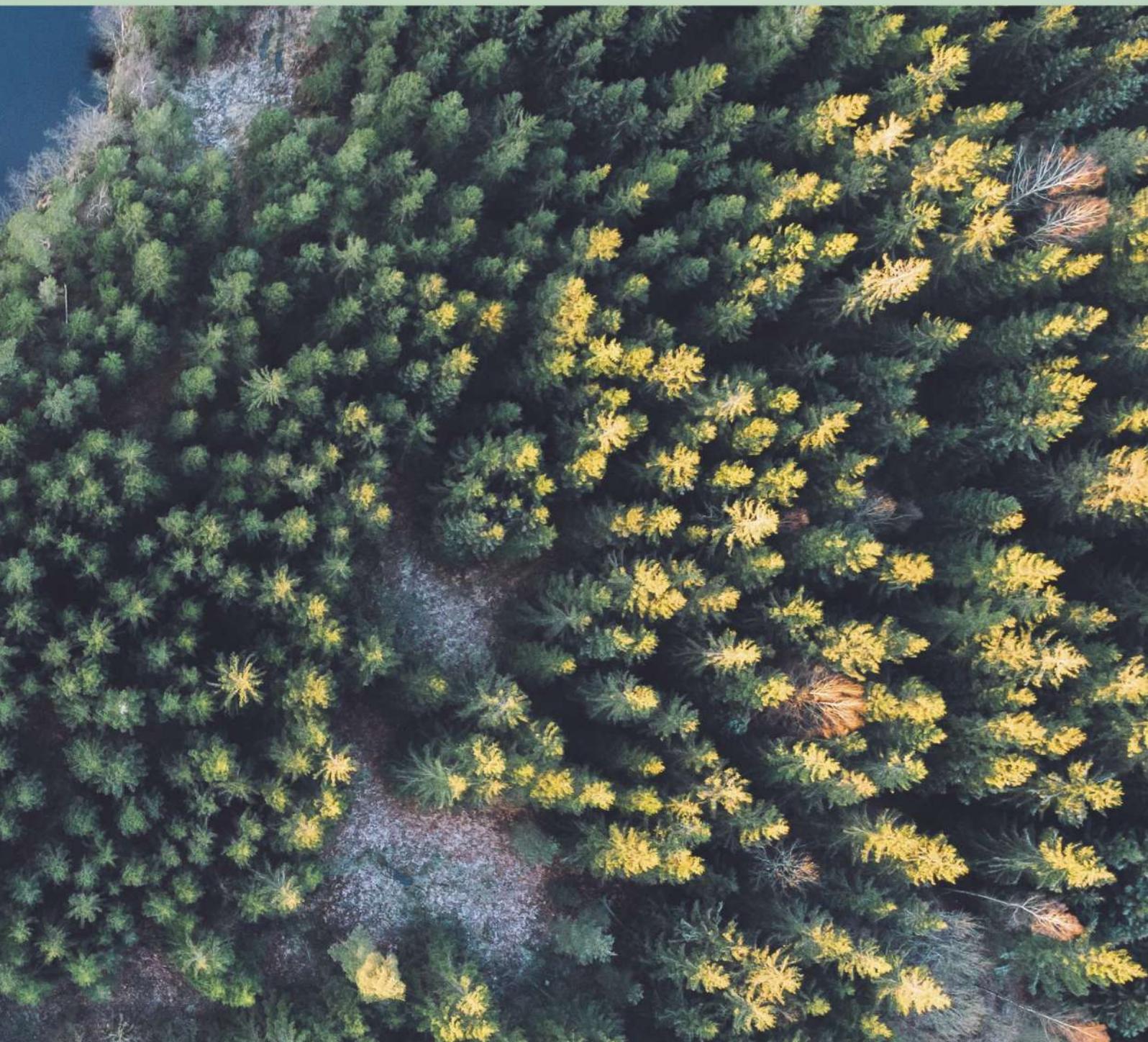


*edp*

# CHANGING TOMORROW NOW

ETHICS  
OMBUDSPERSON  
REPORT 2021





*edp*



# CHANGING TOMORROW NOW

We are creating a new energy on the planet.

More inclusive. More shared. Greener.

Promoting renewable energy on a worldwide scale.

Using the power of wind, sun and water,  
to be all green by 2030.

Accelerating decarbonization, to achieve carbon  
neutrality. Investing € 24 billion in the energy transition.

Duplicating the capacity in solar and wind power.

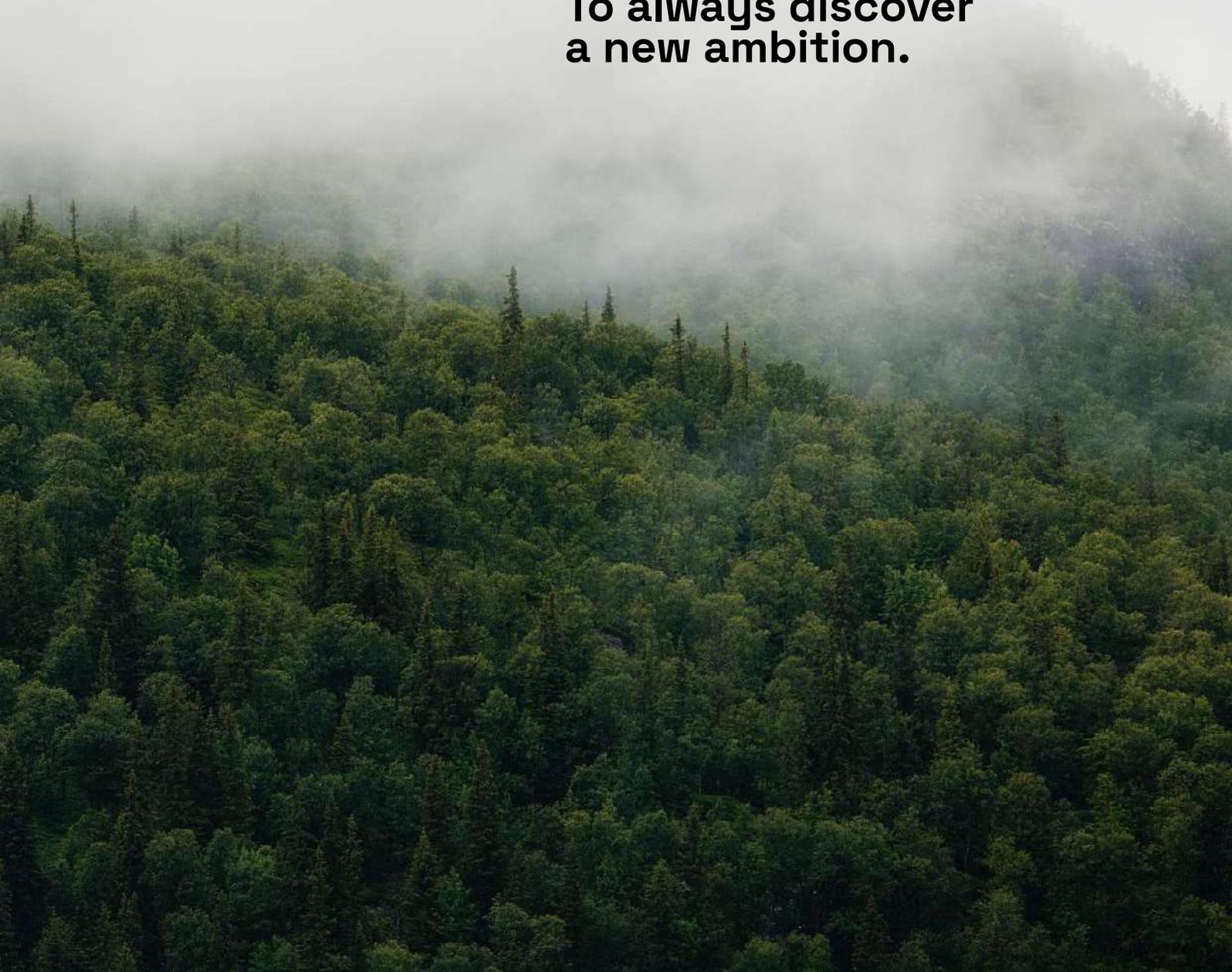
Betting on new technologies, such as green hydrogen.

