

## Deloitte Portugal Plan for prevention of corruption risks and related infractions

June 2023

# Table of contents

1. Introduction	3
2. Presentation of Deloitte	6
2.1. Purpose and values	7
2.2. Organizational structure	12
2.3. Governance	14
3. Assessment of corruption risks and related infractions	17
3.1. The concept of risk and the risk of corruption	18
3.2. Methodology of risk management	20
3.3. Corruption risks and related infractions	22
3.4. Assessment and classification of corruption risks and related infractions	24
3.5. Matrix of corruption risks and related infractions	66
4. Monitorization and evaluation of the PPR	69



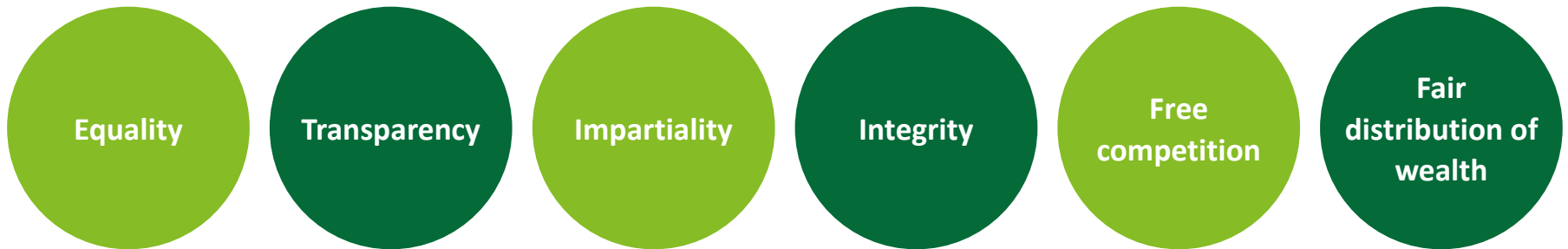
# 1. Introduction

# 1. Introduction

## 1.1. Overview (1/2)

In the context of the increased perception of the impacts associated with the occurrence of acts of corruption and related infractions and the growing awareness of organizations to prevent and mitigate the inherent risks associated with this type of adverse events by implementing effective mechanisms, the regulation applicable to the private sector in terms of prevention, detection and control of risks of corruption and related infractions has been strengthened in several jurisdictions. Specifically, in Portugal, it was approved the Decree-Law no. 109-E/2021, of December 9, 2021, which establishes the General Regime for the Prevention of Corruption (“RGPC”) that came into force in June 2022.

According to the RGPC, the phenomenon of corruption undermines the fundamental principles of democracy, namely the following:



The strategy set out in the RGPC aims, to improve knowledge, training and institutional practices in terms of transparency and integrity to prevent and detect the risks of corruption and related infractions, to commit the business market to the prevention, detection and prosecution of corruption and related infractions and to ensure a more effective and uniform application of legal mechanisms for the prosecution of corruption.

# 1. Introduction

## 1.1. Overview (2/2)

Under the law, the Plan for prevention of corruption risks and related infractions (“PPR”) includes the following structure: (i) a list of the entity’s areas of activity that present corruption risks and related infractions, (ii) the probability of occurrence and the expected impact of each event (for risk classification purposes), (iii) the list of preventive and corrective measures to be applied to mitigate the impact and probability of occurrence of the risks identified, (iv) the identification of key priority measures that respond to high risk events, and (v) the appointment of a responsible for the execution, control and review of the PPR.

In addition, the network of Deloitte in Portugal (“Deloitte Portugal”) has in accordance with the law adopted and implemented a single PPR that covers the entire organization and activity of the group, including administration, management, operational or support areas. In this sense, the PPR here presented is structured considering the management the business functions and support areas of the Deloitte Portugal, which comprehends a set of separate and independent legal entities, that operate under the name and brand of Deloitte through a contractual or shareholder relationship with Deloitte Central Services, S.A. (“Deloitte CS”).

In this context, Deloitte CS developed this PPR, applicable to all legal entities that are part of the network of Deloitte Portugal. The PPR aims to complement the internal regulation and mechanisms, meet applicable legal requirements and provide a strategy more consistent with the existing challenges in fulfilling its mission.

The PPR presented considers the organizational structure of Deloitte Portugal and covers all its activities and processes which are exposed to the risk of corruption and related infractions, constituting an opportunity to reinforce its protection against the occurrence of adverse events that can impact Deloitte Portugal’s reputation, financial and business position.

The PPR begins with an overview of Deloitte Portugal, namely its purpose and values, as well as its organizational and governance structure, followed by a detailed explanation of the corruption risks and related infractions identified, including their assessment and the description of the measures identified to mitigate them. Finally, the PPR presents the main responsibilities of Deloitte Portugal in implementing and monitoring the execution of PPR.

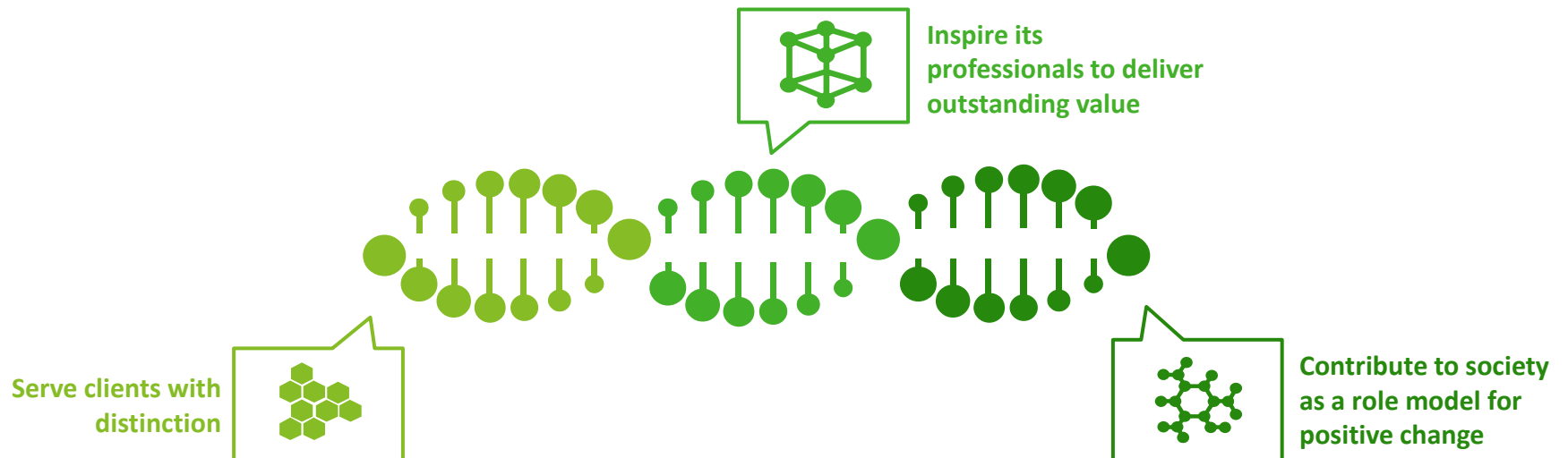
## 2. Presentation of Deloitte

## 2. Presentation of Deloitte

### 2.1. Purpose and values (1/5)

Deloitte is the brand under which approximately 457,000 professionals in independent firms throughout the world collaborate to provide audit and assurance, consulting, financial advisory, risk advisory, tax and related services to select clients in more than 150 countries and territories around the world. These firms are members of Deloitte Touche Tohmatsu Limited, a private company limited by guarantee incorporated in England and Wales (“DTTL”, also referred to as “Deloitte Global”). DTTL, its member firms and each of their respective related entities form the Deloitte network. Each DTTL member firm and/or its related entities provide services in particular geographic areas and is subject to the laws and professional regulations of the country/countries in which it operates. DTTL, in relation to its member firms and their related entities, assumes a role as an aggregator of best practices, requiring adherence to policies and protocols with the aim of consistently promoting a high level of quality, professional conduct and service throughout the Deloitte network.

In this sense, Deloitte network is led by a globally shared vision – to be considered a standard of excellence – and a common purpose, “*To make an impact that matters*”, aiming to create a positive impact on its customers, people and communities. To fulfil its purpose, Deloitte follows a set of Global Principles of Business Conduct, which outline its ethical commitments to business and society, and are based on its shared values and embedded in its policies and inform its decision making.



## 2. Presentation of Deloitte

### 2.1. Purpose and values (2/5)

Deloitte shared values are a set of core principles that guide the collective behavior of Deloitte network, providing common ground to unite Deloitte across cultures and geographies and helping it to earn the trust and respect of its stakeholders.





## 2. Presentation of Deloitte

### 2.1. Purpose and values (3/5)

To fulfill its purpose and to ensure that its operations comply with the laws, regulations and best practices of the sectors in which it operates, Deloitte has a set of policies and procedures directly or indirectly related to anticorruption matters. This set of internal regulation is also applicable to Deloitte Portugal, being some procedures there inserted specific to Portugal. Some of these policies and procedures are highlighted below:

<b>Anticorruption</b>	<b>Code of Ethics and Business Conduct</b>	<b>Ethics</b>	<b>Ethics Incident Response</b>	<b>Disciplinary non-compliance</b>
Provides guidance developed to meet Deloitte's shared values and its commitment to fight against corruption in all its forms, ensures compliance with anticorruption and bribery laws, rules and regulations, and defines the responsibilities of Deloitte Portugal in defending its position against corruption and bribery.	The Code of Ethics and Professional Conduct sets the standard for ethical behavior expected at Deloitte Portugal. These are ethical principles based on Deloitte's shared values to encourage behaviors that guarantee the integrity and reputation as an organization.	Sets forth the policies and guidance on developing, implementing and maintaining an ethics program, in line with the ethical commitments outlined in the Global Principles of Business Conduct.	Provides minimum standards and guidance to encourage good practice in the assessment, investigation, and mitigation of ethics incidents and presents a set of tools that guide the Ethics officer and team in their efforts to prevent, detect and address ethics and compliance issues.	Provides guidelines to be followed in disciplinary proceedings, resulting from non-compliance or violation, by Deloitte's employees, of the policies established by Deloitte related to the exercise of the profession.

