internal audit area in the Brazilian Congress of Internal Audit.

October

- Scoring project steering meeting for preliminary discussion of deliverables: proposed methodologies for preventing money laundering and Integrity Due Diligence.
- Launch of the project for upgrading the Continuous Audit infrastructure to make it GDPR compliant.

November

- Meeting of all DAIC’s geographies.
- Volunteering campaign “Casa Mão Amiga”.
- Compliance Committee meeting.
- Development of proposals for the Plan of Activities 2020 in Portugal, EDP Spain, EDP Renewables, EDP Brasil.

December

- Development of the 2020 Plan of Activities for the Group.
- EDP Group’s CMF/CAUD meeting.
- Volunteering campaign “Campanha de Voluntariado de Natal 2019 Kits Mochila Esperança”.
- Approval of the Compliance Norm and of the Government Model for Competition Compliance (Portugal) by the Board.
- Internal Audit self-assessment and Evaluation of the internal audit activity by CAUD.
- Review of the Quality Assurance and Improvement Program.
- EDP Brasil’s participation in Inovethics.

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PERFORMANCE INDICATORS



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PERFORMANCE INDICATORS

DAIC'S performance, its composition and the qualifications and professional development of its employees, as well as the satisfaction of its internal clients, are continuously monitored throughout the year either internally or by the Group's government through the performance indicators presented in the following page. These procedures enable the constant improvement of DAIC's activity in accordance with its goals and in line with the Group's strategic priorities.

PERFORMANCE INDICATORS

114%

AUDIT WORKS CONCLUDED VS PLANNED

145

NUMBER OF AUDIT WORKS CONCLUDED

1 294

NUMBER OF RECOMMENDATIONS ISSUED

3 496

NUMBER OF SCIRF CONTROLS

21

NUMBER OF SPECIFIC COMPLIANCE PROGRAMS

HUMAN RESOURCES

39

AVERAGE AGE

15

AVERAGE YEARS OF PROFESSIONAL EXPERIENCE

39

AVERAGE HOURS SPENT IN TRAINING PER AUDITOR

QUALITY AND EFFECTIVENESS

4,7

LEVEL OF SATISFACTION WITH THE INTERNAL AUDIT AREA *

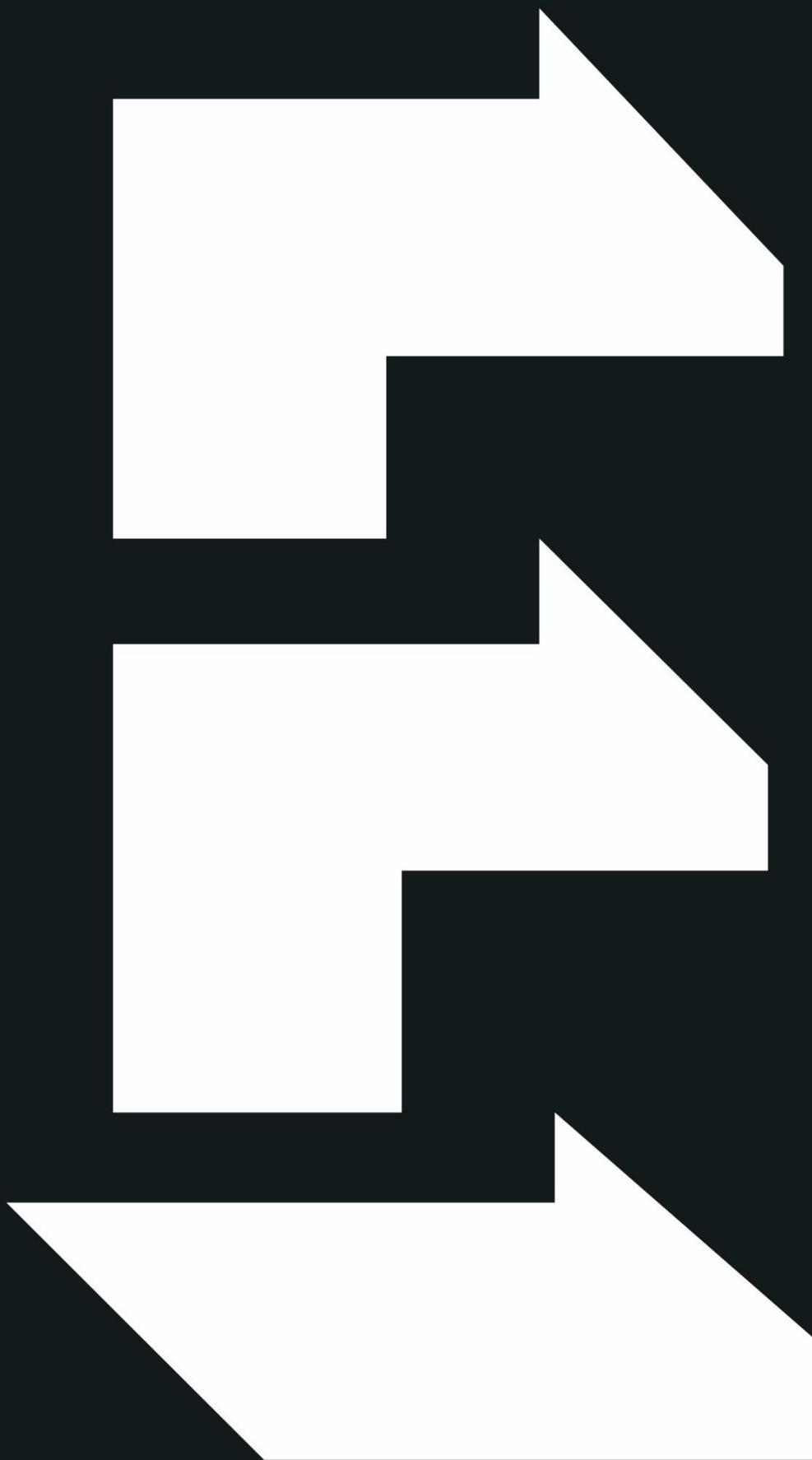
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LEVEL OF SATISFACTION WITH THE SCIRF AREA *

