ANNUAL MONITORING REPORT

CEAM

EXECUTIVE MONITORING
COMMITTEE OF THE IPCG
CORPORATE GOVERNANCE CODE



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EXECUTIVE SUMMARY

This Annual Monitoring Report (hereinafter referred to as RAM) is the sixth prepared by reference to the monitoring system introduced with the IPCG Corporate Governance Code (hereinafter referred to as CGS), initially approved in 2018.

This is the first Report on the monitoring of the CGS as revised in 2023.

Thirty-six companies were monitored, including the sixteen companies that were part of the PSI index at the time, as well as two unlisted companies.

Comprising 60 recommendations which, for monitoring purposes, were broken down into 84 subrecommendations, the CGS revised in 2023 deepened the significant steps that have been taken in the self-regulation of corporate governance in Portugal.

This document, in similar terms to the previous five years, reports on the monitoring work carried out with reference to the year of 2023.

The results shown correspond to the overall percentage of compliance with all the subrecommendations that make up the revised CGS in 2023, whereby "non applicable" results are not taken into account for the purposes of said calculation.

As in previous years, the results of the overall compliance percentage for the entire universe of monitored companies and the results of the overall compliance percentage for the universe of companies that make up the PSI are published herein separately.

The conclusion of this exercise is that the overall percentage of compliance with the CGS among all the issuer companies monitored, regarding the total of recommendations and subrecommendations, reached approximately 87%. In the case of listed companies that were part of the PSI in 2023, the percentage rises to 94%.

On the whole, these results represent a positive evolution in terms of the overall compliance percentage, compared to the results obtained in 2022: there is an increase of four percentage points (from 83% to 87%) in the total of issuer companies considered and a stabilisation, reflected in a slight decrease of four tenths, in the universe of listed companies that make up the PSI (reflected, only by virtue of rounding up towards the next integer, in the shift from 95% to 94% compliance).

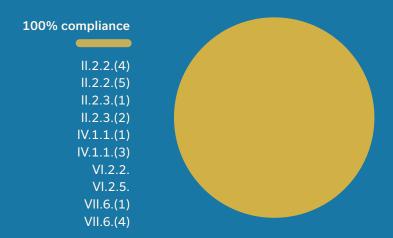
These overall figures also reflect what we believe to be a period of growing stability and maturity in the monitoring process, marked in the year of 2023 by a need for the monitored companies to adapt, which was generally successful, to the new recommendations resulting from the 2023 revision and by some changes in the monitored universe (both in terms of the overall universe of monitored companies and the composition of the companies that make up the PSI).

In this context it is worth noting that, with regard to the recommendations with the lowest compliance level, simultaneously, in the years of 2022 and 2023 there was an increase, albeit slight, in the overall compliance percentage.

It is the conviction of the CEAM that the combined reading of this data shows that, in addition to the significant developments that have taken place since the beginning of this process in 2018, there still is room to growth in the consolidation of good corporate governance practices in Portugal and that this path has been traced in a stable and consolidated manner by the monitored companies, in a fruitful dialogue between monitoring and the issuer companies and in the commitment of most issuer companies to improving their corporate governance.

In this sense too, the expansion of the universe of monitored companies to include new unlisted companies (which is considered desirable and a very positive sign of the growing recognition of the importance of good corporate governance practices by Portuguese businesses) may justify, in future exercises, the autonomisation of the overall compliance percentage in relation to the entire universe of monitored listed companies, a reflection that the CEAM will not fail to carry out.

Chart 1Recommendations with the highest compliance level

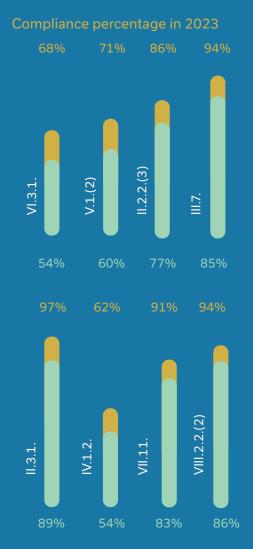


- **II.2.2.(4) and (5)** drawing up minutes of meetings of the management and supervisory bodies.
- **II.2.3.(1)** and **(2)** disclosure, on the website of the company, of the composition and number of annual meetings of the management and supervisory bodies and their internal committees.

- **IV.1.1.(1)** and (3) non-delegation by the management body of powers with regard to (1) the definition of the corporate strategy and main policies of the company and (3) matters that shall be considered strategic due to their amount, risk or particular characteristics.
- **VI.2.2** remuneration of members of the management and supervisory bodies and company committees set by a remuneration committee or by the general meeting, upon a proposal from the remuneration committee.
- **VI.2.5** the remuneration committee may freely decide to hire, on behalf of the company, consultancy services necessary or convenient for the performance of its duties, within the budget constraints of the company.
- VII.6.(1) and (4) establishment of a risk management function, identifying (1) the main risks to which the issuer company is subject in the operation of its business; (4) the monitoring procedures aimed at following them up.