## 2. Presentation of Deloitte

### 2.1. Purpose and values (4/5)

To fulfill its purpose and to ensure that its operations comply with the laws, regulations and best practices of the sectors in which it operates, Deloitte has a set of policies and procedures directly or indirectly related to anticorruption matters. This set of internal regulation is also applicable to Deloitte Portugal, being some procedures specific to Portugal. Some of these policies and procedures are highlighted below:

<b>Deloitte “Speak Up”</b>	<b>Non-retaliation</b>	<b>Anti-money laundering</b>	<b>Business Relationship Acceptance and Continuance</b>	<b>Engagement acceptance and risk classification</b>
Promotes the whistleblowing channel and defines the internal procedures so that employees can report any potentially fraudulent, illegal or unethical situation.	Reaffirms Deloitte’s commitment to promote an environment free from retaliation and aims to protect any employee of Deloitte or any other individual who, in good faith, reports an unethical or non-compliance situation.	Provides guidance to meet Deloitte’s shared values, and to further Deloitte’s commitment to and compliance with applicable anti-money laundering (“AML”) laws, and to facilitate the design and implementation of an effective AML compliance program.	Provides guidance related to the establishment of business relationships, including assessing the risks associated with those relationships and evaluating the appropriateness from a regulatory, reputation and brand perspective.	Establishes guidelines relating to the acceptance and risk assessment of customers, including minimum mandatory approvals when accepting or retaining customers.

## 2. Presentation of Deloitte

### 2.1. Purpose and values (5/5)

To fulfill its purpose and to ensure that its operations comply with the laws, regulations and best practices of the sectors in which it operates, Deloitte has a set of policies and procedures directly or indirectly related to anticorruption matters. This set of internal regulation is also applicable to Deloitte Portugal, being some procedures specific to Portugal. Some of these policies and procedures are highlighted below:

#### **“Know your client” Inquiries and Research**

Provides guidance on conducting “know your client” inquiries and research in connection with the acceptance of engagements to provide professional services for prospective or existing clients and intends to assist Deloitte Portugal in obtaining and retaining clients that enhance rather than potentially damage the Deloitte brand and reputation.

#### **Supplier Code of Conduct**

Describes the standards expected to be met by every supplier in promoting an inclusive, diverse, anticorruption and sustainable environment.

#### **Potential Conflicts**

Provides guidelines to identify and manage potential conflicts of interest that may arise from (i) performing or proposing to perform a professional service or (ii) enter into or proposing to enter into a business or financial relationship.

## 2. Presentation of Deloitte

### 2.2. Organizational structure (1/2)

Deloitte Portugal's organizational structure is based on five business functions and several business supporting areas, which provide global and transversal support to the activities of the organization.

Allocated to different legal entities, the five business functions – Audit & Assurance, Consulting, Financial Advisory, Risk Advisory, and Tax – are responsible for developing Deloitte Portugal's business activity in two segments: (i) Financial Services ("FS") and Products, Services, Utilities and Resources ("PSUR").

#### Audit & Assurance

Provides audit services with the highest standards of independence, professional objectivity and technical excellence.

#### Consulting

Delivers strategy and implementation, from a business and technological perspective, to support clients in solving complex challenges.

#### Financial Advisory

Provides specialized financial advisory services in mergers & acquisitions, transaction services, restructurings, company business valuation, and forensic investigation, in order to solve critical business situations.

#### Risk Advisory

Helps organizations to effectively manage risk, maximizing their potential by creating and protecting value for their stakeholders.

#### Tax

Provides a wide range of fully integrated tax services, combining information and innovation from multiple disciplines, with business and industry insight.

## 2. Presentation of Deloitte

### 2.2. Organizational structure (2/2)

With an operation support nature, Deloitte Portugal has several business areas that provide transversal support to the five business functions in various matters. The business supporting areas are divided into the following areas: Confidentiality & Information Security; People; Office Administration; Information Technology; Marketing & Communication; Legal; Operations & Efficiency; Finance, Accounting, Control, Planning & Reporting; Reputation and Risk.

To guarantee compliance with the principles that guide Deloitte Portugal's activity, it was defined a coordination structure consisting of the Executive Committee, led by the Chief Executive Officer ("CEO"), and the Board.

The Executive Committee is responsible for defining Deloitte Portugal's global strategy, monitoring the respective results and compliance with the rules applicable to the activity of the respective entities, including coordination across the different entities of Deloitte Portugal for the effective promotion of brand cohesion and consistency of Deloitte's values. In particular, the Executive Committee aims to ensure compliance with the duty of independence and ethical principles by all business functions and entities of Deloitte Portugal and their respective employees. The Executive Committee is composed by the CEO, the leaders of each business function, the leaders of the two operating segments and the Reputation and Risk leader.

The Board is responsible for supervising compliance with the strategy and coordination activities of the Executive Committee, as well as for promoting balance in its intervention, including for this purpose partners representing all business functions. In addition, the Board is also responsible for evaluating the performance of the President of the Executive Committee within the scope of his duties.

## 2. Presentation of Deloitte

### 2.3. Governance (1/3)

The governance of Deloitte Portugal is linked to the organizational structure it presents, being coordinated by the Board which delegates to the CEO and the Executive Committee the necessary powers to define and pursue the strategy of Deloitte Portugal. The Deloitte Portugal governance model guarantees the alignment between the organization's several stakeholders, providing a clear separation of powers between the various governance bodies.

With regard to risk management, the approach of Deloitte Portugal is based on the roles outlined below, who have additional accountabilities and responsibilities for managing and or oversight of the risk management process.

#### CEO and executive leadership team

The CEO is the ultimate responsible for Deloitte Portugal's risk management process, which includes:

- Protect and enhance the Deloitte brand and reputation;
- Establish the strategic direction of Deloitte Portugal, including articulation of Deloitte Portugal's risk appetite;
- Cultivate a strong risk culture by setting the appropriate *"tone at the top"*;
- Identify, measure, manage, and monitoring enterprise-wide risks faced by Deloitte Portugal;
- Oversee and monitor the planning, directing, controlling, and reporting of risk management activities, including ensure the effectiveness of controls.

The CEO fulfills these duties by delegating these responsibilities to the Reputational and Risk Leader ("RRL") as it may be more efficient for the RRL to assume this role since he is already responsible for monitoring many enterprise-wide risks faced by Deloitte Portugal.

As part of delegating this responsibility, the CEO along with the RRL, are expected to involve members of their executive team to take active leadership and ownership in the development, implementation and execution of an effective risk management process. This includes ownership for enterprise-wide risks and responsibility for managing/monitoring these risks with effective mitigation strategies.

The CEO and executive team also have a responsibility to ensure that the right risk awareness and culture exists within Deloitte Portugal, that risk appetite is set and complied with, that transparency of risk information exists, and that resources dedicated to quality and risk are adequate and suitably qualified.

## 2. Presentation of Deloitte

### 2.3. Governance (2/3)

#### Board

The Board is responsible for providing oversight of the CEO and executive team with respect to quality and risk management. More specifically, the Board is responsible for:

- Approving Deloitte Portugal's risk appetite;
- Reviewing and challenging the assessment of the enterprise-wide priority risks of Deloitte Portugal, and the ability to deliver its strategy;
- Agreeing how priority risks will be managed and mitigated and keeping Deloitte Portugal's profile;
- Ensuring that the assessment and management of the priority risks, and monitoring of the associated controls, are carried out on an ongoing basis.

#### RRL

In leading the development and implementation of the risk management process, the RRL provides the executive team, the CEO, and Board with frequent, meaningful, and relevant reporting. More specifically, the RRL is responsible for:

- Help Deloitte Portugal understand and challenge its strategic direction;
- Lead in building risk management capabilities to help guide Deloitte Portugal's strategy, including senior leadership training and education on risk management principles and practices in developing and executing business strategies;
- Provide overall leadership, vision, and direction for risk management;
- Establish and enforce risk management processes, roles and accountabilities;
- Develop, maintain, and provide oversight of the risk management process and facilitate regular risk identification, assessment (measurement and monitoring) and reporting processes;
- Develop and implement processes to proactively identify, manage, and report on emerging risks;

## 2. Presentation of Deloitte

### 2.3. Governance (3/3)

#### RRL (cont.)

- Continuously challenge and review the risk profile of Deloitte Portugal as well as continued oversight of the risk management process;
- Provide insights into enterprise-wide risks and support in developing controls;
- Develop and implement risk metrics and reports;
- Provide skills transfer and develop improved risk management capabilities.

#### Risk owners

Risk owners are designated for each identified enterprise-wide risk and are expected to be members of the executive leadership team. While recognizing that managing/monitoring enterprise-wide risks requires cross-functional collaboration, Risk owners have full responsibility and accountability for managing his/her assigned risk. Responsibilities of the risk owners include the following:

- Proactively managing and monitoring the risk;
- Establish risk tolerance/threshold and monitoring exposure against these levels;
- Identify risk mitigation activities (existing or planned), key indicators, and related thresholds to actively manage/monitor each assigned risk and complete planned risk mitigation activities within an agreed timeframe;
- Identify, assess, manage, and monitor new and emerging risks associated with the risk(s);
- Periodically report on the status of managing and monitoring activities to the RRL and, as requested, to appropriate management and governance bodies.

Although individual risk owners will have primary responsibility for the management of their assigned risk(s), it is important to recognize that quality and risk management is a fundamental responsibility of all partners, professional staff, and support staff, individually and collectively.



# 3. Assessment of corruption risks and related infractions

## 3. Assessment of corruption risks and related infractions

### 3.1. The concept of risk and the risk of corruption (1/2)

When developing their activities, organizations face situations, both externally and internally, that can affect the pursuit of their objectives, creating an environment of uncertainty. The effect of uncertainty generated by a future event, situation or circumstance is designated risk.

Endowed with scope, the concept of corruption is widely referenced by several national and international benchmarks (*e.g.*, COSO Fraud Risk Management, Transparency International, Association of Certified Fraud Examiners, Portuguese Public Prosecutor's Office). As an example, (i) ACFE defines corruption as a scheme whereby a person in an organization inappropriately uses her influence in a transaction, violating her duty as an employee of an organization, in order to obtain benefits directly or indirectly, and (ii) the Portuguese Public Prosecutor's Office defines corruption, in general, as the deviation of a power for purposes other than those for which it was granted, that is, the use (abuse) for personal purposes of a power received by delegation.

