

ANNUAL EVALUATION REPORT - APRIL 2024

PLAN FOR THE PREVENTION OF RISKS OF CORRUPTION AND RELATED OFFENCES (PPR)

Framework

The entry into force of the General Regime for the Prevention of Corruption (RGPC), approved by Decree-Law no. 109-E/2021, of 9 December, obliged the entities covered to adopt a compliance programme that includes a plan for the prevention of risks of corruption and related offences (PPR), a code of conduct, a training programme and a reporting channel, in order to prevent, detect and sanction acts of corruption and related offences carried out against or through the entities covered.

COSEC's corporate conduct is based on a commitment to act in a professional manner and in accordance with the highest ethical *standards*, demanding transparency and integrity in all business relationships in order to avoid any improper advantage or any suggestion of questionable conduct on the part of its employees, directors, officers, members of other corporate bodies, representatives, agents or third parties that COSEC hires.

In fulfilment of the obligations imposed, as well as the commitments made and in addition to the existing internal policies on this matter, COSEC approved and implemented the Plan for the Prevention of Risks of Corruption and Related Offences (PPR), which is integrated into the Risk Assessment Plan, as provided for in the corruption prevention measures included in its Anti-Corruption Policy.

The implementation of the PPR is subject to monitoring through interim and annual evaluation reports.

Under these terms and in accordance with the provisions of Article 6(4)(b) of the RGPC, COSEC, as an entity covered by the RGPC, must draw up an *annual assessment report in April of the following year, containing, in particular, a quantification of the degree of implementation of the preventive and corrective measures identified, as well as a forecast of their full implementation.*

This report therefore takes into account the assessment of the implementation of the PPR in 2023.

Implementation of the PPR

COSEC's PPR covers its entire organisation and activities, including management, operational and support areas, and contains the identification, analysis and classification of the risk of corruption, based on the consideration of situations that may expose the company to acts of corruption and related offences, including those associated with the exercise of functions by members of the management bodies and senior management, taking into account the reality of the insurance sector and the geographical areas in which COSEC operates.

The PPR includes:

- a) The identification of COSEC's areas of activity exposed to the risk of committing acts of corruption and related offences;
- b) Risk assessment, in terms of probability of occurrence and foreseeable impact, so that risks can be graded;
- c) The identification of preventive and corrective measures to reduce the probability of occurrence and the impact of risks and situations that may arise, adjusted to the level of risk identified.

The risk of corruption is analysed and classified on an annual basis and is the responsibility of the heads of the various departments in coordination with the head of the Risk Management Function, who ensures that the actions set out in the plan are implemented.

Through the internal control system, compliance with preventive and corrective measures is ensured, thus reducing the likelihood of occurrence and the impact of risks and situations that may arise, taking into account in particular:

- a) The fulfilment and legality of the resolutions and decisions of the board members;
- b) Respect for defined policies and objectives;
- c) Compliance with legal and regulatory provisions;
- d) Proper risk management and mitigation;
- e) Respect for the principles and values set out in the code of conduct;
- f) The prevention and detection of situations of illegality, corruption, fraud and error;
- g) Safeguarding assets;
- h) The quality, timeliness, integrity and reliability of the information;
- i) The prevention of favouritism or discriminatory practices;
- j) Appropriate mechanisms for planning, executing, reviewing, controlling and approving operations;
- k) Promoting competition;
- l) Transparency of operations.

Within the scope of the internal control system, COSEC also maintains prior risk assessment procedures in relation to:

- a) third parties acting on their behalf;
- b) suppliers; and
- c) customers.

The procedures adopted are adapted to the risk profile of the entity being assessed and to the nature and importance of the activity in which they intervene, and allow for the identification of beneficial owners, where justified, and possible conflicts of interest.

Assessment and Conclusion

As mentioned, the prevention of corruption is not a recent concern for COSEC, in 2023 a more exhaustive risk assessment was carried out with the implementation and development of the preventive and corrective measures included in the PPR, in order to reduce the probability of occurrence and the impact of the risks of situations that could expose the company to acts of corruption and related offences.

The existence and fulfilment of these measures, as well as those identified throughout this report, demonstrate COSEC's commitment to ensuring that its employees do not engage in or facilitate any form of corruption.

In view of the principle of proportionality, it can be concluded that the Plan for the Prevention of the Risk of Corruption and Related Offences in force has been implemented and is being carried out in a way that is appropriate to the size and nature of the insurance business pursued by the company,

Disclosure

This Report, once approved by COSEC's Executive Committee, will be publicised to all employees via the *intranet* and on its official website.

Lisbon, 26th April 2024