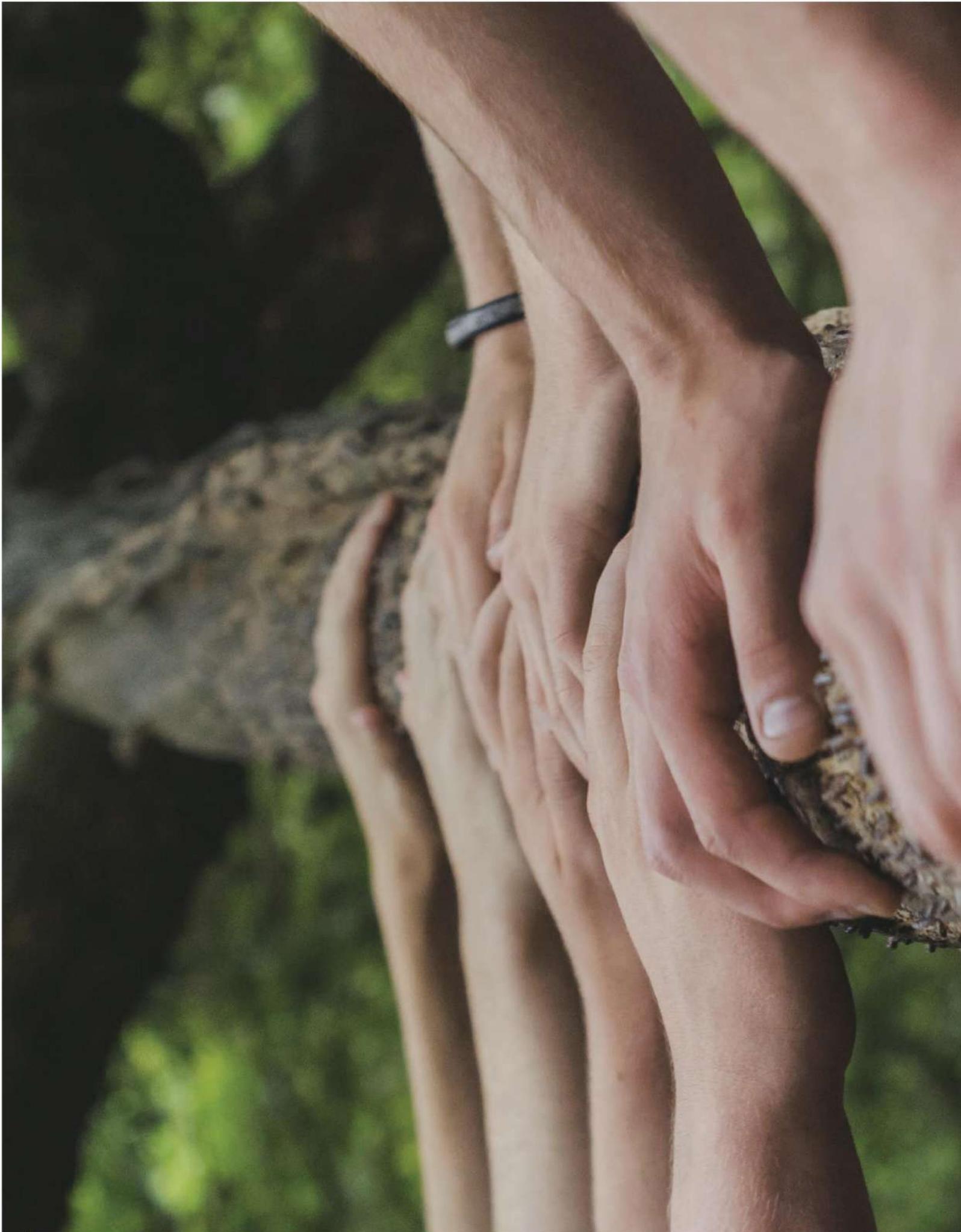
Leading the way in sustainability indexes.

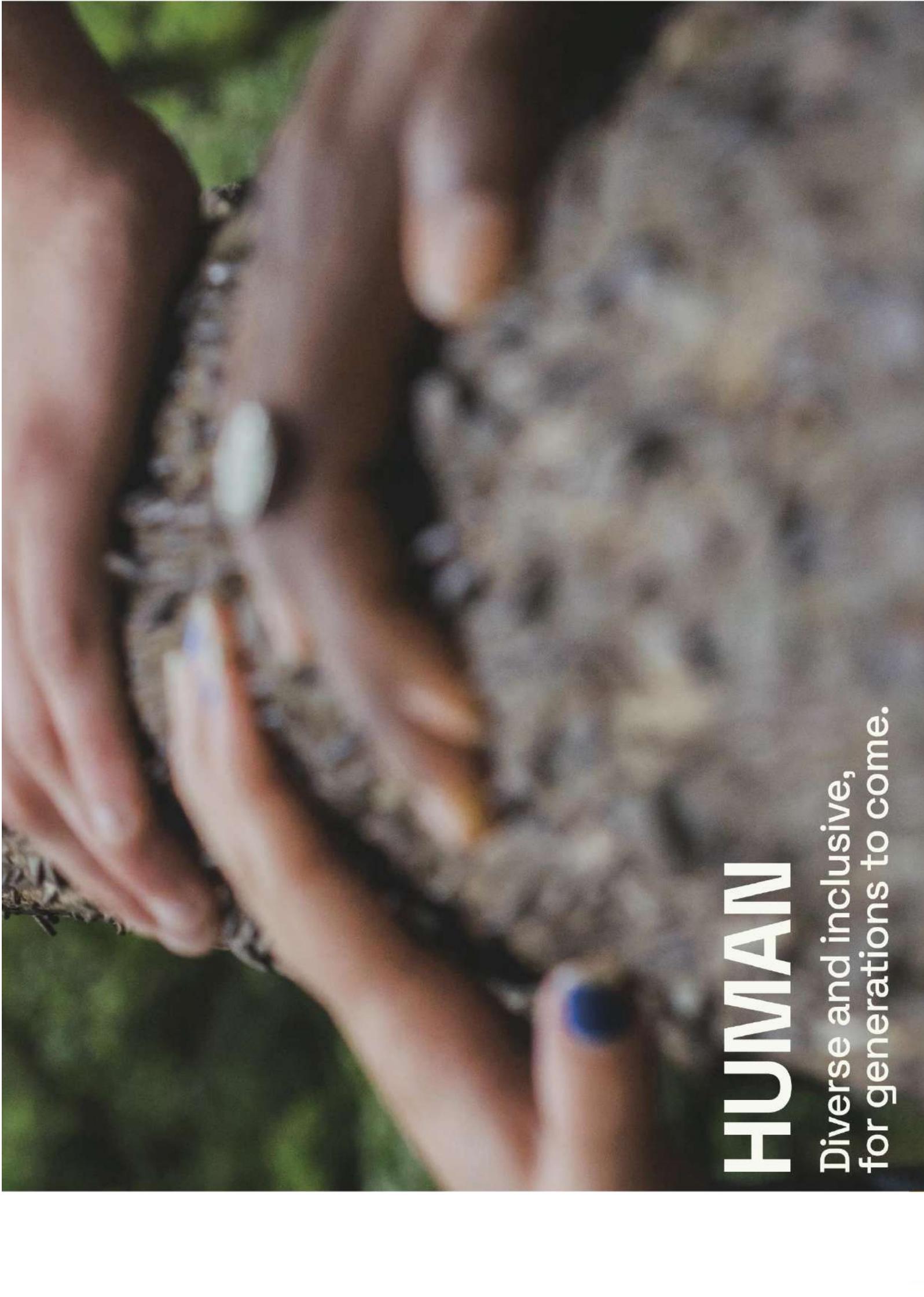
It's in our hands. The only one who changes the world,  
is whoever can change himself, the one who finds  
the will, the knowledge and the action.