The RGPC, in article 3, defines corruption and related infractions as crimes of corruption, undue receipt and offer of advantage, embezzlement, economic participation in business, concussion, abuse of power, prevarication, influence peddling, money laundering or fraud in obtaining or deviating subsidy, grant or credit.

In addition, it is relevant to highlight the difference between the concepts of active corruption and passive corruption, both defined in articles 373 and 374 of the Portuguese Criminal Code. The first refers to the act of a person who, by herself or through an intermediary, with her consent or ratification, gives or promises to an employee, or to a third party, by indication or with his knowledge, a material or non-material advantage for the practice of any act or omission contrary to the duties of her position. Passive corruption is defined as the act of a person who, by herself or through an intermediary, requests or accepts, for herself or for a third party, a material or non-material advantage, or its promise, to carry out any act or omission contrary to the duties of her position, even if prior to that request or acceptance.

The Portuguese Criminal Code also provides for infractions related to corruption, defining them as acts that permit illicit gains and that threaten the correct functioning of entities and markets. These include, but are not limited to, influence peddling, bribery and embezzlement.

In this context, the risk management process is crucial for organizations to mitigate these and other risks, being the process through which organizations identify, analyze and evaluate risks with the aim of mitigating the negative consequences that arise from them. By identifying and regularly analyzing the risks inherent to their activities, organizations become more capable to effectively respond through the implementation of internal controls and mitigation measures that protect their operations from potential risks and consequent negative impacts.

## 3. Assessment of corruption risks and related infractions

### 3.1. The concept of risk and the risk of corruption (2/2)

The risk management process is, therefore, a process transversal to the entire organization, being a responsibility shared by all employees. In addition, risk management must be integrated into the organization's culture and risk management plans must be elaborated at the organization level, including all business functions and supporting areas.

The promotion of a culture of ethics and integrity in the organization, the existence and dissemination of a code of conduct, policies and procedures to prevent corruption and related infractions, as well as the quality of the governance system, the internal control system and its effectiveness, are some of the factors that can influence the higher or lower exposure of organizations to the risk of corruption and related infractions.

# 3. Assessment of corruption risks and related infractions

## 3.2. Methodology of risk management (1/2)

Considering the nature of its business, Deloitte Portugal is subject to different risks in its operations. To this end, Deloitte Portugal follows a comprehensive, systematic and proactive business approach that supports the achievement of the organization's strategy and objectives by identifying the full spectrum of significant enterprise-wide risks and managing the combined impact of those risks as an interrelated risk portfolio. As such, the risk assessment process of Deloitte Portugal is transversal to all business functions and business supporting areas, being the responsibility of risk management transversal to the entire organization. The enterprise risk framework followed by Deloitte Portugal is detailed on the next page.

The risk management process of Deloitte Portugal must be aligned with its long-term vision and risk management policy, in order to allow the identification of events that potentially prevent the achievements of its objectives, respecting risk appetite and tolerance to risks. To this end, Deloitte Portugal's risk management process is embedded into its governance and management practices and includes the reinforcement of a culture whereby the recognition and management of risk is vital to the organization.

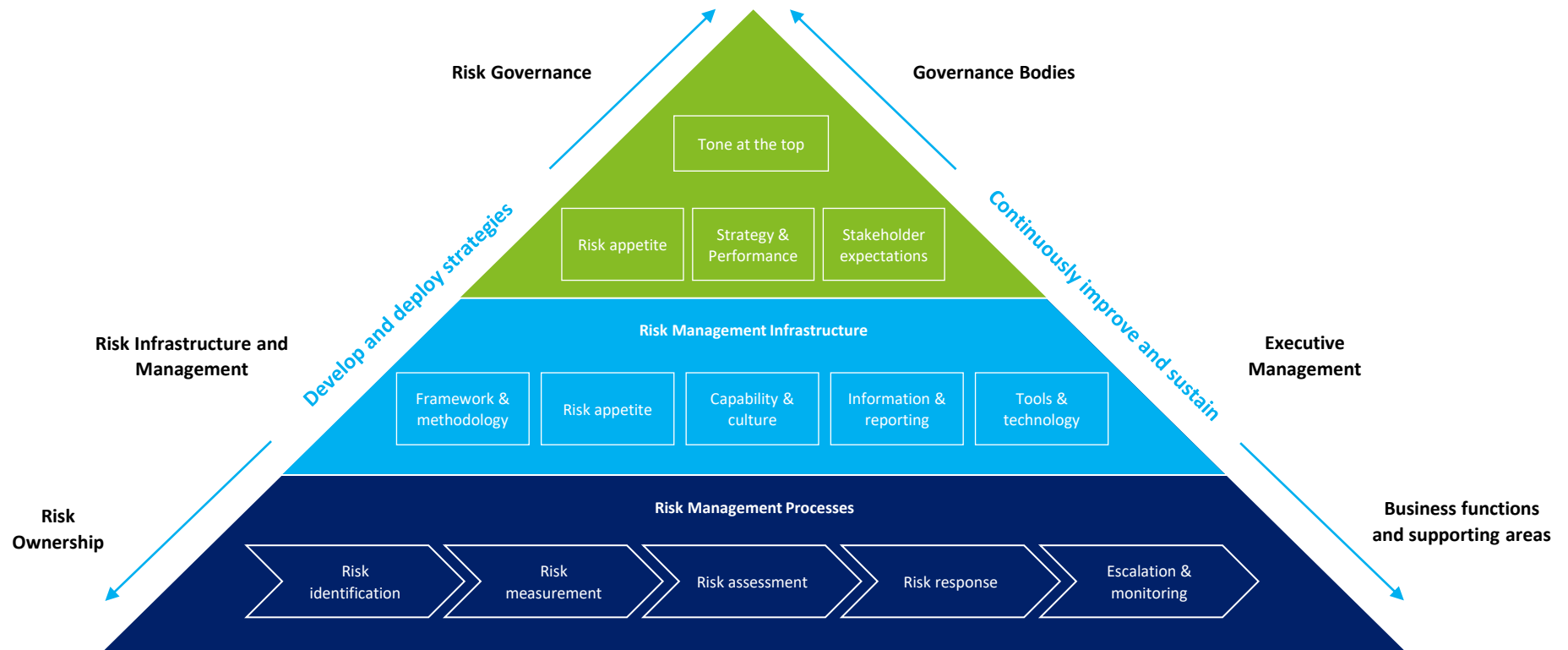
In the risk management process, the Reputation and Risk leader and Risk owners are particularly relevant. The first is responsible for leading the development and implementation of the enterprise-risk policy and framework and providing regular and relevant report regarding the risks identified to the CEO, Executive team and Board, while the second have full responsibility and accountability for managing the assigned risk, being designated for each risk identified. Although individual risk owners have primary responsibility for the management of their assigned risk(s), it is important to highlight that this is not a siloed responsibility, as the risk management is a fundamental responsibility of all partners, professional staff, and support staff, and the Risk owners need to be coordinated and work together to address and manage the impacts of interrelated risks.

Considering the regulatory compliance program associated with the risk of corruption and related infractions being implemented at Deloitte Portugal, the overall responsibility for supervising the cycle of control, management and monitoring of the risk of corruption and related infractions lies with the Reputation and Risk leadership, who occupies a relevant position in the risk management process.

In this way, the Compliance Officer for the purposes of the RGPC is the Reputation and Risk leader, who also performs the functions of Ethics Officer independently, objectively and with decision-making autonomy to ensure the implementation and execution of the regulatory compliance program in terms of the cycle of control, management and monitoring of the risk of corruption and related infractions.

# 3. Assessment of corruption risks and related infractions

## 3.2. Methodology of risk management (2/2)



# 3. Assessment of corruption risks and related infractions

## 3.3. Corruption risks and related infractions (1/2)

The identification of corruption risks and related infractions to which Deloitte Portugal is exposed is an integral part of the corruption risk management process of the organization and is performed based on the several dimensions that corruption comprises, according to national and international regulatory provisions, national and international benchmarks, and also taking into account the standards and best practices as well as specialized technical knowledge in this matter.

In addition, the identification of corruption risks and related infractions at Deloitte Portugal considers its organizational and operational context, as well as inputs from surveys carried out internally with relevant stakeholders for this purpose and the analysis of regulatory framework of Deloitte Portugal.

In the context of the several dimensions that corruption and related infractions comprise (*e.g.*, bribery, third party relationships, gifts and entertainment, relations with government officials, etc.), the following seventeen risks were identified.

- 1 Bribery
- 2 Accepting kickbacks or bribes from our clients
- 3 Accepting kickbacks or bribes from third parties
- 4 Potential corruption by our clients
- 5 Corruption by third parties working on behalf of or in an alliance with Deloitte
- 6 Inappropriate sharing or means of obtaining sensitive or confidential information

# 3. Assessment of corruption risks and related infractions

## 3.3. Corruption risks and related infractions (2/2)

7 Engaging with third parties that have history of corruption or unethical business practices

8 Marketplace alliances formed due to unethical reasons

9 Conflicts of interest in bidding

10 Conflicts of interest in procurement

11 Risk of money laundering

12 Charitable contributions and pro bono engagements linked to corrupt activity

13 Excessive or inappropriate use of hospitality, gifts & entertainment

14 Corrupt interaction with government officials

15 Misuse of lobbyists

16 Quid pro quo arrangements in hiring referrals

17 Fictitious vendor

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (1/42)

Having identified the corruptions risks and related infractions to which Deloitte Portugal is exposed, it is important to evaluate and measure their impact on the organization. In this context, the assessment of corruption risks and related infractions is performed at the level of detail of the risks identified in each of the four processes carried out by the business functions/business supporting areas within the scope of Deloitte Portugal’s business activity – (i) soliciting clients, (ii) serving clients, (iii) procurement and (iv) other – based on the methodology described below.

The assessment of each risk is carried out based on two factors: (i) likelihood and (ii) impact. The combination of these two factors makes it possible to compute the risk score of the occurrence of a given event, which results from the probability of that event materializing and the impact/consequences it will have on Deloitte Portugal’s activity. In this way, Deloitte Portugal will be capable of responding to risks and minimize the potential damage caused by them through managing its exposure to the consequences (reducing the impact of the event) and implementing prevention mechanisms that act to avoid incidents (reducing the probability of occurrence of the event).