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LEVEL OF SATISFACTION WITH THE COMPLIANCE AREA *

* Scale from 1 (minimum value) to 5 (maximum value).



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ACTIVITIES COMPLETED IN 2019

INTERNAL AUDIT	25
INTERNAL FINANCIAL REPORTING CONTROL	29
COMPLIANCE	35
OTHER ACTIVITIES AND PROJECTS	37
INTERNAL QUALITY INDICATORS	38



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ACTIVITIES COMPLETED IN 2019

4.1. INTERNAL AUDIT

DAIC has followed closely the extent and development of the Group's activity in new markets, business lines and geographies, always incorporating in its Activity Plan actions aimed at evaluating and reinforcing the existing internal control environment, with 2019 being no exception.

During 2019, the Department continued to develop audit works related to compliance with the European General Data Protection Regulation (GDPR), an important normative introduced in 2018 which created and/or reinforced rigorous requisites related to personal data treatment. This regulation impacts the Group's relationship with its clients.

Management and control of outsourcing activities, compliance with sectorial and labour regulation, effectiveness and efficiency in the procurement cycle, security of IT and OT systems, were all considered topics of interest and guided the internal audit activity during 2019, in a perspective of full alignment with the Group's strategic objectives.

Additionally, several methodological improvements were introduced resultant from the review and update of the criteria followed to prioritize audit works in order to reinforce the characterization and follow-up of the factors most relevant in terms of risk and taking into consideration the work of the second line of defence activities in the Group.

2019 was also marked by the end of the project for reassessment of the model and methodology of IT internal audit activities in the Corporate DAIC (AI TI 3.0) that started in the last trimester of 2018. This new model of planning and approach of IT and OT audit works was already used in the design of the Plan of Activities for 2020.

Finally, it is important to highlight the continuous work in verifying the effective degree of implementation of the recommendations issued in previous years. Again, we attest to the high level of commitment shared by the Group's employees towards the reinforcement and optimization of the internal control mechanisms.

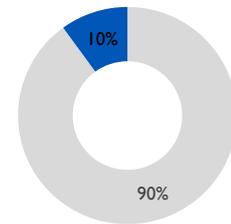
INTERNAL AUDIT MAIN INDICATORS

Audit Works

The 2019 Internal Audit Plan included 157 audit works, of which a total of 16 correspond to “Extra Plan” audit works. As of December 31, 2019, 145 audit works were concluded, and the achievement percentage of the objectives set for the year was 114%.

The internal audit plan encompassed 32 entities/business areas audited in the different geographies where EDP Group has a presence and included an important set of audit works aligned with the Group’s Strategic Plan for 2019-2022.

Audit works by type



■ PLANNED ■ EXTRA PLAN

The Internal Audit Plan for 2019 was constituted of:



Recommendations

The 145 audit works executed during 2019 resulted in the emission of 1 294 recommendations with implementation plans designed by the key contacts in the audited area and supervised by the respective Administrators/Corporate Center Directors and accompanied by DAIC through trimestral follow-ups.