Because this is our story:

**To always discover  
a new ambition.**







# HUMAN

Diverse and inclusive,  
for generations to come.



# — INDEX

|  |           |
|--|-----------|
| <b>01 — THE MISSION OF THE ETHICS<br/>OMBUDSPERSON</b>                                   | <b>10</b> |
| <b>02 — 2021, A YEAR FOR REINFORCING<br/>WHAT IS "FUNDAMENTAL" AT EDP</b>                | <b>11</b> |
| <b>03 — WHAT WE CAN'T (EVER)<br/>FAIL TO DO</b>  | <b>12</b> |
| The management of ethical contacts – "We give everyone a<br>voice"...                    | 12        |
| ...through a process that is intended to be robust...                                    | 12        |
| ... whose main figures in 2021 are ...   | 13        |
| ...and on which we summarise the following conclusions                                   | 16        |
| <b>04 — WHAT WE WILL (ALWAYS)<br/>CONTINUE TO DO</b>                                     | <b>18</b> |
| Training – and communication - in Ethics   | 18        |
| Recognition "The most ethical companies in the world" - has<br>once again been achieved! | 19        |
| Alignment of "tone" and practices among geographies                                      | 19        |
| Consolidation of knowledge partnerships  | 19        |
| <b>05 — WHAT NEW THINGS HAVE WE<br/>MADE</b>   | <b>21</b> |
| Governance   | 21        |
| Scorecard of ethical contacts  | 21        |
| Ethical Environment Questionnaire  | 22        |
| End of the cycle assessment "Raising the Ethical Building<br>@EDP"                       | 23        |
| <b>06 — WHAT NEW THINGS WILL WE DO</b>   | <b>24</b> |
| Ethics Programme "Making Ethics Real" 2022-24  | 24        |
| Preparing responses to the ethical imperatives of the near<br>future                     | 25        |
| <b>07 — WHO WE COUNT ON<br/>TO MAKE IT HAPPEN</b>  | <b>26</b> |

# 1 — Mission of the Ethics Ombudsperson

*"The Ethics Ombudsperson is responsible for: (i) Being an independent and impartial listener, respecting confidentiality and anonymity, and available to all those who seek advice to help clarify any allegedly ethical situations, bearing in mind the provisions of the EDP Code of Ethics. (...)"*

**EDP Code of Ethics, 2020, Annex A - Organisational and governance instruments for ethics within the EDP Group**

EDP instituted the "Ethics Ombudsperson" post in 2009, as part of a corporate ethics structure that had started to be built very early, in 2005, with the publication of the first Code of Ethics. At the outset, the aim was to provide a way for all interested parties to clarify doubts and communicate complaints about behaviour perceived to be less respectful of the Company's ethical principles.

Concurrently, and for more than a decade, the role of the Ethics Ombudsperson has been strengthened, along with the consolidation of the policies that EDP has been developing to increase its value, and also through more powerful practices in matters of the environment, social responsibility and corporate governance, in which Ethics is included.

With the publication of the revised Code of Ethics in late 2020, the mission of the Ethics Ombudsperson was also clarified. In addition to being an essential link in the relationship with stakeholders, the Ombudsperson also has an important role in strengthening the EDP Group's ethics policy, supporting both the Executive Board and the Company's Ethics Committee in the design and implementation of the most appropriate measures.

The Ethics Ombudsperson should thus be seen as a fundamental resource within the Company's corporate ethics policy, which is always available to those who need clarification, or merely to be listened to, and also being a privileged element for disseminating and safeguarding the ethical principles of the organisation.

Everyone can therefore rely on the Ombudsperson and, through him/her, share EDP's commitments with regard to Ethics.

## <sup>2</sup> — 2021, a year for reinforcing what is “fundamental” at EDP

*“(...) EDP has conferred growing importance to Ethics issues, with the aim of ensuring the reassurance of all those who work there and those whom it has business with that the environment is healthy, decisions are fair, relations between people are solid and correct, there is no discrimination of any kind, there is freedom of expression and internal and external communication is true and reflects what is really happening.(...)”*

**Annual Report of the General and Supervisory Council 2021, Message from the President, Eng. João Talone**

*“(...) The world faces unprecedented challenges and we need to rethink together how we live and preserve our planet. At EDP, we respond to this call by leading the global energy transition. (...)”*

**Report and Accounts EDP 2021, Message of the CEO, Eng. Miguel Stilwell**

In 2021 the Covid 19 pandemic continued to mark the evolution of human activity in the world, conditioning economic growth, accentuating penalizing differences in the most fragile societies, keeping health concerns at the top of our lives. In companies, along with the health care of employees, remote working practices have taken root and brought new perspectives to the future functioning for organisations and also to people's well-being. The challenges on a global scale that had already been felt before the pandemic - namely the impacts of climate change, belatedly recognised, and the still moderately understood effects of profound and rapid technological disruption - have established in society, together with the pandemic crisis, a context of profound transformation, mainly dominated by uncertainty.

In 2021 a new cycle of management began at EDP, with the appointment of its competent governing bodies - the Executive Board of Directors and the General Supervisory Board - which have taken on the demanding challenges of these complex times with firm commitment.

At the beginning of the year, the Executive Board of the Company thus embarked on a challenging strategic plan for 2021-2025, designed to provide superior value to its shareholders and based on sustained and rapid growth, on an organisation prepared for the future and on achieving levels of excellence in all ESG variables (Environment, Social and Governance).

