

# Annual report on the implementation of the Risk Prevention Plan for Corruption and Related Infractions (PPR)

## 1. GOAL

Annual evaluation of the application of the Risk Prevention Plan for Corruption and Related Infractions (PPR).

It is intended to quantify the degree of implementation of the Regulatory Compliance Program Control System, namely the quantification of the degree of implementation of preventive and corrective measures identified in the PPR at JP Sá Couto, S.A. (hereinafter JP Sá Couto).

## 2. IMPLEMENTATION OF THE REGULATORY COMPLIANCE PROGRAM

In May 2022, JP Sá Couto implemented a Regulatory Compliance Plan, with the scope of preventing risks of corruption and related infractions, consisting of a comprehensive framework that makes up the Corruption Prevention Management System, in line with the other Systems of Management that regulate the activity of JP Sá Couto.

The implementation of the Regulatory Compliance Plan was studied in order to better identify the risks of corruption and related infractions, and the actions necessary for their mitigation.

The JP Sá Couto Regulatory Compliance Program comprises the JP Sá Couto PPR, the Code of Conduct, training actions for employees and managers, and a robust internal control system.

An internal whistleblowing channel was also implemented, duly disclosed to all employees, in order to provide a safe way of filing complaints.

## 3. PPR IMPLEMENTATION

The PPR identifies, analyzes and classifies the risks of corruption and related infractions to which JP Sá Couto is exposed, indicating the preventive and corrective measures to mitigate these risks.

This PPR, after being approved by the Board of Directors, was published on the JP Sá Couto website at [https://www.groupjp.com/files/ws\\_editorials/1\\_PPR\\_S\\_Couto\\_RevFinal\\_3.pdf](https://www.groupjp.com/files/ws_editorials/1_PPR_S_Couto_RevFinal_3.pdf). All employees were notified via internal communication .

The PPR does not identify situations of maximum risk, due to the activity of JP Sá

Couto, and it is considered that the controls applied to each risk area adequately mitigate the identified risks.

The PPR will be reviewed in 2025, or whenever justifiable, in accordance with what is described therein, in the chapter "Execution, Publicity and Review of the Plan".

With regard to the indicated controls, those relating specifically to the Regulatory Compliance Program are listed below, referring to each point its degree of implementation or the expected forecast of its implementation.

Listed controls that were already in place by virtue of previous certifications, or considered as arising from the normal internal organization of JP Sá Couto, are not mirrored here.

#### **4. CODE OF CONDUCT**

JP Sá Couto adopted a Code of Conduct that establishes the set of principles, values and rules of action for all managers and workers in terms of professional ethics, in order to disclose to all parties that relate to the Organization, and an Anti-Corruption Policy which should serve as a guideline for the exercise of JP Sá Couto's activity, as well as for conducting business in an ethical, honest and transparent manner, requiring all parties that relate to JP Sá Couto to comply of all applicable legislation and regulations, namely for the fight against corruption and related infractions.

The code of conduct was presented to employees in November 2022, through internal communication and published on the JP Sá Couto website, and is accessible at [https://www.groupjp.com/files/ws\\_editoriais/Codigo\\_conduta\\_2022\\_pt\\_1.pdf](https://www.groupjp.com/files/ws_editoriais/Codigo_conduta_2022_pt_1.pdf), thus ensuring that all interested parties are bound to comply with it.

#### **5. INTERNAL AND EXTERNAL AUDIT PROGRAM**

To date, due to the recent implementation of the Regulatory Compliance Program, internal audits of the Corruption Prevention Management System have not yet been carried out.

#### **6. REPORT CHANNELS**

In October 2022, an internal reporting channel was implemented, which ensures the confidentiality or anonymity of the whistleblower, as well as the security of the data entered on the platform, which is certified under the ISO 27001 standard. Platform operators/managers and the investigation team received training on how to handle complaints in accordance with the GDPR.