The table below details the recommendations issued, per type:

Type of the recommendations issued in 2019

TYPE	ISSUED IN 2019	%
Operational effectiveness and efficiency	892	69%
Compliance with internal policies and standards	122	10%
Compliance with legislation and legal norms	106	8%
Safety and security	85	7%
Reliability and integrity of fiscal information	37	3%
Infrastructures	5	0%
Application	16	1%
Integrity of assets	15	1%
Service	16	1%
Total	1 294	

AREAS COVERED BY INTERNAL AUDIT WORKS

PORTUGAL

- Management and construction of large investment projects.
- Process of entry in new geographies.
- Internal control environment in new commercial activities and solutions.
- Management of commercial operational processes (client complaints, network failures and incidents, billing and collection, credit risk).
- Management of distribution operational processes (new connections, hiring, maintenance, outsourcing).
- Operation and maintenance of generation and distribution assets.
- Management of outsourcing contracts.
- Procurement processes.
- Management of guarantees and collateral.
- Health, Safety, and Environment management.
- Sectorial Regulation Compliance.
- Compliance with the General Regulation for the Protection of Personal Data (GDPR) – management of personal data holders' rights, management of consents, contractual safeguards with external service providers.
- IT processes and systems.
- OT physical and logical security, IT security.
- Robotic processes automatization.
- Continuous audit in the following areas: access to commercial and personal data, critical security events, commercial cycle, authorization management/access profiles/segregation of duties, power changes, and treasury movements.

EDP RENEWABLES

- New investments' approval methodology.
- Internal control in offshore project (Moray East).
- Operation and maintenance of wind farms.
- Process for sale of energy in the markets.
- Processes related to insurance, accounting, taxes and inventories.
- Continuous audit in access management.



EDP SPAIN

- Management of commercial operational processes (credit risk).
- Management of distribution operational processes (new connections, hiring, maintenance, outsourcing).
- Management of service outsourcing contracts.
- Operation and maintenance of distribution assets.
- Procurement processes.
- Compliance with the General Regulation for the Protection of Personal Data (GDPR) – management of personal data holders' rights, management of consents, contractual safeguards with external service providers.
- OT physical and logical security.
- Continuous audit in access management.



EDP BRASIL

- Management of commercial operational processes (client complaints, network failures and incidents, billing and collection, credit risk).
- Management of distribution operational processes (new connections, hiring, energy fraud, maintenance, outsourcing).
- Internal control environment in new commercial activities and solutions.
- Operation and maintenance of generation and distribution assets.
- Processes of contract management and work sites.
- Process for purchases and sale of energy in the markets.
- Procurement processes.
- Treasury and inventories processes.
- IT processes and systems.
- OT physical and logical security.
- Robotic automatization processes.
- Continuous audit in the commercial area.

4.2. INTERNAL FINANCIAL REPORTING CONTROL (SCIRF)

The EDP Group implemented an Internal Financial Reporting Control (SCIRF) system, based on the criteria established by the regulatory framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Committee (COSO 2013) in what relates to business processes and controls and the Control Objectives for Information and Related Technologies (COBIT) in relation to general information technology controls.

The 2019 Plan of Activities focused on the development, monitoring and maintenance of SCIRF, on the consolidation of the transversal tool to support SCIRF - eGRC (Governance Risk and Compliance) - and on the support and supervision of the impact of changes in the Group's businesses in the system.

SCIRF 2019 IN THE EDP GROUP

In accordance with the adopted methodology, the responsibilities model, and the approved Plan of Activities, all the activities necessary for the evolution, monitoring and maintenance of the system were executed by those responsible at the Corporate and Business Units level and Shared Services of EDP Group.

The evaluation of the 2019 SCIRF was carried out by the Group's External Auditor, PriceWaterhouseCoopers, in accordance with the International Standard on Assurance Engagements (ISAE 3000), in all the geographies inside its scope and with the support of KPMG in the specific case of EDP Brasil.

The External Auditor issued an independent report on the Group's SCIRF, relating to the financial statements as of December 31, 2019, without reservations and emphasis.

In 2019, the number of existing SCIRF controls reached 3 496, distributed across the various geographies as illustrated on the map.