For its part, the new General and Supervisory Board devoted particular attention in its studies and analyses carried out throughout the year - in support of the Executive Board - to a series of structural and current issues with which the Company had to interact in 2021, including reputation, risk management, Compliance, ESG, occupational safety, stress and the personal balance of employees and the ethical depth of the organisation.

We can thus say that, both in the preparation of its future economic development - with particular emphasis on the leadership role in the energy transition to which it aspires - and through the special attention paid to caring for its ethical essence, the Company pursued in 2021 a path of consolidation of its "fundamentals" that have made it stronger and more capable of facing future times, which have been hardened by the recent war in Eastern Europe.

## 3 — What we can't (ever) fail to do

*"(...) The freedom to raise concerns about misconduct is a core component of an open organizational culture, where employees are confident that they will be supported to do the right thing. (...)"*

**The Whistleblowing Non-Retaliation Toolkit, The Ethics Institute, 2022**

### 3.1 Managing ethical contacts - "We give everyone a voice"...

EDP believes it to be essential that the Company's ethical culture can be strengthened through the doubts and concerns in matters of ethics that its stakeholders, and employees in particular, can identify and report in a transparent manner and in good faith, for subsequent clarification or action.

From an internal point of view, and alongside such reporting, the ability of leaders to listen to these complaints is also very important, because they represent a very special means that is available to their teams for clarification and reassurance regarding these issues. But as a last resort, the Ethics Ombudsperson, in person or through the Ethics Portal, may also be the means of sharing and openness to address this type of problem.

On the other hand, it is also important to bear in mind that the reporting of potential unethical behaviour is done in full confidentiality and accountability, and that therefore those who report it should never fear any form of retribution. The EDP Code of Ethics is clear on this point when it states that "EDP commits, on its part, to ensure a robust process of management of contacts received of a possible ethical nature and prohibits any act of retribution against those who make a complaint".

### 3.2 ...through a process that is intended to be robust...

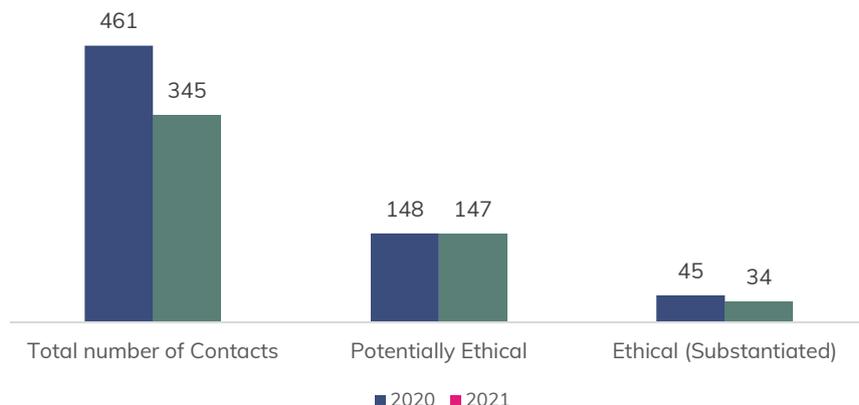
This is therefore the policy followed by EDP on ethical contacts: it approves and encourages their reporting; it relies on leaders to be the privileged relationship channel; it makes other channels available, such as the Ethics Ombudsperson; it guarantees solid and transparent management of complaints, ensuring their responsible handling; it prohibits retribution.

When employees' complaints are reported through the Ethics Portal or other specific channels (e.g. the EDP Brazil Ethics Channel) - and ideally dealt with beforehand with hierarchies - they are analysed confidentially (only disclosed if the complainant so authorises). If it is thought that a reasonable possibility of a case exists, the matter is presented at a meeting of the Ethics Committee of the geography concerned - in 2021 there were, as usual, four meetings of this Committee in each of the geographies. The decision of the Ethics Committee is made known to the complainant and, depending on the resulting measures, any other interested parties are informed for the due effects. In all countries, anonymous complaints are accepted, that is, those in which the complainant does not identify themselves. In these cases the investigation is sometimes more difficult, but even so claims are analysed and solutions are sought whenever they are found to be well-founded.

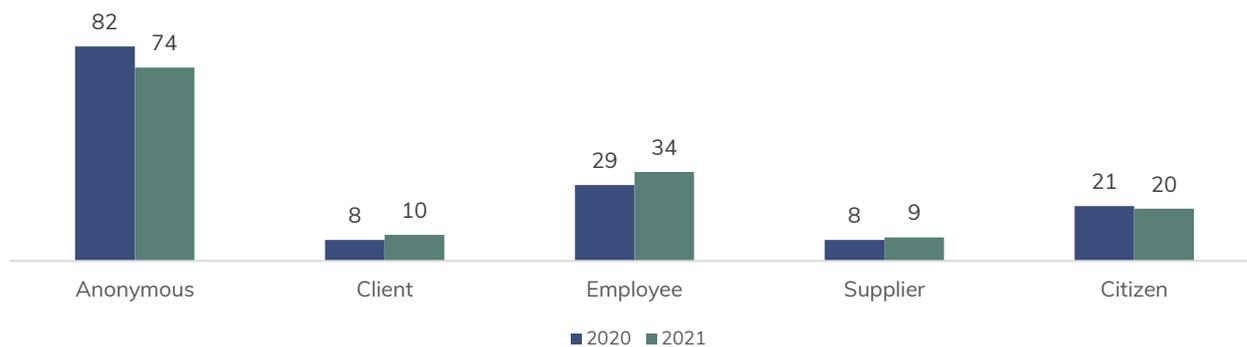
### 3.3 ...whose main figures in 2021 are...

In 2021 the main indicators of activity in ethical contact management show the following results:

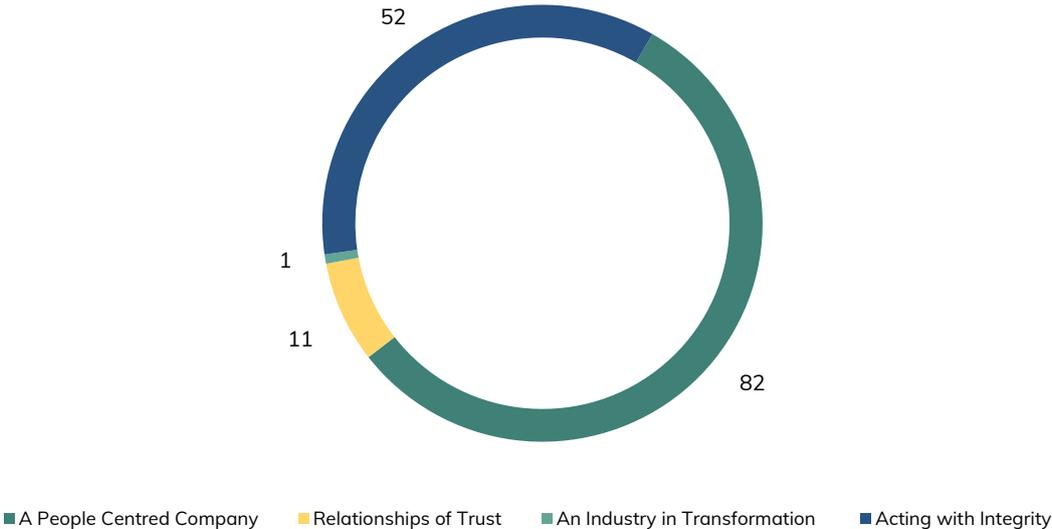
#### RECORDED CONTACTS



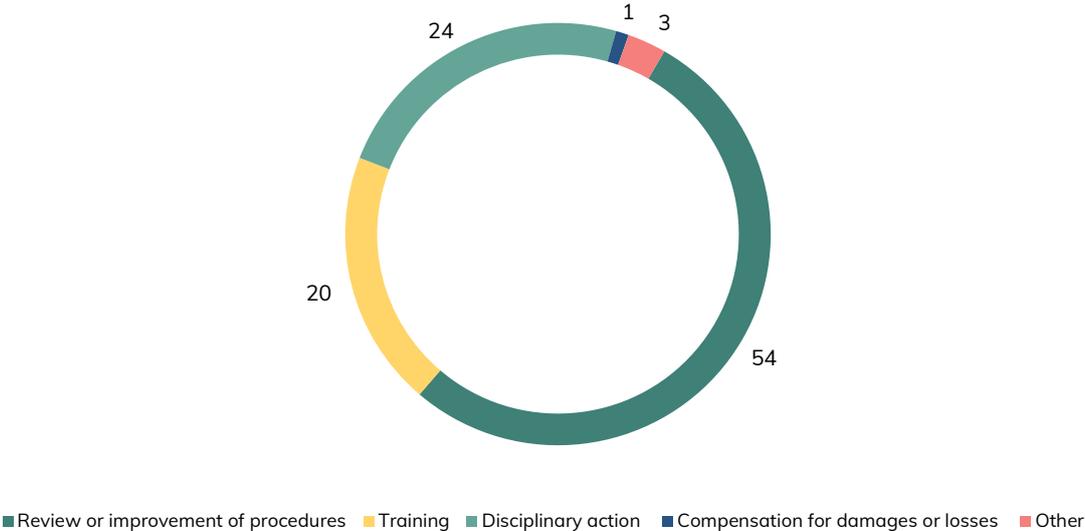
#### COMPLAINTS TO THE ETHICS COMMITTEE, BY ORIGIN - 2 YEARS (#)



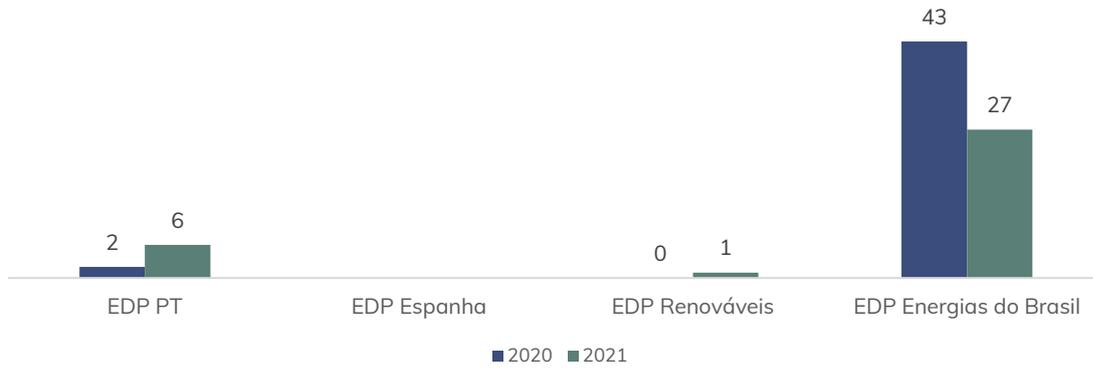
IDENTITY TRAITS



ACTIONS DETERMINED BY THE ETHICS COMMISSION (#)



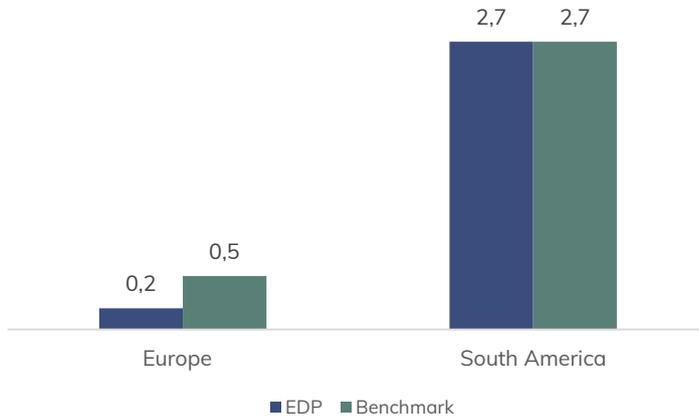
### SUBSTANTIATED CONTACTS BY COMPANY (#)



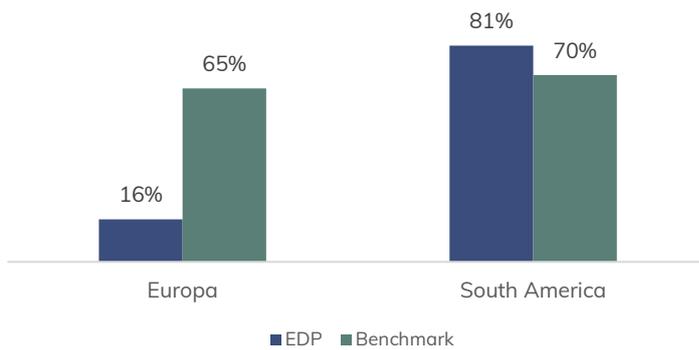
### SUBSTANTIATED CONTACTS BY CATEGORY (#)

|                               |    |
|-------------------------------|----|
| Welfare of employees          | 18 |
| Conflict of Interest          | 7  |
| Use of Company Information    | 4  |
| Relationship with Communities | 1  |
| Use of Heritage               | 1  |
| Corruption and Bribery        | 1  |
| Diversity and Inclusion       | 1  |
| Harassment                    | 1  |

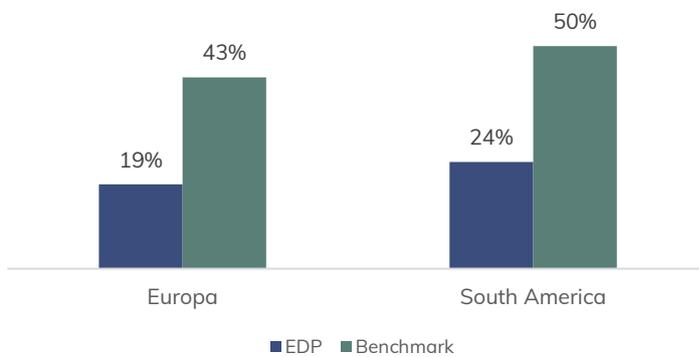
### # CONTACTS / 100 EMPLOYEES



## % OF ANONYMOUS CONTACTS



## SUBSTANTIATION RATE



Source: *Regional Whistleblowing Hotline Benchmark Report 2021, Navex Global*

## 3.4 ...and on which we summarise the following conclusions

From these results we conclude, in some detail:

- In 2021 fewer contacts were recorded through the designated channels: 344, -25%
- Of the recorded contacts, 42% were potentially ethical at the outset, but only 23% were considered, after further enquiry, to be sound, i.e. ethical
- The company in which the activity was most pronounced is EDP Energias do Brazil, as in previous years; in the other countries activity was low or non-existent (EDP Espanha)
- The primary sources of contact were "Anonymous" and "Co-worker"
- The primary topics of the Code of Ethics on which the contacts pertained were: Employee Wellbeing; Conflict of Interest; Use of Company Information. During the course of 2021, there was only 1 complaint classified as Harassment
- The main actions that resulted from this activity were: Review of Procedures; Training, Disciplinary Action

- In view of the benchmarking carried out this year, we conclude that the activity of whistleblowing is, in general, lower at EDP Portugal, when compared with European companies: the indicators Whistleblowing/ 100 Employees, Success Rate and % of Anonymous Complaints, reveal lower values. As for the comparison between EDP Energias do Brasil and the companies in South America, the values are closer.