The assessment of the likelihood and impact of each risk is based on inputs from surveys carried out internally with relevant stakeholders for this purpose, who evaluate the probability of that risk occurring in the short term and the impact that an occurrence of that risk would have on Deloitte Portugal’s ability to successfully achieve its objectives, according to the classifications presented below:

Classifications of likelihood	Classifications of impact	Rate
Virtually certain	Colossal	7
Highly likely	Major	6
Likely	Significant	5
Possible	Moderately significant	4
Unlikely	Noticeable	3
Highly unlikely	Minor	2
Remote	Negligible	1

The inherent risk score associated to each process (which does not consider implemented mitigation measures) results from the aggregate impact level (average of risk impact ratings) and aggregate probability (average of risk likelihood ratings) of the risks to which business functions and business supporting areas are subject to when carrying out that process.



### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (2/42)

Considering that the risk assessment was based on the processes executed by the business functions and business supporting areas, the analysis was performed for three general business supporting areas – Risk, Procurement and Financial –, as it was considered that the risk associated with the remaining was incorporated in the risk presented by these ones through the nature of the processes carried out by them. The calculation of Deloitte Portugal’s global inherent risk score follows the same approach mentioned above, considering the four processes carried out by all business functions and business supporting areas of the organization.

In order to interpret the risk that each process of Deloitte Portugal faces, a classification is assigned based on the respective inherent risk score in accordance with the four-level scale of the matrix of corruption risks and related infractions. The inherent risk score is classified in ascending order, according to the following classification criteria:

-  Noted
-  Important
-  Significant
-  Critical

By evaluating each risk considering the specificities of each process carried out by each business function and business supporting area, the global inherent risk of corruption and related infractions of Deloitte Portugal materializes in a concrete and assertive way.


For each process carried out within the scope of Deloitte Portugal’s business activity and for the risks of corruption and related infractions applicable to each process, below are presented: (i) the inherent risk score calculated for the business functions and for each business supporting area based on the risk assessment model, (ii) a mapping of the main concrete corruption risks schemes identified, and (iii) the mitigation measures (implemented, in stage of implementation or to be implemented/improved) established by Deloitte Portugal to respond to the risks identified.

In this context, it is important to highlight that the classifications of the risks described below do not consider the execution of the respective mitigation measures (inherent risk), and to mention that the mitigation measures established can be implemented (when applicable), not only to the business functions/business supporting area to which they are assigned, but more comprehensively to the entire organization.

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (3/42)



 Soliciting clients (1/10)

Business Functions (1/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 1 – Bribery	<p>Payments to officials of a prospective client in exchange for obtaining a contract/business</p> <p>Accepting a request from an official of a potential client to make a contribution to a particular charity or political organization in exchange for work being awarded</p>	<ul style="list-style-type: none"> <li>• Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>• Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>• Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>• As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>• Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses by the internal audit team.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (4/42)


##### Soliciting clients (2/10)

Business Functions (2/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 8 – Marketplace alliances formed due to unethical reasons	Third parties "guaranteeing" a client win if a member firm partners on the proposal	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees.</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 9 – Conflicts of interest in bidding	Violating public procurement rules by bidding for proposals for which a member firm either wrote or influenced the request for proposal teams  Obtaining an improper business advantage by colluding with a prospective or existing client to draft a client request for proposal in a manner that is geared towards the strength of Deloitte Portugal or a Deloitte Portugal alliance partner, in violation of the client's or government procurement rules	<ul style="list-style-type: none"> <li>• Client and engagement acceptance procedures.</li> <li>• Anticorruption policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (5/42)



 Soliciting clients (3/10)

Business Functions (3/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 11 – Risk of money laundering	<p>Promoting commercial activity with clients or potential clients with a money laundering risk profile that is not aligned with the risk appetite established at Deloitte Portugal</p> <p>Promoting commercial activity with clients or potential clients who fall into a high AML risk industry/sector, or who is controlled by an entity in a high AML risk industry/sector</p> <p>Promoting commercial activity with clients or potential clients located or operating in high AML risk jurisdictions</p>	<ul style="list-style-type: none"> <li>• AML policies exist that reflect local AML laws and are in accordance with the requirements in Anti-Money Laundering policy.</li> <li>• Annual confirmation process for relevant professionals to attest to compliance with the Deloitte Portugal's AML policy.</li> <li>• Plan and execute a money laundering risk assessment that is refreshed at least annually</li> <li>• Consideration of relevant and applicable AML risks as part of a process to screen prospective and existing Clients including "Know Your Client" inquiries and research (money laundering screening) in accordance with the Financial Crime screening guidelines</li> <li>• AML training provided on a periodic basis to relevant personnel.</li> <li>• Periodic targeted communication on AML compliance complemented with tone at the top messaging from senior leaders emphasizing the importance of compliance with AML laws, key risk areas, and Deloitte Portugal's AML policy to relevant personnel.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (6/42)


##### Soliciting clients (4/10)

Business Functions (4/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 13 – Excessive or inappropriate use of hospitality, gifts & entertainment	Providing gifts, such as expensive tickets to events ( <i>e.g.</i> , sports event invitation) to officials to obtain sensitive/confidential information that provides improper advantage in bids and proposals  Scheduling a meeting with potential clients at off-site resort locations and paying for their trip costs  Providing extravagant gifts (including membership to exclusive clubs), meals or entertainment to a client, with the expectation that it will contribute to being awarded business	<ul style="list-style-type: none"> <li>• Policy that provides guidance on gifts, entertainment and hospitality expenses.</li> <li>• Periodic communication and awareness to all Deloitte Portugal personnel with respect to gifts, entertainment and hospitality.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses by the internal audit team.</li> </ul>
 16 – Quid pro quo arrangements in hiring referrals	Providing employment to a relative or contact of a target client senior official, with the expectation that it will contribute to being awarded additional business	<ul style="list-style-type: none"> <li>• Referral integrity process in accordance with Deloitte guidelines and minimum expectations, including the minimum expectations related to training of recruiters and awareness building to relevant personnel upon launching the process.</li> <li>• Monitoring and testing activities on compliance with existing referral integrity process and procedures.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (7/42)



 Soliciting clients (5/10)

Business Supporting Areas – Risk (1/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 1 – Bribery	<p>Payments to officials of a prospective client in exchange for obtaining a contract/business</p> <p>Accepting a request from an official of a potential client to make a contribution to a particular charity or political organization in exchange for work being awarded</p>	<ul style="list-style-type: none"> <li>• Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>• Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>• Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>• As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>• Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses by the internal audit team.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (8/42)



 Soliciting clients (6/10)

Business Supporting Areas – Risk (2/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 8 – Marketplace alliances formed due to unethical reasons	Third parties "guaranteeing" a client win if a member firm partners on the proposal	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees.</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 9 – Conflicts of interest in bidding	Violating public procurement rules by bidding for proposals for which a member firm either wrote or influenced the request for proposal teams  Obtaining an improper business advantage by colluding with a prospective or existing client to draft a client request for proposal in a manner that is geared towards the strength of Deloitte Portugal or a Deloitte Portugal alliance partner, in violation of the client's or government procurement rules	<ul style="list-style-type: none"> <li>• Client and engagement acceptance procedures.</li> <li>• Anticorruption policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (9/42)

##### Soliciting clients (7/10)


Business Supporting Areas – Risk (3/3)			
Risk of corruption and related infractions		Main corruption risks schemes identified	Mitigation measures
	13 – Excessive or inappropriate use of hospitality, gifts & entertainment	<p>Providing gifts, such as expensive tickets to events (<i>e.g.</i>, sports event invitation) to officials to obtain sensitive/confidential information that provides improper advantage in bids and proposals</p> <p>Scheduling a meeting with potential clients at off-site resort locations and paying for their trip costs</p> <p>Providing extravagant gifts (including membership to exclusive clubs), meals or entertainment to a client, with the expectation that it will contribute to being awarded business</p>	<ul style="list-style-type: none"> <li>• Policy that provides guidance on gifts, entertainment and hospitality expenses.</li> <li>• Periodic communication and awareness to all Deloitte personnel with respect to gifts, entertainment and hospitality.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses by the internal audit team.</li> </ul>
	16 – Quid pro quo arrangements in hiring referrals	<p>Providing employment to a relative or contact of a target client senior official, with the expectation that it will contribute to being awarded additional business</p>	<ul style="list-style-type: none"> <li>• Referral integrity process in accordance with Deloitte guidelines and minimum expectations, including the minimum expectations related to training of recruiters and awareness building to relevant personnel upon launching the process.</li> <li>• Monitoring and testing activities on compliance with existing referral integrity process and procedures.</li> </ul>



### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (10/42)



 Soliciting clients (8/10)

Business Supporting Areas – Financial (1/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 1 – Bribery	<p>Payments to officials of a prospective client in exchange for obtaining a contract/business</p> <p>Accepting a request from an official of a potential client to make a contribution to a particular charity or political organization in exchange for work being awarded</p>	<ul style="list-style-type: none"> <li>• Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>• Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>• Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>• As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>• Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses by the internal audit team.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (11/42)



 Soliciting clients (9/10)

Business Supporting Areas – Financial (2/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 8 – Marketplace alliances formed due to unethical reasons	Third parties "guaranteeing" a client win if a member firm partners on the proposal	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees.</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 9 – Conflicts of interest in bidding	Violating public procurement rules by bidding for proposals for which a member firm either wrote or influenced the request for proposal teams  Obtaining an improper business advantage by colluding with a prospective or existing client to draft a client request for proposal in a manner that is geared towards the strength of Deloitte Portugal or a Deloitte Portugal alliance partner, in violation of the client's or government procurement rules	<ul style="list-style-type: none"> <li>• Client and engagement acceptance procedures.</li> <li>• Anticorruption policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (12/42)



##### Soliciting clients (10/10)

Business Supporting Areas – Financial (3/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 13 – Excessive or inappropriate use of hospitality, gifts & entertainment	Providing gifts, such as expensive tickets to events ( <i>e.g.</i> , sports event invitation) to officials to obtain sensitive/confidential information that provides improper advantage in bids and proposals  Scheduling a meeting with potential clients at off-site resort locations and paying for their trip costs  Providing extravagant gifts (including membership to exclusive clubs), meals or entertainment to a client, with the expectation that it will contribute to being awarded business	<ul style="list-style-type: none"> <li>• Policy that provides guidance on gifts, entertainment and hospitality expenses.</li> <li>• Periodic communication and awareness to all Deloitte Portugal personnel with respect to gifts, entertainment and hospitality.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses by the internal audit team.</li> </ul>
 16 – Quid pro quo arrangements in hiring referrals	Providing employment to a relative or contact of a target client senior official, with the expectation that it will contribute to being awarded additional business	<ul style="list-style-type: none"> <li>• Referral integrity process in accordance with Deloitte guidelines and minimum expectations, including the minimum expectations related to training of recruiters and awareness building to relevant personnel upon launching the process.</li> <li>• Monitoring and testing activities on compliance with existing referral integrity process and procedures.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (13/42)