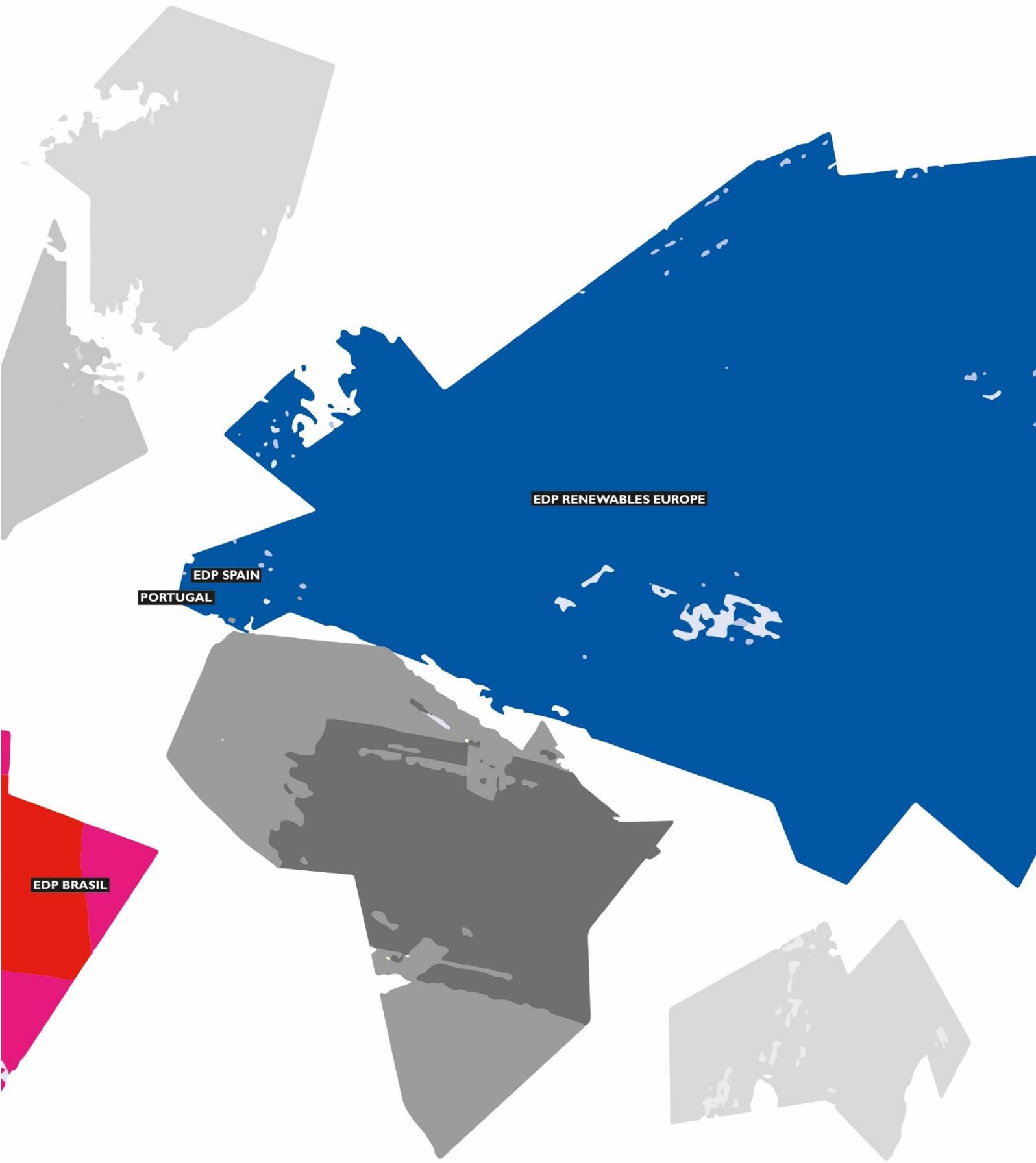
Where We Are



PORTUGAL
 EDP BRASIL
 EDP SPAIN
 EDP RENEWABLES EUROPE
 EDP RENEWABLES NORTH AMERICA

					1 782
					502
					412
					556
					244

	CONVENTIONAL GENERATION
	RENEWABLE GENERATION
	TRANSPORT
	DISTRIBUTION
	SUPPLY
	CONTROLS



ACTIVITIES DEVELOPED AT THE CORPORATE CENTER LEVEL

CORPORATE CENTER

- Planning and monitoring of the cycle, maintenance and review of the reference models, methodological and conceptual support to Business Units and Shared Services.
- Definition of the scope for the 2019 SCIRF based on consolidated financial information supported in criteria of materiality and risk from a top down (Internal Audit and Compliance Department) and bottom up (Business Units and Shared Services) perspective. This process takes place every year, is reviewed after one semester, and results in the identification of relevant processes in the Business Units and Corporate Center Departments. The scope encompasses most Business Units in Portugal, EDP Spain, and EDP Brasil, as well as the units that constitute EDP Renewables, S.A. – EDP Renewables Europe, S.L. and EDP Renewables North America, LLC.
- Support to Business Units and Shared Services in documenting and reviewing new controls, redesigning existing controls to respond to new themes deemed relevant due to their materiality and risk, or resultant from changes in legislations, structure, processes or accounting practices.
- Identification of the computer applications relevant to SCIRF. Analysis of Service Organizations, to monitor the issuance of reports ISAE 3402 pertaining to the independent assessment of the control environment of the technology outsourcing services hired by EDP Group.
- Monitorization of the cycle assessment process, by the External Auditor, in terms of audit works planning, interaction with the Business Units and Shared Services.
- Monitoring and support to Business Units and Shared Services related to the management and resolution of identified non-conformities and reporting to internal people-in-charge and supervisory entities.
- Launch and monitoring of the self-assessment process through which the of internal control in the Business Units and Shared Services, declares their explicit acknowledgment regarding (i) the sufficiency or insufficiency of the documentation of the controls in terms of their update levels and adequacy, (ii) the execution of controls and maintenance of evidence, (iii) the approval and implementation of actions inherent to the resolution of non-conformities (NCs) and (iv) compliance with the Code of Ethics.
- 2019 SCIRF cycle self-assessment, process through which the Board, represented by its President and a Board Member responsible for Financial Matters, issue a report about the degree of accurateness and reliability of the consolidated financial statements.