And, in a more global conclusion: EDP's activity in reporting complaints of an ethical nature is rather weak, with EDP Energias do Brasil being, in this regard, more in line with the standards of the comparable geography.

# 4 — What we will (always) continue to do

*"(...) I invite you then to think about the power that Ethics can have in our lives, all over the world, at the service of a fair and solidarity society, built in a sustainable economic environment. Seize this World Ethics Day to reflect together, as teams and their leaders.(...)"*

**Message from the Ethics Ombudsperson at the celebration of World Ethics Day on 20 Oct 2021**

*"(...) Between social unrest, a continued global pandemic, and a volatile economic environment, this past year brought on-going disruptions. To meet the challenge, the role and leadership of companies is more important than ever. Communities, employees, and other stakeholders are counting on companies and leaders to make decisions and take actions founded in integrity.(...)"*

**Ethisphere Institute, Ethics Quotient Analytical Scorecard, 2022**

## 4.1 Training – and communication - in Ethics

We sincerely believe in the profound impact that training in Ethics - and also communication - can have on its addressees and on all those who participate in it, bringing them closer in a more structured and attentive way to the problems that behaviours can bring to the relationships within organisations.

We thus put in place in 2021 a plan which, based on the "Guiding Principles for Cross-Cutting Training in Ethics" and which had been already been approved in 2019, included, under the label "Ethics is Value", the following new sessions:

- Sessions of cross-training, aimed at the staff in all geographies, on the subjects:
  - Knowledge of the Code of Ethics – "Let's live our Code of Ethics"
  - Encouraging to report - "Talking is building"
  - Tackling harassment - "Say no to harassment".
- Specific training (or awareness) sessions, aimed at specific audiences, this time in Portugal:
  - "Ethics in Customer Relations", aimed at team leaders in the commercial area
  - "Talking about Ethics with Service Providers", an awareness-raising action aimed at all the major partners in Portugal.

These sessions, organised in collaboration with the EDP University (UEDP) and, regarding the action aimed at the commercial area, with the Commercial School, we used various methodologies ranging from e-learning to online classes, and, in the case of the sessions aimed at the wider audience of the Service Providers' employees, using the Smart Learning Map technique.

We also encourage "on demand" training, developing, at the UEDP digital platform, a block of content on Ethics, which employees can access at their convenience and by choosing the sub-topics that interest them most.

As last year, we also organised two Ethics Talks conducted by keynote speakers and on relevant subjects, one on the subject of "ESG", the other on the subject of "The Future of Work".

With this diversity of approaches to teaching and communicating Ethics, we seek to address the changes that have been taking place in the way people learn and/or are available to learn.

Thus, in 2021, along with the reinforcement of the sessions of training built before and whenever mandatory, we will provide over 5,800 hours of training in Ethics - 35% more than in the previous year - to which we can certainly add the many more hours of awareness-raising on the EDP Code of Ethics that our Service Providers have conducted with over 3,000 recipients, their employees. At EDP Portugal, the training sessions on Ethics reached about 85% of attendance, which we consider a very positive performance.

And lastly, a note to emphasise that we celebrated the Global Ethics Day on 20 October, on which we conveyed to the whole of EDP a message from the Ethics Ombudsperson highlighting the importance of the topic for our organisation.

## 4.2 Recognition "The most ethical companies in the world" - has once again been achieved!

EDP's recognition as one of the "World's Most Ethical Companies", awarded by the Ethisphere Institute, was in 2021 renewed for the 11th consecutive year, out of 136 companies based in 22 countries, EDP being the only Portuguese company to have a place in this international index.

The index - Ethics Quotient - analyses and scores the performance of candidate companies in five areas - the Ethics & Compliance Programme; the Culture of Ethics; Environmental and Social Impact; Corporate Governance; Leadership & Reputation - and in all of them EDP achieved a very positive assessment in 2021 - 80 points out of 100 - almost always above the average of the competing companies and 6 points above the global average.

Although in previous years the Company has also recorded positive evaluations, last year these results were more expressive, namely when it came to relations with peers, reflecting the intense work that has been carried out over the years in all areas under review.

This recognition is of great value as it shows, both internally and externally, the maturity of the Company in terms of ethical culture, placing it in a position of great trust with all its stakeholders. And we are well aware of how decisive trust is for the effective sustainability of organisations!

## 4.3 Alignment of "tone" and practices among geographies

In 2021 we continued to work to ensure the greatest possible alignment with all the geographies in which EDP operates and, in particular, with our "Ethics Business Partners" in EDP Spain, EDP Renováveis and EDP Energias do Brasil.

The themes of organisation and procedures, training, instruments for gauging perceptions of the ethical climate, and information for management, were the areas in which we sought collaboration and convergence, and where, without compromising room for improvement, we believe we have achieved greater completeness in this year.

## 4.4 Consolidation of knowledge partnerships

We also maintained our relationship, which is always very enriching in terms of sharing knowledge and supporting the business ethics course we have been running at EDP:

- with the Católica Porto Business School, with whom we renewed our annual collaboration protocol and where we are involved in the Ethics Forum of the Institution;
- with AESE Business School, through the Chair of "Ethics in Business and Society" under which we organised and published this year the book "The Future of Work - Contributions from managers and academics to dignified and inclusive work".

In this book we try to "shed light" on the future of work in these challenging times, knowing that it will certainly be very different from what most of us are experiencing. We seek to identify ethical risks of this future. We then took testimonies from top leaders of international companies, such as EDP, Millennium BCP, Accenture and Microsoft, but also from someone who knows the reality of the Portuguese business fabric, the president of the Portuguese Business Confederation; we

also listened to several professors and researchers who have dedicated themselves to studying the subject and giving us indications on how we can manage it in the best way, respecting ethical principles that we aspire to see fulfilled everywhere.