##### Serving clients (1/12)

Business Functions (1/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 2 – Accepting kickbacks or bribes from our clients	Kickbacks and bribes paid by a client to member firm personnel with the intent to influence content of a firm's report	<ul style="list-style-type: none"> <li>• Anticorruption policies.</li> <li>• Code of ethics and professional conduct.</li> <li>• Anticorruption training for all employees.</li> <li>• Hotline system.</li> </ul>
 4 – Potential corruption by our clients	<p>Assisting a client to disguise, in its books and records, illicit payments</p> <p>Failure to report suspected or known corrupt activity by a client, to relevant authorities, when required by applicable laws</p> <p>Assisting a client to represent a position as legal and in compliance with laws to tax authorities, which in reality is a violation of local tax laws</p> <p>Aiding a client to give gifts or make payments to government officials to secure an improper advantage, such as the reduction or elimination of tax liabilities</p> <p>Ignoring errors or violations of internal policies detected at a client, in exchange for something of value, such as a bribe or gift, provided by a client official</p>	<ul style="list-style-type: none"> <li>• Deloitte Portugal personnel's responsibilities and related guidance with respect to reporting potential corruption are included in relevant policies.</li> <li>• As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>• Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (14/42)



 **Serving clients (2/12)**

Business Functions (2/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 <p>5 – Corruption by third parties working on behalf of or in an alliance with Deloitte</p>	<p>Payments or other bribes made by subcontractors during client engagements</p>	<ul style="list-style-type: none"> <li>• Third party due diligence process in accordance with the Deloitte guidelines and minimum expectations.</li> <li>• Procedures outlined in business relationship acceptance and continuance policy.</li> <li>• Business relationship risk assessment designed in Deloitte Risk Management System and local system, including corruption risk assessment and third party due diligence.</li> <li>• Anticorruption contractual clauses are included in contract templates for contracts with marketplace business relationships.</li> <li>• Monitoring and testing activities on compliance with existing non-client third party due diligence process and policies.</li> </ul>
 <p>6 – Inappropriate sharing or means of obtaining sensitive or confidential information</p>	<p>Not charging for services provided to client management, in exchange for sensitive or confidential information</p> <p>Providing confidential client information to its competitor in exchange for a benefit such as a payment or being awarded new work</p>	<ul style="list-style-type: none"> <li>• Client and engagement acceptance procedures.</li> <li>• Confidentiality policies.</li> <li>• Internal audit testing.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (15/42)

##### Serving clients (3/12)

Business Functions (3/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 8 – Marketplace alliances formed due to unethical reasons	Clients directing Deloitte Portugal to work with specific vendors/subcontractors that, may not be the most qualified and/or are not necessary due to clients' internal protocols or policies, as a condition for engagement	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 11 – Risk of money laundering	<p>Providing professional services to a client who exposes Deloitte Portugal to the risk of being involved in money laundering operations</p> <p>Providing professional services to a client who fall into a high AML risk industry/sector, or who is controlled by an entity in a high AML risk industry/sector</p> <p>Providing professional services to a client located or operating in high AML risk jurisdictions</p> <p>Carry out a risk assessment concluding a favorable decision for customers whose money laundering risk profile does not meet the risk appetite established at Deloitte Portugal</p> <p>Failure to report suspected or known money laundering activity by a client, to relevant authorities, when required by applicable laws</p>	<ul style="list-style-type: none"> <li>• AML policies exist that reflect local AML laws and are in accordance with the requirements in Anti-Money Laundering policy.</li> <li>• Annual confirmation process for relevant professionals to attest to compliance with the Deloitte Portugal's AML policy.</li> <li>• Plan and execute a money laundering risk assessment that is refreshed at least annually</li> <li>• Consideration of relevant and applicable AML risks as part of a process to screen prospective and existing Clients including "Know Your Client" inquiries and research (money laundering screening) in accordance with the Financial Crime screening guidelines</li> <li>• AML training provided on a periodic basis to relevant personnel.</li> <li>• Periodic targeted communication on AML compliance complemented with tone at the top messaging from senior leaders emphasizing the importance of compliance with AML laws, key risk areas, and Deloitte Portugal's AML policy to relevant personnel.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (16/42)



 **Serving clients (4/12)**

Business Functions (4/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 14 – Corrupt interaction with government officials	<p>Payments or other bribes made to regulators to "overlook" potential audit deficiencies</p> <p>Providing something of value, such as a payment or gift, to a tax authority representative in exchange for tax law tute/interpretation that is favorable for the client</p> <p>Providing something of value to a government research and development center representative, such as a payment or gift, in exchange for a grant award for the client or for overlooking grant awardee reporting requirements</p> <p>Illegal payments or other bribes to immigration officials made either directly by Deloitte or by a subcontractor of Deloitte in order to facilitate the immigration needs (e.g., obtaining visas) of a client</p> <p>Illegal payments or other bribes to export control officials made either directly by Deloitte Portugal or by a subcontractor of Deloitte Portugal in order to facilitate the export control needs of a client</p> <p>Requesting governmental officials, with which Deloitte Portugal has a personal relationship, to bypass government rules and policies (e.g., related to licenses &amp; permits, immigration &amp; customs) for a client as a special favor with the expectation that such a "favor" will result in additional work from the client</p>	<ul style="list-style-type: none"> <li>Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> <li>When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>Monitoring and testing of transactions involving interactions with/disbursements made to government officials.</li> <li>Monitoring and testing activities on gifts, hospitality and entertainment expenses.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (17/42)

##### Serving clients (5/12)



Business Supporting Areas – Risk (1/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 2 – Accepting kickbacks or bribes from our clients	Kickbacks and bribes paid by a client to member firm personnel with the intent to influence content of a form's report	<ul style="list-style-type: none"> <li>• Anticorruption policies.</li> <li>• Code of ethics and professional conduct.</li> <li>• Anticorruption training for all employees.</li> <li>• Hotline system.</li> </ul>
 4 – Potential corruption by our clients	<p>Assisting a client to disguise, in its books and records, illicit payments</p> <p>Failure to report suspected or known corrupt activity by a client, to relevant authorities, when required by applicable laws</p> <p>Assisting a client to represent a position as legal and in compliance with laws to tax authorities, which in reality is a violation of local tax laws</p> <p>Aiding a client to give gifts or make payments to government officials to secure an improper advantage, such as the reduction or elimination of tax liabilities</p> <p>Ignoring errors or violations of internal policies detected at a client, in exchange for something of value, such as a bribe or gift, provided by a client official</p>	<ul style="list-style-type: none"> <li>• Deloitte Portugal personnel's responsibilities and related guidance with respect to reporting potential corruption are included in relevant policies.</li> <li>• As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>• Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> </ul>



### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (18/42)



 **Serving clients (6/12)**

Business Supporting Areas – Risk (2/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 <p>5 – Corruption by third parties working on behalf of or in an alliance with Deloitte</p>	<p>Payments or other bribes made by subcontractors during client engagements</p>	<ul style="list-style-type: none"> <li>• Third party due diligence process in accordance with the Deloitte guidelines and minimum expectations.</li> <li>• Procedures outlined in business relationship acceptance and continuance policy.</li> <li>• Business relationship risk assessment designed in Deloitte Risk Management System and local system, including corruption risk assessment and third party due diligence.</li> <li>• Anticorruption contractual clauses are included in contract templates for contracts with marketplace business relationships.</li> <li>• Monitoring and testing activities on compliance with existing non-client third party due diligence process and policies.</li> </ul>
 <p>6 – Inappropriate sharing or means of obtaining sensitive or confidential information</p>	<p>Not charging for services provided to client management, in exchange for sensitive or confidential information</p> <p>Providing confidential client information to its competitor in exchange for a benefit such as a payment or being awarded new work</p>	<ul style="list-style-type: none"> <li>• Client and engagement acceptance procedures.</li> <li>• Confidentiality policies.</li> <li>• Internal audit testing.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (19/42)

##### Serving clients (7/12)

Business Supporting Areas – Risk (3/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 8 – Marketplace alliances formed due to unethical reasons	Clients directing Deloitte Portugal to work with specific vendors/subcontractors that, may not be the most qualified and/or are not necessary due to clients' internal protocols or policies, as a condition for engagement	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 11 – Risk of money laundering	<p>Providing professional services to a client who exposes Deloitte Portugal to the risk of being involved in money laundering operations</p> <p>Providing professional services to a client who fall into a high AML risk industry/sector, or who is controlled by an entity in a high AML risk industry/sector</p> <p>Providing professional services to a client located or operating in high AML risk jurisdictions</p> <p>Carry out a risk assessment concluding a favorable decision for customers whose money laundering risk profile does not meet the risk appetite established at Deloitte Portugal</p> <p>Failure to report suspected or known money laundering activity by a client, to relevant authorities, when required by applicable laws</p>	<ul style="list-style-type: none"> <li>• AML policies exist that reflect local AML laws and are in accordance with the requirements in Anti-Money Laundering policy.</li> <li>• Annual confirmation process for relevant professionals to attest to compliance with the Deloitte Portugal's AML policy.</li> <li>• Plan and execute a money laundering risk assessment that is refreshed at least annually</li> <li>• Consideration of relevant and applicable AML risks as part of a process to screen prospective and existing Clients including "Know Your Client" inquiries and research (money laundering screening) in accordance with the Financial Crime screening guidelines</li> <li>• AML training provided on a periodic basis to relevant personnel.</li> <li>• Periodic targeted communication on AML compliance complemented with tone at the top messaging from senior leaders emphasizing the importance of compliance with AML laws, key risk areas, and Deloitte Portugal's AML policy to relevant personnel.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (20/42)