ACTIVITIES DEVELOPED AT THE BUSINESS UNITS AND SHARED SERVICES LEVEL**BUSINESS UNITS
AND
SHARED SERVICES**

- Analysis of the results of the implementation of the scope model to the financial statements, at an individual basis. Inclusion of new topics and relevant applications, in the sequence of the bottom up risk assessment.
- Implementation of the scope model at a stand-alone level for EDP Spain, EDP Renewables, and EDP Brasil, with the adequate materiality and risk profile to match the dimension. The External Auditor published the independent reports about SCIRF at the stand-alone level, in line with the previously published in the consolidated annual report.
- Identification, review and nomination of the SCIRF responsible, because of the implementation of the scope model and/or any changes resultant from organizational, structural, legal, or operational reorganizations that took place at the Business Units and Shared Services.
- Documentation of new controls and redesign of existing controls, that may require update in the event of changes in the Business Units and Shared Services.
- Implementation of the necessary actions for the resolution of non-conformities identified in the tests performed by the External Auditor.
- Self-certification, through which the SCIRF persons-in-charge evaluate, at the different hierarchical levels, the sufficiency and update level of the documentation and evidence maintenance in the control activities.
- Self-assessment, directed by the President of Board and a Board Member responsible for Financial Matters in EDP Spain, EDP Renewables, and EDP Brasil, which results in a report about the degree of accurateness and reliability of the financial statements at a stand-alone level.

OTHER ACTIVITIES RESULTANT FROM SCIRF MAINTENANCE WORK

- Identification and monitorization of the impact of Robotic Process Automation; Inventory and analysis of key reports used in the execution of key controls, Support and supervision of system changes resultant from variations in the Group; Adaptations resultant from changes in the structure of EDP Comercial, EDP Distribuição, and EDP Soluções Comerciais; New activities of EDP Transmissão in Brazil; Implementation of Jump; Implementation of SCIRF in Fundação EDP; Update of SCIRF to address the new IFRS, the impacts of EMIR and REMIT, and the adoption of Cybersecurity policies.
- Update/revision of the financial risks map; Allocation of controls resultant from the implementation of the scope model in the financial statements as of 31.12.2018 and 30.06.2019; Trimestral analytical reviews; Fraud risk analysis.
- Participation in the Smart Closing project, project aimed to anticipate the deadline for closing accounts, from a SCIRF perspective.
- Presentation of SCIRF to Hydroglobal Perú.

4.3. COMPLIANCE

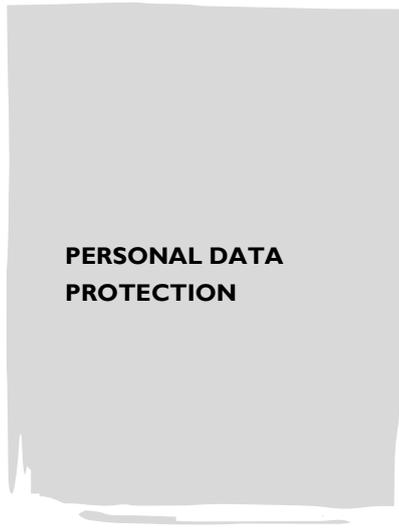
During 2019, the Compliance area consolidated its position, contributing towards an efficient management of the fulfilment of all legal and regulatory requirements, in line with the Group’s strategic objectives. The proactive management of the most important non-compliance risks in the Group requires homogenous and consistent methodology to ensure an integrated view of Compliance in close collaboration with the Business Units.

Given so, the working model agreed with the Business Units and Corporate Departments involved in the different Compliance Programmes required strong mobilization of different units and resulted in the identification and direct cooperation with approximately 50 key contacts in the different businesses, whose work is aligned with the transversal practices defined.

By the end of 2019, there were 21 active Compliance Programmes, which involved most Business Units in all the geographies, albeit in different stages of development, ensuring alignment and capturing synergies between the Programs applicable in different geographies.