# 5 — What new things have we made

## 5.1 Governance

*"(...) Some believe that a competitiveness business context brings out the worst in people. We argue that with the right environment and support, workplace experiences can also bring out the best. Organizations can be designed to help workers learn and evolve into their most moral selves. (...)"*

**Harvard Business Review, Nov-Dec 2021, "Building an Ethical Company" by Isaac H. Smith and Maryam Kouchaki**

*"(...) When all three elements of an ethical corporate culture are in place, employees are not only sensitized to recognize the ethical dilemmas they or their firms face, but will also hopefully have the motivation, ability, and confidence to respond in an ethical appropriate manner with such ethical behaviour being supported and rewarded by all managerial levels of the organization (...)"*

**"Developing and sustaining an ethical corporate culture: the core elements" by Mark S. Schwartz, York University, Canada, 2012**

A review of good practices in business ethics advised the revision of the "Ethics Committee" body which had already been in place for several years in the Group. This was achieved by simplifying its structure and ensuring its greater independence through the appointment of individuals to the presidency and vice-presidency who have no responsibility in the executive management of the Companies. The "Committee" then changed its name to "Ethics Commission" - to dissociate itself from the existing Management Co-Committees - and now includes, in addition to the independent members mentioned above, people with functions considered more appropriate to the consideration of Ethics issues, such as, in addition to the Ethics Ombudsperson, the heads of the Compliance, Human Resources and Legal areas. The Commission also has a secretary.

This new model for the composition of the Ethics Commissions, with independent leadership and with few members with specific profiles, was implemented in the Ethics Commissions of EDP SA, EDP Renováveis and EDP Energias do Brasil.

On the other hand, the Ethics Commission of EDP SA strengthened its global vision of the Group's business ethics activity: its chairman is the Chairman of EDP's General and Supervisory Board and the Chairmen of the other two Commissions are also part of this Commission. This structure ensures the alignment of policies and work programmes and, at the same time, the sharing of practices from different geographies when they occur and are relevant to the whole.

One of the primary functions of these Commissions is to review and deliberate on potentially ethical complaints that are referred to them through the process previously mentioned. In addition to the mandatory confidentiality of the subjects, the appropriate separation of information regarding the cases from the different geographies is ensured.

The functioning of these Commissions is duly defined in specific Regulations common to the three entities, and it is our conviction that the new format of the Group's Ethics Commissions represents a very positive evolution in the matter of corporate ethics policy.

In 2021, four annual meetings were held in each geography, two of them still in the "Ethics Committee" format and two in the "Ethics Commissions" format.

## 5.2 Scorecard of ethical contacts

In 2021 we strengthened the production of qualified and regular information on the Group's consolidated ethical contacts: we standardised the classification of contacts received in all ethical complaint channels, based on the 22 themes of the Code of Ethics, and from all geographies, as well as creating a set of indicators that allow us to have a comprehensive perspective at all times on the activity in this area. At the end of the year, we supplemented the information concerning the EDP Group by making a comparative analysis with international data provided by leading entities in the field of Ethics.

All this data is vital for us to be aware of our reality in terms of ethical complaints and, with this information, to be able to design ways to improve our ethical culture.

The current Scorecard - shared and analysed in the regular meetings of the Ethics Commissions in the three countries - already constitutes an important information asset in this area, which we will continue to enrich in the future.

## 5.3 Ethical Environment Questionnaire

2021 was also marked by the launch of a questionnaire on the ethical environment of global scope within the EDP Group. We called it "The voice of employees on Ethics at EDP"

It was built under a theoretical reference of Mark S. Swartz, from York University, Canada, having also been based on study instruments with identical objective to ours, from benchmark entities such as the Institute for Business Ethics (IBE) and the The Markkula Center for Applied Ethics at Santa Clara University.

The questionnaire sought to analyse the "state" of EDP's ethical culture from three perspectives: the role and strength of values within the organisation; the strength of the ethical infrastructure (Code of Ethics, Codes of Conduct, whistle-blowing processes and channels, training plan, etc.); and finally, how employees perceive their leaders' behaviour.

The questionnaire was sent to around 12 thousand EDP employees working in all the geographies in which the company operates, and around 5 thousand people responded, i.e. 37% of the entire workforce. This is an acceptable rate and has statistical relevance, i.e. we can consider that the results obtained from this group of respondents can be taken into account in terms of main conclusions and points for improvement.

From the main perceptions found in this questionnaire, we highlight:

- There is a very positive assessment of how EDP's values are imbued in the organisation, with 90% of respondents considering that EDP is a company committed to the ethical principles it upholds
- Employees have a very positive view of their leaders' behaviour, with more than 80% of the respondents considering that managers clearly transmit the importance of Ethics in the company, although points for improvement have been identified in this area of ethical culture
- The ethical infrastructure, despite showing signs of positive knowledge, is the one aspect of our culture which has more room for improvement. Actually, knowledge of some key elements such as the Code of Ethics, or the process of filing a complaint of an ethical nature, registered values between 50% and 70%, clearly indicating the need to reinforce knowledge in this field.

It is also important to note that, despite the results obtained in some indicators that suggest we should work harder with employees to strengthen the company's ethical culture, the comparison of EDP's results with the results of international questionnaires - such as Ethics at Work: The International Survey of Employees, promoted by the Institute for Business Ethics in 13 countries and with responses from 10,000 employees worldwide - shows a much more positive pattern of perceptions on the part of EDP, as can be seen in the table below.

We are aware that it is essential to work on the results obtained from the questionnaire, and this work, together with the sharing of the results by the various units of the company, was immediately included in the improvement action plan for next year and with everyone's involvement.

## COMPARISON WITH RESULTS OF THE STUDY ETHICS@WORK

| AXIS                                       | INDICATOR   | EDP GLOBAL | E@W |
|--|---|------------|-----|
| THE INCORPORATION OF ETHICAL VALUES AT EDP | People know what is expected of them in terms of ethical behaviour within the Company   | 88%        | 78% |
|  | EDP acts responsibly in all its business practices (with customers, suppliers, partners, etc.)                                | 83%        | 76% |
| ETHICAL LEADERSHIP                         | Senior management accurately conveys the importance of ethics within the Company  | 82%        | 71% |
|  | My line manager is a good example of ethical conduct  | 85%        | 71% |
|  | My line manager directly supports teams so they can follow the principles and standards of ethical performance of the company | 83%        | 68% |

### 5.4 End of the cycle assessment “Raising the Ethical Building @EDP”

In 2021 we completed a cycle encompassed by the Ethics Programme 2019-2021 and which we named "Raising the Ethical Building@EDP": because it aimed to leverage these three years on the basis of the work that EDP has been undertaking for over fifteen years in the field of Ethics.

“Growing” what was already launched and in progress was our motto. Above all, by consolidating and modernising the "ethical infrastructure" created from 2005.

We have therefore established that "Ethics can be managed" and, based on this assertion, we have set objectives and work programmes, such as: we have reinforced " Ethics management" with the normal corporate governance mechanisms; we have built a new Code of Ethics, less conceptual and more practical; we have planned in a structured way ethics training; we have launched a channel to report claims of an ethical nature; we have adjusted Ethics governance to the best practices; we have listened to employees through a powerful questionnaire. Among other.

From early on, alignment with all the countries in which EDP operates was fundamental, and so we sought to establish the necessary bridges, believing that we are today closer to an "EDP ethical culture", without prejudice to the respect that we have always defended for local cultural specificities.