 **Serving clients (8/12)**



**Business Supporting Areas – Risk (4/4)**

Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
<p> 14 – Corrupt interaction with government officials</p>	<p>Payments or other bribes made to regulators to "overlook" potential audit deficiencies</p> <p>Providing something of value, such as a payment or gift, to a tax authority representative in exchange for tax law tute/interpretation that is favorable for the client</p> <p>Providing something of value to a government research and development center representative, such as a payment or gift, in exchange for a grant award for the client or for overlooking grant awardee reporting requirements</p> <p>Illegal payments or other bribes to immigration officials made either directly by Deloitte or by a subcontractor of Deloitte in order to facilitate the immigration needs (e.g., obtaining visas) of a client</p> <p>Illegal payments or other bribes to export control officials made either directly by Deloitte Portugal or by a subcontractor of Deloitte Portugal in order to facilitate the export control needs of a client</p> <p>Requesting governmental officials, with which Deloitte Portugal has a personal relationship, to bypass government rules and policies (e.g., related to licenses &amp; permits, immigration &amp; customs) for a client as a special favor with the expectation that such a "favor" will result in additional work from the client</p>	<ul style="list-style-type: none"> <li>• Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>• Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>• Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>• As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>• Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing of transactions involving interactions with/disbursements made to government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (21/42)



##### Serving clients (9/12)

Business Supporting Areas – Financial (1/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 2 – Accepting kickbacks or bribes from our clients	Kickbacks and bribes paid by a client to member firm personnel with the intent to influence content of a form's report	<ul style="list-style-type: none"> <li>• Anticorruption policies.</li> <li>• Code of ethics and professional conduct.</li> <li>• Anticorruption training for all employees.</li> <li>• Hotline system.</li> </ul>
 4 – Potential corruption by our clients	<p>Assisting a client to disguise, in its books and records, illicit payments</p> <p>Failure to report suspected or known corrupt activity by a client, to relevant authorities, when required by applicable laws</p> <p>Assisting a client to represent a position as legal and in compliance with laws to tax authorities, which in reality is a violation of local tax laws</p> <p>Aiding a client to give gifts or make payments to government officials to secure an improper advantage, such as the reduction or elimination of tax liabilities</p> <p>Ignoring errors or violations of internal policies detected at a client, in exchange for something of value, such as a bribe or gift, provided by a client official</p>	<ul style="list-style-type: none"> <li>• Deloitte Portugal personnel's responsibilities and related guidance with respect to reporting potential corruption are included in relevant policies.</li> <li>• As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>• Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (22/42)



 **Serving clients (10/12)**

Business Supporting Areas – Financial (2/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 <p>5 – Corruption by third parties working on behalf of or in an alliance with Deloitte</p>	<p>Payments or other bribes made by subcontractors during client engagements</p>	<ul style="list-style-type: none"> <li>• Third party due diligence process in accordance with the Deloitte guidelines and minimum expectations.</li> <li>• Procedures outlined in business relationship acceptance and continuance policy.</li> <li>• Business relationship risk assessment designed in Deloitte Risk Management System and local system, including corruption risk assessment and third party due diligence.</li> <li>• Anticorruption contractual clauses are included in contract templates for contracts with marketplace business relationships.</li> <li>• Monitoring and testing activities on compliance with existing non-client third party due diligence process and policies.</li> </ul>
 <p>6 – Inappropriate sharing or means of obtaining sensitive or confidential information</p>	<p>Not charging for services provided to client management, in exchange for sensitive or confidential information</p> <p>Providing confidential client information to its competitor in exchange for a benefit such as a payment or being awarded new work</p>	<ul style="list-style-type: none"> <li>• Client and engagement acceptance procedures.</li> <li>• Confidentiality policies.</li> <li>• Internal audit testing.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (23/42)

##### Serving clients (11/12)

Business Supporting Areas – Financial (3/4)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 8 – Marketplace alliances formed due to unethical reasons	<p>Clients directing Deloitte Portugal to work with specific vendors/subcontractors that, may not be the most qualified and/or are not necessary due to clients' internal protocols or policies, as a condition for engagement</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 11 – Risk of money laundering	<p>Providing professional services to a client who exposes Deloitte Portugal to the risk of being involved in money laundering operations</p> <p>Providing professional services to a client who fall into a high AML risk industry/sector, or who is controlled by an entity in a high AML risk industry/sector</p> <p>Providing professional services to a client located or operating in high AML risk jurisdictions</p> <p>Carry out a risk assessment concluding a favorable decision for customers whose money laundering risk profile does not meet the risk appetite established at Deloitte Portugal</p> <p>Failure to report suspected or known money laundering activity by a client, to relevant authorities, when required by applicable laws</p>	<ul style="list-style-type: none"> <li>• AML policies exist that reflect local AML laws and are in accordance with the requirements in Anti-Money Laundering policy.</li> <li>• Annual confirmation process for relevant professionals to attest to compliance with the Deloitte Portugal's AML policy.</li> <li>• Plan and execute a money laundering risk assessment that is refreshed at least annually</li> <li>• Consideration of relevant and applicable AML risks as part of a process to screen prospective and existing Clients including "Know Your Client" inquiries and research (money laundering screening) in accordance with the Financial Crime screening guidelines</li> <li>• AML training provided on a periodic basis to relevant personnel.</li> <li>• Periodic targeted communication on AML compliance complemented with tone at the top messaging from senior leaders emphasizing the importance of compliance with AML laws, key risk areas, and Deloitte Portugal's AML policy to relevant personnel.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (24/42)

 **Serving clients (12/12)**

**Business Supporting Areas – Financial (4/4)**

Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
<p> 14 – Corrupt interaction with government officials</p>	<p>Payments or other bribes made to regulators to "overlook" potential audit deficiencies</p> <p>Providing something of value, such as a payment or gift, to a tax authority representative in exchange for tax law tute/interpretation that is favorable for the client</p> <p>Providing something of value to a government research and development center representative, such as a payment or gift, in exchange for a grant award for the client or for overlooking grant awardee reporting requirements</p> <p>Illegal payments or other bribes to immigration officials made either directly by Deloitte or by a subcontractor of Deloitte in order to facilitate the immigration needs (e.g., obtaining visas) of a client</p> <p>Illegal payments or other bribes to export control officials made either directly by Deloitte Portugal or by a subcontractor of Deloitte Portugal in order to facilitate the export control needs of a client</p> <p>Requesting governmental officials, with which Deloitte Portugal has a personal relationship, to bypass government rules and policies (e.g., related to licenses &amp; permits, immigration &amp; customs) for a client as a special favor with the expectation that such a "favor" will result in additional work from the client</p>	<ul style="list-style-type: none"> <li>• Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>• Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>• Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>• As part of the client acceptance process, relevant background check is obtained and assessed for engagements that are deemed to be greater or much greater than normal risk.</li> <li>• Significant red flags or relevant adverse media identified are factored into a risk mitigation plan. This procedure is included in the client risk evaluation.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing of transactions involving interactions with/disbursements made to government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (25/42)

##### ● Procurement (1/12)


Business Functions (1/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
● 3 – Accepting kickbacks or bribes from third parties	<p>Bribe, kickbacks, or discounts, trips, gifts, etc. provided by a vendor in exchange for obtaining business from the organization</p> <p>Accepting gifts or payments from a third party, such as a contractor, and providing sensitive or non-public proprietary information in return</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
● 7 – Engaging with third parties that have history of corruption or unethical business practices	<p>Approving a vendor, contractor, or subcontractor of a contractor that has had a history of unethical business practices</p> <p>Entering into a new business relationship with a third party for which due diligence procedures had previously been performed, but subsequent to the completion of those due diligence procedures, the third party has been involved in serious unethical practices</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>



### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (26/42)



 Procurement (2/12)

Business Functions (2/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 10 – Conflicts of interest in procurement	<p>Deloitte Portugal either wrote or influenced the request for proposal terms to favor a particular vendor or supplier that may not have the best qualifications or price</p> <p>Awarding contracts for Deloitte Portugal work to third parties that are owned by relatives or friends of a Deloitte Portugal person involved in selecting and awarding the contract, even though the third party may not be the most qualified/best price for the goods/services</p> <p>Awarding contracts for Deloitte Portugal work to third parties due to pressure from senior Deloitte leaders, even though the third party may not be the most qualified/best price for the goods/services</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (27/42)

 Procurement (3/12)

Business Functions (3/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 11 – Risk of money laundering	<p>Approving a vendor, contractor, or subcontractor of a contractor that exposes Deloitte Portugal to the risk of being involved in money laundering operations</p> <p>Approving a vendor, contractor, or subcontractor of a contractor located or operating in high AML risk jurisdictions</p>	<ul style="list-style-type: none"> <li>• AML policies exist that reflect local AML laws and are in accordance with the requirements in Anti-Money Laundering policy.</li> <li>• Annual confirmation process for relevant professionals to attest to compliance with the Deloitte Portugal's AML policy.</li> <li>• Plan and execute a money laundering risk assessment that is refreshed at least annually</li> <li>• Consideration of relevant and applicable AML risks as part of a process to screen prospective and existing Clients including "Know Your Client" inquiries and research (money laundering screening) in accordance with the Financial Crime screening guidelines</li> <li>• AML training provided on a periodic basis to relevant personnel.</li> <li>• Periodic targeted communication on AML compliance complemented with tone at the top messaging from senior leaders emphasizing the importance of compliance with AML laws, key risk areas, and Deloitte Portugal's AML policy to relevant personnel.</li> </ul>
 17 – Fictitious vendor	<p>Internal collusion whereby a contract with a fictitious vendor is approved. Proceeds from payment made to this fictitious vendor are shared by the perpetrators</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (28/42)


 Procurement (4/12)

Business Supporting Areas – Risk (1/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 3 – Accepting kickbacks or bribes from third parties	<p>Bribe, kickbacks, or discounts, trips, gifts, etc. provided by a vendor in exchange for obtaining business from the organization</p> <p>Accepting gifts or payments from a third party, such as a contractor, and providing sensitive or non-public proprietary information in return</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 7 – Engaging with third parties that have history of corruption or unethical business practices	<p>Approving a vendor, contractor, or subcontractor of a contractor that has had a history of unethical business practices</p> <p>Entering into a new business relationship with a third party for which due diligence procedures had previously been performed, but subsequent to the completion of those due diligence procedures, the third party has been involved in serious unethical practices</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (29/42)


 Procurement (5/12)