During the year, the area continued to work on the normative scopes considered a priority for the structuring of Specific Compliance Programs (PEC):

Personal Data Protection (Global)



In the geographies where the General Data Protection Regulation (GDPR) applies, the area maintained continuous support and monitorization of the implementation of the adequacy measures still in the conclusion state, be it in terms of specific business processes or in terms of technology and information security.

A series of recurring activities were systematized, namely, the monitoring of legislative and regulatory news, the monitoring and adaptation of new initiatives that involve the processing of personal data, the monitoring of requests exercising the personal data rights of the holders and the monitoring and analysis of information security incidents, together with the development of a specific training plan on data protection.

In Brasil, following the 2018 approval of the General Data Protection Law (LGPD), in effect starting august 2020, the area developed a specific project to assess the current situation, define a governance model for personal data management in EDP Brasil and an adequacy action plan.

Money Laundering and Terrorism Financing / Integrity (Portugal / Brazil)



During the year, the Compliance area developed a project to identify which entities are formally obliged to comply with the legislation and created a set of internal rules and procedures related to the prevention of money laundering and terrorism financing (PBC-CFT).

Additionally, the area defined a methodology/procedure for Integrity Due Diligence (DDI) of third parties, applicable to the Group’s companies in Portugal and Spain (except EDP Renewables). This methodology is necessary to ensure fulfilment of identification and diligence duties as defined by legislation. It will also contribute towards the reinforcement of EDP’s adaptation mechanisms to best practices in integrity risk assessment and management, including PBC-CFT risks, regardless of whether the entity is or is not formally obliged to comply with this regulation.

**MONEY LAUNDERING
AND TERRORISM
FINANCING /
INTEGRITY**

EDP Brasil continued operating the Integrity/Anticorruption Compliance Program, which includes Integrity Due Diligences and reviewing some compliance procedures and respective support tools (public agents' relationship, ethical complaints management). Another important event of 2019 was the assessment of the Compliance Program, by an independent external entity, that resulted in the ISO 37001 Anti Bribery Management System certification.

Prevention of Criminal Liability of Legal Entities (Spain and Renewables)

**PREVENTION OF
CRIMINAL LIABILITY OF
LEGAL ENTITIES**

EDP Spain continued to operate its model, with the approval of strategic objectives/KPIs related to criminal Compliance and the execution of the test plan to the implemented controls, which culminated into the annual model supervision report. In 2019, several companies joined the existent model. Two other important activities were the update of the whistleblowing channel and the coordination of the self-assessment process for the control officers and holders of positions especially exposed to criminal risks.

EDP Renewables consolidated the model implemented in Spain and conducted a review of the existing model in Italy. Additionally, a Compliance model's implementation plan was created for the remaining countries that have similar requisites in terms of criminal compliance.

Competition Legal Obligations (Portugal and Spain)

**COMPETITION LEGAL
OBLIGATIONS**

In partnership with DEC – Competition and Studies Department, in Portugal, the area supported and monitored the conclusion of the implementation of the measures defined in the action plan, which resulted in the formalization and approval of a Competition Compliance Standard, its governance model, and the control procedures and mechanisms to mitigate competition risks.

In Spain, the Compliance area executed a similar project to what had been done in Portugal, with the implementation of specific measures and control mechanisms as defined in the action plan, to strengthen compliance with competition rules in this geography.

Legal Separation of the Activities of the Distribution Operators (Portugal and Spain)

**LEGAL SEPARATION OF
THE ACTIVITIES OF THE
DISTRIBUTION
OPERATORS**

In this topic, the Compliance area continued the projects started in the previous years, both in Portugal and in Spain, through the support and monitoring of the adequacy programs. In both cases, the Compliance Programs are already at a mature stage, of operation/maintenance. The main highlight is the ongoing process regarding image differentiation of last resort electricity and natural gas distribution companies (Portugal and Spain) and the separation of the in-person service channels (Portugal).