Note: The recommendations considered herein are those deemed applicable to, at least, the majority of the issuer companies, which led to the exclusion form the chart of recommendations V.2.(2) and VI.2.10., which are fully complied with but applicable to a reduced number of issuer companies.

Chart 2The recommendations whose compliance grew the most

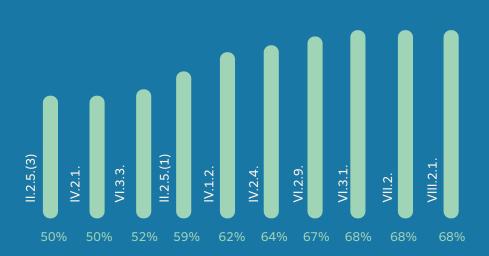


Compliance percentage in 2022

- **VI.3.1** the company promotes that the proposals for the appointment of members of the corporate bodies are sustained by a statement of grounds regarding their suitability for the function to be performed.
- **V.1.(2)** the supervisory body assesses and opines on the risk policy, prior to its final approval by the management body.
- **II.2.2.(3)** the regulations of the internal committees are disclosed on the company's website.
- **III.7** the company does not adopt any measures that require payments or the assumption of costs by the company in the event of a change of control or a change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment of the performance of the directors.
- **II.3.1** establishment of mechanisms to ensure that members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company.
- **IV.1.2.** the management body approves the regime for the exercise by executive directors of executive duties outside the group.

- **VII.11**. the supervisory body is the main the addressee of the reports produced by the internal control services.
- **VIII.2.2.(2)** the supervisory body proposes the remuneration of the statutory auditor and ensures that adequate conditions for the provision of services by the statutory auditor are in place.
- **Note 1:** For the purposes of drawing up this chart, only the recommendations that (i) did not undergo any wording changes in the 2023 revision of the CGS; (ii) underwent only formal changes; and (iii) underwent substantive changes that had no impact on the criterion for monitoring their content compared to the 2022 exercise have been considered. The table of correspondence of recommendations between the CGS (2020 revision) and the CGS (2023 revision), available at: https://cgov.pt/images/ficheiros/2023/cgs_tabela-de-corresponde%CC%82ncias_revisao2023.pdf
- **Note 2:** The recommendations considered herein are those deemed applicable to, at least, the majority of the issuer companies, which led to the exclusion from the chart of recommendation III.1.(2), with an increase of 43% in the compliance percentage, but applicable to a reduced number of issuer companies (39%).

Chart 3Recommendations with the lowest compliance level



- **2.5.(1) and (3)** existence of a specialised committee for matters of (1) corporate governance and (3) the appointment of members of the corporate bodies.
- **IV.2.1** appointment of a coordinator by the independent directors.
- VI.3.3 existence of a committee to monitor and support the appointment of senior management.
- **IV.1.2.** the management body approves the regime for the exercise by executive directors of executive duties outside the group.

- **IV.2.4** at least one third of the non-executive directors fulfil the independence requirements.
- **VI.2.9** a significant part of the variable component of the remuneration of executive directors is deferred for a period of no less than three years.
- **VI.3.1** the company promotes that the proposals for the appointment of members of the corporate bodies are sustained by a statement of grounds regarding their suitability for the function to be performed.
- **VII.2** the existence of a specialised committee or committee composed of specialists in risk matters.
- **VIII.2.1** the supervisory body defines the supervisory procedures designed to ensure the independence of the statutory auditor.

INTRODUCTION

The Annual Monitoring Report presented hereby is the sixth analysis prepared with reference to the IPCG CGS, and the first regarding the version of CGS revised in 2023.

The implementation of the IPCG CGS was the result of efforts made by the **IPCG** – the Portuguese Institute for Corporate Governance (Instituto Português de Corporate Governance, hereinafter the **IPCG**), in cooperation with the CMVM – the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários, hereinafter the **CMVM**) and the AEM – the Portuguese Issuers Association (Associação de Empresas Emitentes de Valores Cotados em Mercado, hereinafter the **AEM**), as witness of the Protocols entered into with both entities¹.