Business Supporting Areas – Risk (2/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 10 – Conflicts of interest in procurement	<p>Deloitte Portugal either wrote or influenced the request for proposal terms to favor a particular vendor or supplier that may not have the best qualifications or price</p> <p>Awarding contracts for Deloitte Portugal work to third parties that are owned by relatives or friends of a Deloitte Portugal person involved in selecting and awarding the contract, even though the third party may not be the most qualified/best price for the goods/services</p> <p>Awarding contracts for Deloitte Portugal work to third parties due to pressure from senior Deloitte leaders, even though the third party may not be the most qualified/best price for the goods/services</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (30/42)



 Procurement (6/12)

Business Supporting Areas – Risk (3/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 17 – Fictitious vendor	Internal collusion whereby a contract with a fictitious vendor is approved. Proceeds from payment made to this fictitious vendor are shared by the perpetrators	<ul style="list-style-type: none"><li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li><li>• Business relationship acceptance and continuance policy.</li><li>• Anticorruption policies.</li><li>• Procurement policies.</li><li>• Internal audit testing.</li><li>• Anticorruption training for all employees (including procurement).</li><li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li></ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (31/42)


 Procurement (7/12)

Business Supporting Areas – Procurement (1/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 3 – Accepting kickbacks or bribes from third parties	<p>Bribe, kickbacks, or discounts, trips, gifts, etc. provided by a vendor in exchange for obtaining business from the organization</p> <p>Accepting gifts or payments from a third party, such as a contractor, and providing sensitive or non-public proprietary information in return</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 7 – Engaging with third parties that have history of corruption or unethical business practices	<p>Approving a vendor, contractor, or subcontractor of a contractor that has had a history of unethical business practices</p> <p>Entering into a new business relationship with a third party for which due diligence procedures had previously been performed, but subsequent to the completion of those due diligence procedures, the third party has been involved in serious unethical practices</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (32/42)



 Procurement (8/12)

Business Supporting Areas – Procurement (2/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 10 – Conflicts of interest in procurement	<p>Deloitte Portugal either wrote or influenced the request for proposal terms to favor a particular vendor or supplier that may not have the best qualifications or price</p> <p>Awarding contracts for Deloitte Portugal work to third parties that are owned by relatives or friends of a Deloitte Portugal person involved in selecting and awarding the contract, even though the third party may not be the most qualified/best price for the goods/services</p> <p>Awarding contracts for Deloitte Portugal work to third parties due to pressure from senior Deloitte leaders, even though the third party may not be the most qualified/best price for the goods/services</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (33/42)

 Procurement (9/12)



Business Supporting Areas – Procurement (3/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 11 – Risk of money laundering	<p>Approving a vendor, contractor, or subcontractor of a contractor that exposes Deloitte Portugal to the risk of being involved in money laundering operations</p> <p>Approving a vendor, contractor, or subcontractor of a contractor located or operating in high AML risk jurisdictions</p>	<ul style="list-style-type: none"> <li>• AML policies exist that reflect local AML laws and are in accordance with the requirements in Anti-Money Laundering policy.</li> <li>• Annual confirmation process for relevant professionals to attest to compliance with the Deloitte Portugal's AML policy.</li> <li>• Plan and execute a money laundering risk assessment that is refreshed at least annually</li> <li>• Consideration of relevant and applicable AML risks as part of a process to screen prospective and existing Clients including "Know Your Client" inquiries and research (money laundering screening) in accordance with the Financial Crime screening guidelines</li> <li>• AML training provided on a periodic basis to relevant personnel.</li> <li>• Periodic targeted communication on AML compliance complemented with tone at the top messaging from senior leaders emphasizing the importance of compliance with AML laws, key risk areas, and Deloitte Portugal's AML policy to relevant personnel.</li> </ul>
 17 – Fictitious vendor	<p>Internal collusion whereby a contract with a fictitious vendor is approved. Proceeds from payment made to this fictitious vendor are shared by the perpetrators</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>



### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (34/42)


 Procurement (10/12)

Business Supporting Areas – Financial (1/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 3 – Accepting kickbacks or bribes from third parties	<p>Bribe, kickbacks, or discounts, trips, gifts, etc. provided by a vendor in exchange for obtaining business from the organization</p> <p>Accepting gifts or payments from a third party, such as a contractor, and providing sensitive or non-public proprietary information in return</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>
 7 – Engaging with third parties that have history of corruption or unethical business practices	<p>Approving a vendor, contractor, or subcontractor of a contractor that has had a history of unethical business practices</p> <p>Entering into a new business relationship with a third party for which due diligence procedures had previously been performed, but subsequent to the completion of those due diligence procedures, the third party has been involved in serious unethical practices</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (35/42)


 Procurement (11/12)

Business Supporting Areas – Financial (2/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 10 – Conflicts of interest in procurement	<p>Deloitte Portugal either wrote or influenced the request for proposal terms to favor a particular vendor or supplier that may not have the best qualifications or price</p> <p>Awarding contracts for Deloitte Portugal work to third parties that are owned by relatives or friends of a Deloitte Portugal person involved in selecting and awarding the contract, even though the third party may not be the most qualified/best price for the goods/services</p> <p>Awarding contracts for Deloitte Portugal work to third parties due to pressure from senior Deloitte leaders, even though the third party may not be the most qualified/best price for the goods/services</p>	<ul style="list-style-type: none"> <li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li> <li>• Business relationship acceptance and continuance policy.</li> <li>• Anticorruption policies.</li> <li>• Procurement policies.</li> <li>• Internal audit testing.</li> <li>• Anticorruption training for all employees (including procurement).</li> <li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (36/42)



##### Procurement (12/12)

Business Supporting Areas – Financial (3/3)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 17 – Fictitious vendor	Internal collusion whereby a contract with a fictitious vendor is approved. Proceeds from payment made to this fictitious vendor are shared by the perpetrators	<ul style="list-style-type: none"><li>• Business relationship risk assessment (which includes corruption risk assessment, third party due diligence and background checks) subject to approval from function and anticorruption leaders.</li><li>• Business relationship acceptance and continuance policy.</li><li>• Anticorruption policies.</li><li>• Procurement policies.</li><li>• Internal audit testing.</li><li>• Anticorruption training for all employees (including procurement).</li><li>• Conflict of interest checks required for all business relationships (vendor and marketplace).</li></ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (37/42)


 Other (1/6)

Business Functions (1/2)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 1 – Bribery	<p>Paying facilitation payments that is in violation of a Deloitte Portugal's policy and/or illegal in local jurisdiction where the payment is made</p> <p>Payments and excessive gifts to government officials, such as prosecutors or judges, to influence decisions made on litigation that Deloitte Portugal is involved in</p>	<ul style="list-style-type: none"> <li>• Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>• Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>• Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses.</li> </ul>
 12 – Charitable contributions and pro bono engagements linked to corrupt activity	<p>Charitable contributions, pro bono engagements, and sponsorships may, wittingly or unwittingly, be involved in, or linked to, corrupt activities such as bribery</p>	<ul style="list-style-type: none"> <li>• Ethical and anticorruption policies.</li> <li>• Anticorruption training and communication for all employees.</li> <li>• Internal audit testing.</li> <li>• Hotline system.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (38/42)



 Other (2/6)

Business Functions (2/2)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 15 – Misuse of lobbyists	The use of lobbyists is considered corruption in applicable jurisdictions or lobbyist being used have had previously been involved in/are currently alleged to be involved in corruption	<ul style="list-style-type: none"><li>• Ethical and anticorruption policies.</li><li>• Anticorruption training and communication for all employees.</li><li>• Internal audit testing.</li><li>• Hotline system.</li></ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (39/42)


 Other (3/6)

Business Supporting Areas – Risk (1/2)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 1 – Bribery	<p>Paying facilitation payments that is in violation of a Deloitte Portugal's policy and/or illegal in local jurisdiction where the payment is made</p> <p>Payments and excessive gifts to government officials, such as prosecutors or judges, to influence decisions made on litigation that Deloitte Portugal is involved in</p>	<ul style="list-style-type: none"> <li>• Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>• Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>• Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses.</li> </ul>
 12 – Charitable contributions and pro bono engagements linked to corrupt activity	<p>Charitable contributions, pro bono engagements, and sponsorships may, wittingly or unwittingly, be involved in, or linked to, corrupt activities such as bribery</p>	<ul style="list-style-type: none"> <li>• Ethical and anticorruption policies.</li> <li>• Anticorruption training and communication for all employees.</li> <li>• Internal audit testing.</li> <li>• Hotline system.</li> </ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (40/42)



 Other (4/6)

Business Supporting Areas – Risk (2/2)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 15 – Misuse of lobbyists	The use of lobbyists is considered corruption in applicable jurisdictions or lobbyist being used have had previously been involved in/are currently alleged to be involved in corruption	<ul style="list-style-type: none"><li>• Ethical and anticorruption policies.</li><li>• Anticorruption training and communication for all employees.</li><li>• Internal audit testing.</li><li>• Hotline system.</li></ul>

### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (41/42)

 Other (5/6)


Business Supporting Areas – Financial (1/2)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 1 – Bribery	<p>Paying facilitation payments that is in violation of a Deloitte Portugal's policy and/or illegal in local jurisdiction where the payment is made</p> <p>Payments and excessive gifts to government officials, such as prosecutors or judges, to influence decisions made on litigation that Deloitte Portugal is involved in</p>	<ul style="list-style-type: none"> <li>• Proper segregation of duties exists between the function/person that approves an invoice and the function/person that processes the payment related to that invoice.</li> <li>• Appropriate supporting documentation such as an invoice, purchase order or contract that matches the amount and need for the payment is required for payments to be processed.</li> <li>• Details about the business purpose of the payment and the name of recipient/ entity are obtained and assessed as part of the approval process for non-recurring payments to government officials.</li> <li>• When submitting claims for gifts, entertainment and hospitality, the submitter is required to provide receipts for expenses above a reasonable threshold which is reviewed by an approver.</li> <li>• Either electronically or manually, additional details such as name of recipient or name of entity are required for any gifts, entertainment and hospitality expenses incurred for government officials/ that included government officials.</li> <li>• Monitoring and testing activities on gifts, hospitality and entertainment expenses.</li> </ul>
 12 – Charitable contributions and pro bono engagements linked to corrupt activity	<p>Charitable contributions, pro bono engagements, and sponsorships may, wittingly or unwittingly, be involved in, or linked to, corrupt activities such as bribery</p>	<ul style="list-style-type: none"> <li>• Ethical and anticorruption policies.</li> <li>• Anticorruption training and communication for all employees.</li> <li>• Internal audit testing.</li> <li>• Hotline system.</li> </ul>



### 3. Assessment of corruption risks and related infractions

#### 3.4. Assessment and classification of corruption risks and related infractions (42/42)

 Other (6/6)

Business Supporting Areas – Financial (2/2)		
Risk of corruption and related infractions	Main corruption risks schemes identified	Mitigation measures
 15 – Misuse of lobbyists	The use of lobbyists is considered corruption in applicable jurisdictions or lobbyist being used have had previously been involved in/are currently alleged to be involved in corruption	<ul style="list-style-type: none"><li>• Ethical and anticorruption policies.</li><li>• Anticorruption training and communication for all employees.</li><li>• Internal audit testing.</li><li>• Hotline system.</li></ul>

## 3. Assessment of corruption risks and related infractions

### 3.5. Matrix of corruption risks and related infractions (1/3)

Having assessed and classified the risks of corruption and related infractions to which Deloitte Portugal is exposed to, it is relevant to position the risk assessment results at a global level of the organization and by process carried out within the scope of Deloitte Portugal's business activity. Through the presentation of the risk matrix, it is possible to map the impact and probability of occurrence of the risk to which each process of Deloitte Portugal's activity is subject, allowing a transversal and complete analysis.