4.4. OTHER ACTIVITIES AND PROJECTS

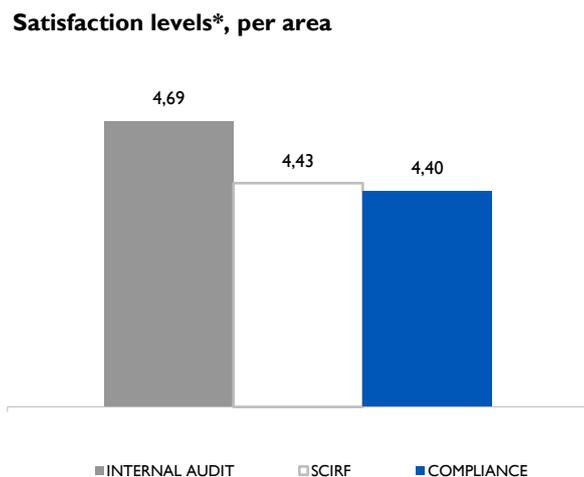
- Participation in a round table at the 3rd International Conference on the Prevention of Money Laundering (organized by the Portuguese Compliance and Regulatory Observatory).
- Assistance in a master's thesis titled: "Ethics in companies - Culture of Integrity and Compliance strategies".
- Cooperation in the project of assessment for the possibility of creating a payment entity in EDP (Directive PSD2).
- Collaboration in the response to identification and due diligence requests received from third parties (Know Your Client processes).
- Cooperation with other corporate departments: Ethisphere evaluation; Dow Jones Sustainability Index assessment.
- Completion of the implementation project for the eGRC - Governance, Risk and Compliance of 'B Wise' to support SCIRF management, in all geographies covered by the SCIRF scope model.
- Adaptation of eGRC - Governance Risk and Compliance – to operational controls management.
- Assistance and monitoring of the preparation audit for ISO27001 Certification of the SOC (Security Operations Center) of DGU and performed by an external entity.

4.5. INTERNAL QUALITY CONTROLS

As defined in the EDP Group's Internal Audit Manual, the audit works completed are subject to a quality assessment by the Business Units or Areas audited, through a survey classifying the level of quality and satisfaction with the audit work.

In addition, the Compliance and SCIRF areas were also evaluated by the main Key Contacts of the Business Units in Portugal.

The results of the surveys, available until the end of the year, are shown in the following chart:



* Scale from 1 (minimum value) to 5 (maximum value).



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HUMAN
ENERGY

Human

05

HUMAN RESOURCES

NUMBER OF EMPLOYEES

45

PROFESSIONAL QUALIFICATIONS

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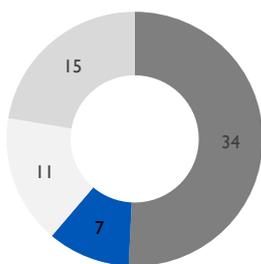
HUMAN RESOURCES

5.1. NUMBER OF EMPLOYEES

In 2019, the Internal Audit and Compliance Department had a total of 67 employees, a 6% decrease in relation to 2018 (71 employees), with an average age of 39 years.

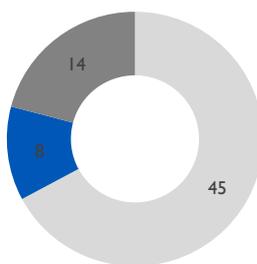
The composition of the department in terms of its distribution across the Group’s geographies and areas is represented in the charts below:

Number of employees
Per geography



■ PORTUGAL ■ EDP RENEWABLES ■ EDP SPAIN ■ EDP BRASIL

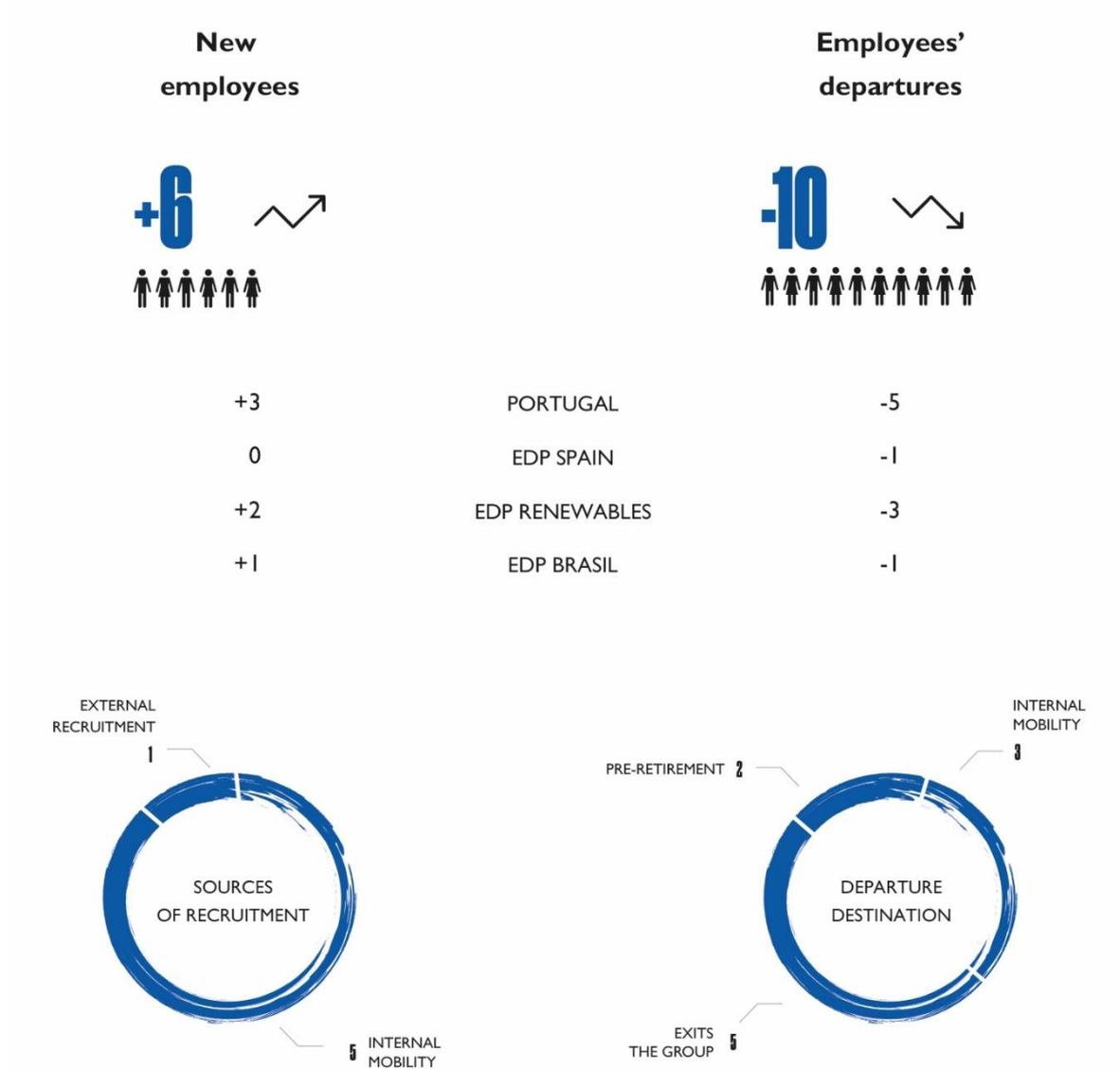
Number of employees
Per area



■ INTERNAL AUDIT ■ SCIRF ■ COMPLIANCE

During 2019, DAIC welcomed 6 new employees and registered the departure of 10 employees, as illustrated by the image below.

Additionally, during 2019, the Internal Audit area maintained its policy of giving young graduates the opportunity to have their first contact with the business world through the recruitment of trainees from outside the EDP Group.



5.2. PROFESSIONAL QUALIFICATIONS

Every year, DAIC designs and/or updates an internal training program for each of its employees, with mention to participations in national or international seminars and/or other training events relevant for the work performance of each member. Moreover, it is important to highlight the continuous learning component, on the job, from the participation in each audit work.

In 2019, the total training hours, be it from internal or external sources, of all DAIC employees in all geographies (Portugal, EDP Spain, EDP Renewables, and EDP Brasil) reached a total of 2 155 hours, distributed across different training fields and areas as shown in the table below:

Vocational training summary table 2019

TRAINING FIELD	TRAINING AREA	TOTAL	%
BEHAVIOURAL		315	15%
	Leadership	248	
	Interpersonal relationships and communication	36	
	Emotional intelligence	31	
MANAGEMENT		236	11%
	Finance	133	
	MBA / Master / Postgraduate	88	
	Time management	15	
ORGANIZATIONAL		220	10%
	Induction sessions	95	
	Human resources	65	
	Institutional	60	
TECHNICAL		1 384	64%
	Energy	228	
	Risk management / Fraud	257	
	Compliance	258	
	Microsoft Office	128	
	Internal Audit	116	
	Information systems	166	
	Family Responsible Company Certification	81	
	IPAI / IIA	49	
	Languages	23	
	Others	78	
TOTAL		2 155	

Furthermore, DAIC highlights the additional training and qualifications of some employees:

Professional qualifications summary table 2019

QUALIFICATION	EMPLOYEES
MBA	Concluded: 11 employees In training: 1 employer
Master or Post-Graduate	18 employees (mainly in Management or Finance areas)
PhD	Concluded: 1 employee
CIA certificate	Concluded: 8 employees Close to conclusion: 1 employee
Additional certificates	CISA: 3 employees ROC: 2 employees ITIL Foundations: 2 employees COSO: 2 employees Certified Accountant: 2 employees "EFR" Model: 4 employees ISO 27001 Lead auditor: 2 employees CCEP: 2 employees CISM: 1 employee CRMA: 1 employee CAMS: 1 employee

CISA: Certified Information Systems Auditor | ROC: Revisor Oficial de Contas (Official account reviewer) | EFR: Family responsible company certification
| CCEP: Certified Compliance & Ethics Professional | CISM: Certified Information Security Manager | CRMA: Certified in Risk Management Assurance |
CAMS: Certified Anti-Money Laundering Specialist



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