The Protocol entered into between the CMVM and the IPCG is available at: https://cgov.pt/images/ficheiros/cam/PROTOCOLO_CMVM_IPCG_assinado.pdf
The Protocol entered into between the AEM and the IPCG, signed in February 2018 and revised in October 2023, is available at: https://cgov.pt/images/ficheiros/cam/231016_protocolo_aem-ipcg_cgs_codigo-governo-sociedades_revisao_protocolo-revisto-aprovado_v2.pdf

As a complement to the Protocol signed, in January 2019 the CMVM published the notification regarding the new rules and procedures for 2019 with regard to the supervision of the corporate governance recommendatory regime, through the CMVM Circular, "The supervision of the corporate governance recommendatory regime - new rules and procedures for 2019", dated 11/01/2019: see https://www.cmvm.pt/Plnstitucional/

As a complement to the Protocol signed, in January 2019 the CMVM published the notification regarding the new rules and procedures for 2019 with regard to the supervision of the corporate governance recommendatory regime, through the CMVM Circular, "The supervision of the corporate governance recommendatory regime - new rules and procedures for 2019", dated 11/01/2019: see https://www.cmvm.pt/Plnstitucional/ https://www.cmvm.pt/Plnstitucional/Content?lnput=2B0B85F37406EECA0B6594AA A62280584BF119BE4FEF4DAFE297A54FB3CF3E8B.

It was within the fundamental framework outlined by these instruments that a monitoring system was designed, according to which the CEAM has been carrying out the tasks that now culminate in the production and dissemination of this Report.

Currently composed by five members, including an Executive Director responsible for the coordination of the technical work², the CEAM, in addition to the interaction with the issuer companies in order to clarify interpretative doubts on the content of the recommendations, collected public information indispensable for the monitoring tasks, initiated a dialogue with the monitored companies for the analysis of their preliminary results, responded to written comments received in this process and, finally, communicated the final results of the respective analysis to each of the issuer companies.

As such, the elements and clarifications necessary for an informed monitoring were obtained, ensuring the independence, objectivity and exemption required of such an exercise, nevertheless without disregard for the particularities of each issuer company, especially those contained in the explanations provided in the respective corporate governance reports.

Therefore, in line with international best practices and with the regulatory framework in force in Portugal, the assessment of compliance with each recommendation took due notice of the options explained by the issuer companies, in order to, whenever appropriate, value such options as substantially equivalent to direct compliance with the Code, thus materialising the underlying philosophy of comply or explain.

² The CEAM is made up of Duarte Calheiros (Chairman), Abel Sequeira Ferreira, Rui Pereira Dias, Mariana Fontes da Costa (Executive Director) and Renata Melo Esteves; to carry out the monitoring work in 2023, the contribution of a technical support team was secured, consisting of four elements, including Nuno Devesa Neto (who also supported the coordination of the monitoring work), Ana Jorge Martins, Francisca Pinto Dias, and Mariana Leite da Silva.

The Report, after a preliminary opinion issued by the CAM, was unanimously approved by the CEAM members.

In this Report, and following the model adopted in previous years, we set out the principles that govern the monitoring (chapter III of this document), after which the working methodology used is reported (chapter IV).

Having established this framework, we will be able to move on to the assessment of the degree of compliance with the recommendations of the Code (chapter V), giving prior note of the treatment given to the multiple recommendations, as well as to the non-applicable ones, and the way in which the monitoring results were defined.

In this context, it is furthermore important to recall the meaning of the *comply or explain* principle, on which the Code is based, as well as to report on how the *explain* was used by issuer companies and assessed during monitoring.

Based on this set of elements, the Report presents, chapter by chapter, the additional observations necessary in view of each recommendation of the CGS and of the contents monitored by the CEAM, after which brief final conclusions are presented (chapter VI).



MONITORING PRINCIPLES

The monitoring work carried out by the CEAM is fundamentally based on the Protocols entered into between the CMVM and the IPCG and between the IPCG and the AFM.

In particular, the latter document, which is important for understanding the terms and results of the analysis undertaken, sets out the principles on which monitoring shall be based:

- **"a) Necessity** the monitoring of the compliance with the CGS is an indispensable element of the corporate governance system, as a means of knowing the form and level of compliance with the recommendations and the most critical areas of non-compliance;
- **b) Independence** the monitoring of the CGS shall be ensured, institutionally and personally, by entities and people who can guarantee the necessary independence from the entities that adopt the CGS;
- **c) Autonomy** the monitoring of the CGS is autonomous from the exercise of any competencies of judicial or administrative authorities in their supervisory, oversight or sanctioning activities, within the framework of their respective legal powers and duties;
- **d) Universality** monitoring shall cover all organisations that have adopted the CGS;
- e) Objectivity and Exemption monitoring shall be carried out objectively and impartially and shall, in particular, not include the formulation of value judgements on the adoption of the CGS recommendations or on the conduct of the adhering companies;