A greater interrelation between "frontier areas" of Ethics - Sustainability, Compliance, People Management, among others - was also an objective of this Programme: the construction of the applications to the Ethics Quotient of the Ethisphere Institute is a good example of this, where through a multidisciplinary working group we produced proposals for recognition since the two last years that are stronger as they are more integrated and consistent. From whose results we benefit, with a new awareness regarding the year 2021 in which we grew in all the categories.

Therefore, we assess this cycle positively, with many achievements that have taken us to a more mature stage in terms of business ethics.

However, we are aware - and the questionnaire on the ethical climate has also underlined this aspect - that there is a path under permanent construction, in which a greater investment in the "substance" of Ethics is unavoidable. Taking Ethics to each and everyone. And with that, ensure a better ethical performance in our organisation. That will now be our challenge for the next triennium.

# 6 — What new things will we do

*"(...) Ethics expectations and standards need to be taken to the people who matter to the organization (...). This activity comprises the reason for the organization taking an ethics stance, what this stance is, how it will be applied and what each stakeholder's responsibility is to this effect. (...)"*

**Institutionalising Ethics Handbook – Making ethics real, The Ethics Institute, 2021**

*"(...) We owe each other more. A more generous and inclusive and social contract would recognize our interdependencies, provide minimum protections to all, share some risks collectively and ask everyone to contribute as much as they can for as long as they can.(...)"*

**Minouche Shafik, "What We Owe Each Other – A new Social Contract", Penguin Random House UK, 2021**

## 6.1 Ethics Programme "Making Ethics Real" 2022-24

The great undertaking of the next Ethics Programme is then, to start from the "ethical building" that has been built over the years and make it alive in each stakeholder, in the company's employees in particular. That is why we have given it the mobilising slogan of "Making Ethics Real".

In defining the new Programme we have taken into account the known global trends in Ethics, but also the results of the Ethics Environment Questionnaire mentioned above. The latter identifies the main points for improvement in our ethical culture and it is with a view to mitigating them that we have set the five major objectives to be achieved in the mid-term at EDP, which are:

- Increased involvement of the entire Company in the corporate Ethics policy
- Reinforcing knowledge of the Code of Ethics and its guidelines " put into practice"
- Reinforcing the management process of ethical claims (taking into account, namely, the application of the Portuguese law resulting from the transposition of the European Directive on "Whistleblowing" which will be in force as of next June).
- Optimising the management of ethics processes in general (in particular by streamlining processes and reporting channels).
- Ensuring the total alignment of practices in matters of ethics in all the countries in which EDP operates.

To achieve these objectives, an action plan was launched, which in 2022 will include a set of initiatives that improve communication on these matters, intensify training activities, modernise processes and their IT support, create a more effective link with the Business Units through Business Ethics Partners, encourage debate on ethical issues in specific forums, among others.

We believe that through the vast programme of work envisaged, the "substance" of Ethics will override the "form", thus setting the new course for our future path.

## 6.2 Preparing responses to the ethical imperatives of the near future

The last two years have brought valuable lessons - the importance of persistence; the inevitability of resilience so as not to falter; transformation as an ongoing process; strengthening attention to health management, both in its treatment and prevention; a higher priority for cybersecurity issues; among others - and confronted us with serious problems - the foreseeably slow economic recovery, due in large part to the unprecedented disruptions that companies now face in their businesses; migratory pressures; the rekindling of inflation; the disruption of global supply chains; the scarcity of talent.

However, companies have started designing the year 2022 based on the conviction about the importance of living their values, in particular trust and transparency, namely through the announcement of firm purposes. People would continue to take a central role - after so much human suffering, in health and in the economic and social fields - with, if possible, a greater awareness of their value and, due to the profound transformations that technology has been bringing about for a decade, of the need for their requalification and adequate preparation for the challenges of a "new normal", as our times have come to be called. The new forms of work induced by the pandemic have begun to be studied and worked on in order to develop policies that ensure balance both for companies and for their workers.

The issues of sustainability and climate change were on the agendas of companies and society in general, envisaging a determined fight to reduce negative impacts.

It could be said that, based on "lessons learnt" from the pandemic years - which came in addition to the already occurring revolutions, both in technology and in addressing climate change - and with a clear diagnosis of the problems to be faced, the new year was expected to be difficult, but hopeful. The framework of concerns about fighting social inequalities and human rights violations, as well as addressing the ethical risks of a less healthy use of new technologies, was identified and it should be possible to work on it in a frank and determined way.

However, the beginning of the year has brought an unexpected war, where all certainties about the international order of the world in which we lived have crumbled. Respect for the laws between states and for the basic rights of people, as well as intolerance for unjust and unqualified human suffering, everything that we used to take for granted in a civilised society, has reached a stage of almost impossible comprehension.

In the first months of 2022, one country invaded another for unproven reasons; an immense humanitarian crisis was triggered, with millions of inhabitants leaving the invaded country; a remarkable level of destruction has been recorded in the invaded country, with cities completely destroyed; many people have died, most of them civilians. An energy crisis has also resulted from this war, since the invading country is a major supplier of energy to many countries.

The world, or a large part of it, has united in possibly defending the invaded country. Countless cautious decisions have been made by world leaders, between diplomacy and the defence of their countries or the international organisations they represent. Companies have also intervened by withdrawing their businesses from the invading country, in some cases taking care of the situation of the workers concerned.

The global response to this human catastrophe has thus been marked by many ethical attitudes, at the most varied levels, which we should welcome and, to our extent, pursue with determination.

This human strength that each of us has within us, which we must use each day, and ever more so in such difficult times, at the service of others. For, as Minouche Safikk says, "We owe each other more" (ref. above).

And this is our greatest challenge for the near future, one that will inevitably frame our actions.

# <sup>7</sup> — Who we count on to ensure that it happens

*"(...) Cicero was right. Gratitude can be the parent of other virtues. (...)"*

**"To be good, be grateful", Brett Beasley, Notre Dame Deloitte Center for Ethical Leadership, 2022**

All the work carried out in the field of Ethics, whether in the companies and organisational units of the EDP Group, or that which was motivated and put into practice by the Ethics Ombudsperson and the corporate office supporting them, as well as that which our partners have brought together, has depended on the frank and intense collaboration of all those affected by the topic or "frontier" topics: my primary thanks go to them, for without this "resource" - people, their knowledge and their will! - nothing would have been possible.

Our other thanks, which are also essential, are dedicated to the members of EDP's corporate bodies, from the General Supervisory Board and its Governance and Sustainability Committee - in particular its Chairman, João Talone, who is also Chairman of the EDP Ethics Commission - to EDP's Executive Board of Directors and the Chairmen of the Ethics Committees of EDP Energias do Brasil and EDP Renováveis. The confidence and guidance with which everyone surrounded us has certainly made our performance more solid.

A closing but no less important word of gratitude goes to all those who approached the Ethics Ombudsperson and all other EDP contact channels on matters of Ethics, seeking, with courage and in good faith, to be listened to and supported in their doubts and concerns. From this interaction the best pointers for compliance with EDP's Code of Ethics will have emerged and this will have contributed to the strengthening of the Company's ethical culture.

To you all, with sincere humility, many thanks.

Lisbon, 30th April 2022

Manuela Silva

Ethics Ombudsperson



CHANGING TOMORROW NOW



*edp*