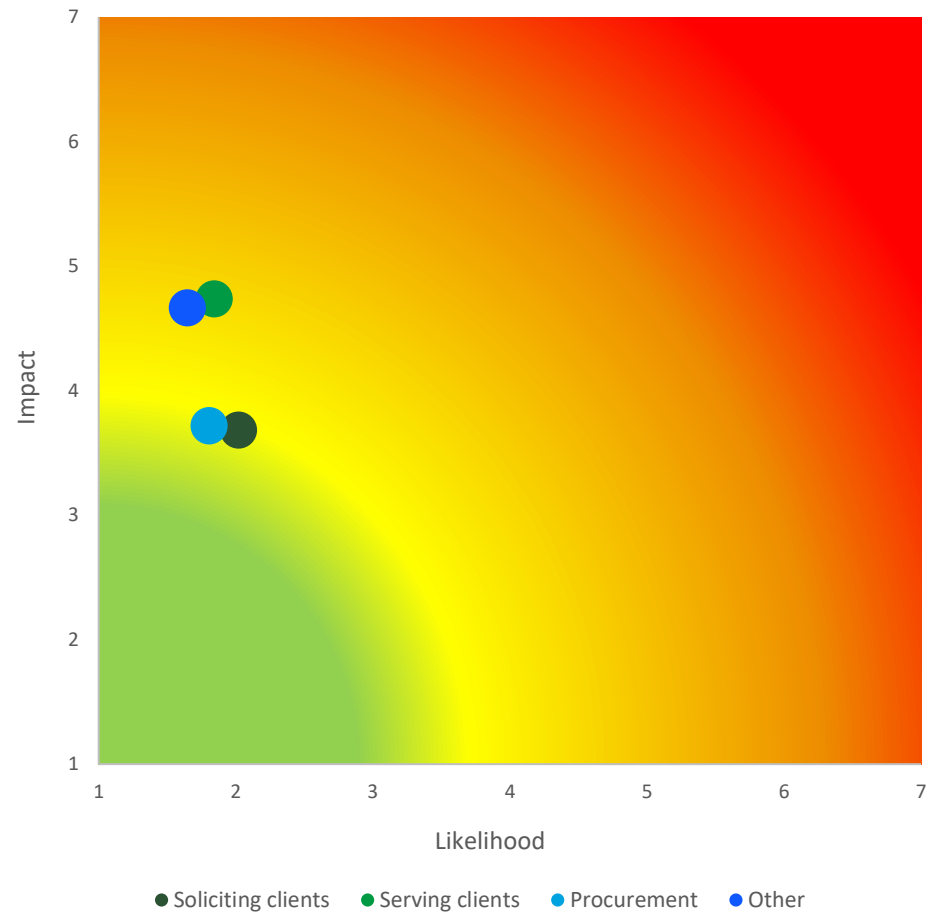
In addition, the positioning of each of the risks of corruption and related infractions, previously identified by the risk ID, is also presented considering the respective inherent risk rating. This matrix representation makes it possible to materialize, in terms of impact and likelihood, the critical nature of the different dimensions of corruption, taking into account the specific context of Deloitte Portugal.

The two matrix representations mentioned above are presented below.

### 3. Assessment of corruption risks and related infractions

#### 3.5. Matrix of corruption risks and related infractions (2/3)

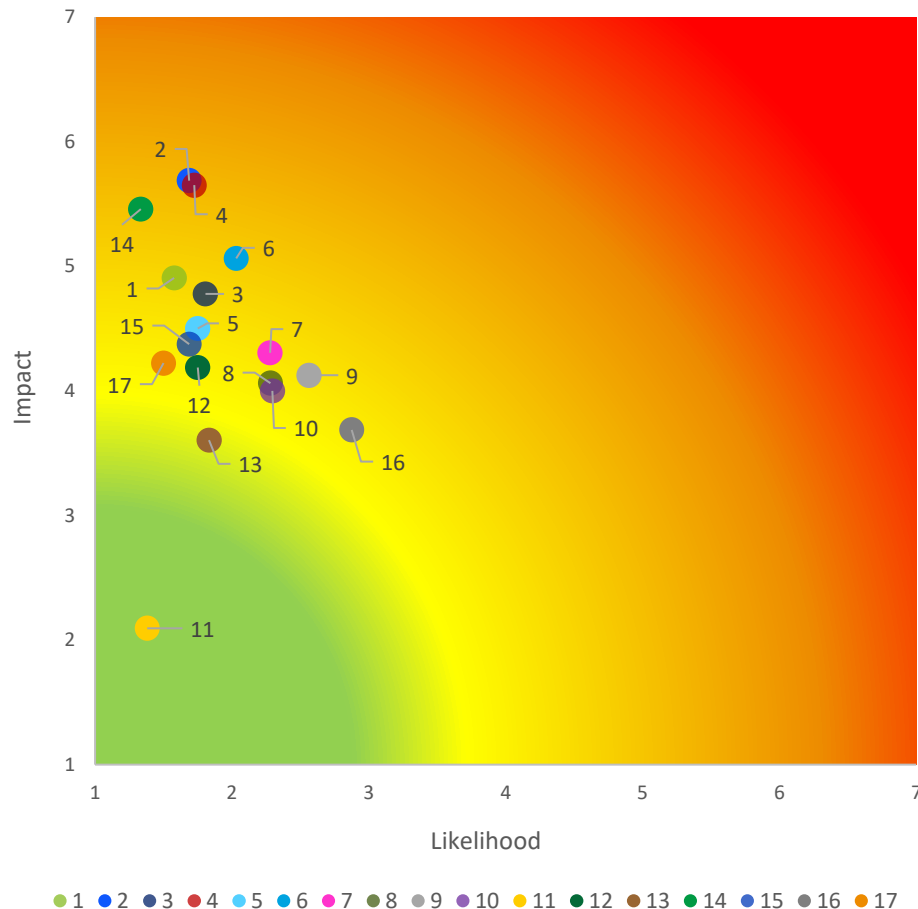
**Matrix representation of Deloitte Portugal processes according to the inherent risk rating of corruption and related infractions**



### 3. Assessment of corruption risks and related infractions

#### 3.5. Matrix of corruption risks and related infractions (3/3)

**Matrix representation of Deloitte Portugal's corruption risks and related infractions according to the inherent risk rating**



- 1 – Bribery
- 2 – Accepting kickbacks or bribes from our clients
- 3 – Accepting kickbacks or bribes from third parties
- 4 – Potential corruption by our clients
- 5 – Corruption by third parties working on behalf of or in an alliance with Deloitte
- 6 – Inappropriate sharing or means of obtaining sensitive or confidential information
- 7 – Engaging with third parties that have history of corruption or unethical business practices
- 8 – Marketplace alliances formed due to unethical reasons
- 9 – Conflicts of interest in bidding
- 10 – Conflicts of interest in procurement
- 11 – Risk of money laundering
- 12 – Charitable contributions and pro bono engagements linked to corrupt activity
- 13 – Excessive or inappropriate use of hospitality, gifts & entertainment
- 14 – Corrupt interaction with government officials
- 15 – Misuse of lobbyists
- 16 – Quid pro quo arrangements in hiring referrals
- 17 – Fictitious vendor

# 4. Monitorization and evaluation of PPR

## 4. Monitorization and evaluation of PPR

The PPR presented here aims to complement Deloitte Portugal's internal control system in identifying and monitoring risks of corruption and related infractions. Deloitte Portugal commits to update the PPR every three years, or whenever a new risk or a new opportunity for improvement is identified, or when there is sufficient information to justify changes to the proposed mitigation measures, complying with the provisions of the RGPC.

Additionally, in accordance with the provisions of the RGPC, Deloitte Portugal commits to carry out an assessment of the PPR in October of each year for identified situations of significant or critical risk (if applicable), and an annual assessment report regarding the overall execution of the PPR in April of each year, which will include measuring the degree of implementation of the identified mitigation measures, with the aim of evaluating the progress made in implementing them and monitoring the risks of corruption and related infractions.

Deloitte Portugal promotes the dissemination of the PPR and the abovementioned assessment reports to employees on its intranet and to other stakeholders on its official website.

For information related to the PPR, please contact the Compliance Officer: [PTETHICSCOMPLIANCE@DELOITTE.COM](mailto:PTETHICSCOMPLIANCE@DELOITTE.COM)



“Deloitte,” “us,” “we” and “our” refer to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”) member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities and, therefore, do not bind each other for all intents and purposes. Accordingly, each entity is only liable for its own acts and omissions and cannot be held liable for the acts and omissions of the other. Furthermore, DTTL does not provide services to clients. To learn more, please consult [www.deloitte.com/about](http://www.deloitte.com/about)

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® among thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. To learn how Deloitte’s 415,000 people worldwide make an impact that matters please consult [www.deloitte.com](http://www.deloitte.com).

This communication contains general information only, and neither Deloitte Touche Tohmatsu Limited (“DTTL”) nor its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Accordingly, before deciding or taking any action that may affect your finances or your business, on the basis of this communication you should consult a qualified professional adviser. No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and therefore neither the issuer, nor DTTL or its network of member firms, related entities, employees or agents may be held liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