Mechanisms have been established to prevent retaliation against whistleblowers, and it is anticipated that the penalty incurred by those who practice retaliatory acts may result in dismissal without the right to compensation or indemnity, having drawn up an Internal Complaints Policy, also available on the website at [https://www.groupjp.com/files/ws\\_editoriais/33\\_jpgroup\\_Poltica\\_de\\_Denncias\\_Internas\\_RevMC\\_V1.pdf](https://www.groupjp.com/files/ws_editoriais/33_jpgroup_Poltica_de_Denncias_Internas_RevMC_V1.pdf).

Employees were trained on whistleblowing requirements, reporting whistleblowers and handling whistleblowing channels when implementing the internal channel.

#### **7. TRAINING FOR INTERNAL EMPLOYEES AND MANAGERS**

Due to the need to create an ethical barrier, embodied by the awareness of our employees and holders of key positions on the subject of corruption, a training program was designed, in two aspects (managers and employees), in order to enable the timely detection and mitigation of transgressions.

To date, 1 training session has been given to employees, lasting 90 minutes, focusing on the subject of corruption and related infractions, so that our employees can better identify risk situations and the appropriate conduct to respond to these situations. The training given also focused on the topic of admissibility of complaints and the concept of good faith, behaviors to report, internal protection mechanisms for whistleblowers, internal anti-retaliation mechanisms, complaints of marked bad faith, as well as on data security and resilience of the internal reporting channel.

Training was also given to managers, focusing in more detail on practices of corruption and related infractions and the policies and procedures instituted internally and the operation of reporting channels as a tool of the Corruption Prevention Management System, with a duration of 150 minutes.

In this first year of implementation of the Regulatory Compliance Program, 82% of the workers in the JP Group universe received internal training on corruption prevention and reporting channels, and 100% of managers, including Administration and positions considered to be of greater relevance in relation to this topic, received training appropriate to their level of exposure to corruption risks.

In the future, the training plan on the contents described above foresees training for employees and training for managers, on a regular basis every 2 years. Training will also be provided twice a year to new employees. Training for welcoming new employees contains specific provisions on the points listed above in employee training.

## **8. THIRD-PARTY RISK MONITORING**

Since the implementation of the Regulatory Compliance Program, procedures for prior assessment of Third Party risk have been effectively implemented, however, due to the recent implementation of the Regulatory Compliance Program, the percentage of suppliers subject to the assessment questionnaire is still 0%.

New suppliers commit to the provisions of the Code of Conduct document and the JP Sá Couto Corruption Prevention and Related Infractions Policy, right from the supplier opening process.

Effective monitoring of third-party risk is planned, by completing the supplier qualification form (Prior Third-Party Risk Assessment Procedure) and auditing the main suppliers for the year 2024.

## **9. ASSESSMENT OF KPIS AND ASSOCIATED METRICS**

JP Sá Couto adopted a system of metrics associated with the internal control system to combat and prevent corruption and related infractions. These indicators were specially designed with a view to monitoring the evolution and performance of the Regulatory Compliance Program.

In the year of implementation, from July 2022 to October 2023, 29 indicators were chosen, in accordance with document 5.1\_jp.group\_indicadores\_SG\_RGPC.

## **10. REFERENCE DOCUMENTS**

- PPR - Risk Prevention Plan for Corruption and Related Infractions [May 2022 version].
- Code of Conduct.
- Anti-Corruption Policy.
- Third-party pre-assessment procedure.
- Processes that are part of the Corruption Prevention Management System (Nomination minutes of the Regulatory Compliance Officer, Methods and Procedures Manual, Anti-Corruption Policy, Measurement of the effectiveness of anti-corruption programs, Indicators).

## **11. CONCLUSIONS**

This report took into account freely accessible internal information and the recent implementation of the PPR.

The PPR has been accompanied and monitored, based on indicators specially structured for this process, trying to optimize the management of the risk of corruption and related infractions. The PPR should be reviewed in due course when the need arises, or, in any case, in 2025.

Matosinhos, 03/04/2023

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