

dstgroup

Interim assessment report of risks of corruption and related offences

Braga, October 2023



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Introduction

As part of the entry into force of Decree-Law No 109-E/2021 on the General Procedure for the Prevention of Corruption ("RGPC"), the dstgroup has implemented a Plan for the Prevention of Risks of Corruption and Related Offences ("PPR"), with a view to identifying the risks of corruption and related offences and draw up preventive and corrective measures.

The purpose of this report is the interim control of the PPR, namely the assessment of situations identified in the PPR as presenting a maximum or high risk of corruption and related offences, as established in article 6, paragraph 4, of the RGPC. This assessment will involve identifying the applicable risks, as well as the preventive and corrective measures adopted and an assessment of the implementation of these measures.

Methodology

The procedures conducted to assess/test the preventive measures to mitigate the risks of corruption and related offences identified in the PPR were as follows:

- Interviews with the departments responsible for the activities associated with the risks identified;
- Conducting tests, on a sample basis, of the main controls implemented;
- Analyzing internal rules and other applicable documentation relating to the internal control system in the area of the prevention of corruption and related offences.

Identification of high or very high risks of corruption and related offences

For the purposes of this report, the risks considered to be high or very high, as per those listed in the PPR, have been identified.

The table below sets out the risks identified as high or very high risk, as well as their assessment and mitigation measures, in accordance with the PPR in force at the dstgroup.

ACTIVITIES	POTENTIAL RISKS	ASSESSMENT			PREVENTION MEASURES
		PO	EI	LVL	
CROSS-CUTTING RISKS					
Commercial					
Commercial fundraising	Establishment of corporate relationships with customers, intermediaries and other agents: (i) with a poor image, reputation and reliability; (ii) associated with investigations and/or adverse judicial decisions related to crimes involving corruption or related offences; (iii) subject to sanctions applied by the European Union, the United Nations or the Government of a country where the third party operates; and/or (iv) whose shareholders, directors, beneficial owners and key players in the relationship are Politically Exposed Persons (PEP) or are associated with investigations, adverse judicial decisions and/or included in sanctions lists	M	H	HIGH	<ul style="list-style-type: none"> Conduct a due diligence procedure and third-party risk assessment Continuous risk monitoring and definition of reinforced due diligence measures for third parties classified as high risk
Purchases					
Contracting Suppliers/ Subcontractors	Establishment of corporate relationships with customers, intermediaries and other agents: (i) with a poor image, reputation and responsibility; (ii) associated with investigations and/or adverse judicial decisions related to crimes involving corruption or related offences; (iii) subject to sanctions applied by the European Union, the United Nations or the Government of a country where the third party operates; and/or (iv) whose shareholders, directors, beneficial owners and key players in the relationship are Politically Exposed Persons (PEP) or are associated with investigations, adverse judicial decisions and/or included in sanctions lists	M	H	HIGH	<ul style="list-style-type: none"> Conduct a due diligence procedure and third-party risk assessment Continuous risk monitoring and definition of reinforced due diligence measures for third parties classified as high risk
	Excessive renewal/extension of the period in force of contracts or signing of amendments to contracts without reviewing the terms and conditions negotiated, avoiding market checks and following the workflow for approval of such	H	M	HIGH	<ul style="list-style-type: none"> Involvement of the purchasing area in analysing extensions to contract periods and/or contract amendments Establishment of rules regarding contractual amendments, renewals/extensions

Assessment of the implementation of the preventive and corrective measures identified

For the purposes of this report, an exhaustive assessment was made of the mitigation measures implemented for the risks considered to be high or very high.

Below is a detailed assessment of each of these measures.

Commercial			
Preventive measures	Has the measure been adopted?	Efficacy of the measure	Corrective measures to be adopted
Conduct a due diligence procedure and third-party risk assessment	Yes	Yes	-
Continuous risk monitoring and definition of reinforced due diligence measures for third parties classified as high risk	Yes	Yes	-
Purchases			
Conduct a due diligence procedure and third-party risk assessment	Yes	Yes	-
Continuous risk monitoring and definition of reinforced due diligence measures for third parties classified as high risk	Yes	Yes	-
Establishment of rules regarding contractual amendments, renewals/extensions	Yes	Yes	-
Involvement of the purchasing area in analysing extensions to contract periods and/or contract amendments	Yes	Yes	-

Conclusion

Overall, the dst group has only three potential risks with a high degree of risk. Each of these risks has two prevention measures. Having assessed the measures to prevent these risks, it was possible to establish that they had been implemented with high levels of efficacy, which makes it possible to mitigate these risks.