- **f)** Completeness monitoring shall cover all the principles and recommendations of the CGS;
- **g) Collaboration** monitoring shall be based on the collaboration with the entities that adopt the CGS, either by providing them with the necessary elements and clarifications for a correct interpretation and application of the CGS, or by receiving from such entities the elements and clarifications necessary for an informed monitoring; collaboration can also extend to entities whose competences or purposes project or intersect with the application of the CGS;
- **h) Transparency** monitoring shall ensure that all mechanisms, criteria or information on which it is based are accessible, at least, to all member entities;
- i) **Publicity** the results of the monitoring, insofar as the CGS compliance level is concerned, must be publicised globally and without individualising or detailing the results regarding each adhering entity;
- j) Timeliness monitoring shall contribute to promote the updating of the criteria for interpretation and application of the CGS, as well as induce the changes that may seem necessary and/ or appropriate to the evolution of the CGS;
- **k) Annuality** without prejudice to occasional interventions, monitoring shall be based on an annual cycle of activity;
- I) Comply or explain the CGS is of voluntary adhesion and its observance is based on the comply or explain rule, whereby monitoring must ensure the effective valuation of the "explain" as equivalent to the compliance with the recommendations in question."

METHODOLOGY

The monitoring process leading to the preparation of the present RAM, as in previous years, involved various activities, which are briefly described below.

The monitoring work itself began by gathering information published by the issuer companies, focusing the analysis especially on the corporate governance reports of the such companies.

Based on that public information, accessed in particular through the CMVM information disclosure system, the reports of thirty-six companies were analysed, with reference to the year of 2023.

The present report is prepared on the basis of the information collected and processed in respect of thirty-four such governance reports, given that two of the issuer companies still adopted the IPCG CGS 2018 in the version resulting from the 2020 revision³.

The first analysis carried out by the CEAM culminated in the communication of the preliminary results of the monitoring, mirrored in individual tables containing, in addition to the evaluation of each subrecommendation – compliance, non-compliance, not applicable and evaluation of the *explain*⁴ –

^{3.} The CEAM nevertheless considered that monitoring should be carried out on the basis of the version of the CGS resulting from the 2020 revision, given the specific timing of the annual exercise of the issuer companies in question, which covered a period prior to the entry into force of the version of the CGS resulting from the 2023 revision.

^{4.} On this assessment, see infra, V.1.3. of this Report.

reasoned observations, whenever justified, and which were sent to each of the issuer companies.

In addition to the communication of the individual results, the companies were invited to comment on the preliminary results of the monitoring, putting into practice the interaction with the issuer companies referred to in the Protocol entered into between the IPCG and the AFM.

After sending out the preliminary results, the CEAM's executive team maintained the necessary and appropriate contacts with the issuer companies.

This process resulted in useful clarifications for the monitoring work, allowing issues to be clarified and contributing to the standardisation, in general, of the criteria for measuring compliance, in addition to the contribution that such an exercise makes to the continued reflection on the best corporate governance practices in the Portuguese securities market.

Subsequently, the CEAM confirmed the preliminary results and sent to each of the issuer companies their final assessments: these are the definitive results for 2023 and form the basis for the Annual Monitoring Report presented herein.

In constant internal articulation, it fell to the members of the CEAM, with the assistance of the technical team supporting the monitoring work, to carry out the tasks described above.

EVALUATION OF THE DEGREE OF COMPLIANCE

V.1 Framework

V.1.1 Multiple Recommendations

Aiming at the successful implementation of the monitoring work, the CEAM previously identified the Code recommendations with multiple content and their corresponding analytical breakdown, according to the following criteria:

all the mutually independent subrecommendations were broken down;

the following subrecommendations were not broken down:

those that close a general clause with a clarification;

where there is a logical dependency between subrecommendations.

This exercise resulted in 84 subrecommendations, as identified in the Update of the Table of Multiple Recommendations of the CGS IPCG, revised in 2023.⁵

Monitoring was based on all of the referred subrecommendations, both in the analysis of individual governance reports and in the subsequent global data processing.

V.1.2 Non-applicable Recommendations

The decision of considering some recommendations as not applicable to certain or all issuer companies is the result of the interpretative task undertaken by the CEAM when comparing the recommendatory provisions with the responses of the issuer companies.

In this exercise, in some cases, recommendations that the issuer companies had qualified as not applicable were considered as compliance or non-compliance, and *vice versa*.

Recommendations considered not applicable were not taken into account when calculating the percentage of compliance.

Notwithstanding, in the presentation of the contents of the Code monitored by the CEAM (*infra*, V.3), the explanation of the hypotheses of non-applicability was occasionally considered justified, with a view to better understanding the results, since, in certain circumstances, the omission of the high level of non-applicability of a certain recommendation could provide a distorted image of the evaluation undertaken.

The non-applicability of certain recommendations results from various circumstances, such as:

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^{5.} Available at: https://cgov.pt/images/ficheiros/2023/cgs_atualizac%CC%A7a%CC%83o-da-tabela-de-recomendac%CC%A7o%CC%83es-mu%CC%81ltiplas revisao2023.pdf

the specificities of the governance model adopted by the issuer companies;

the interdependence between some subrecommendations.

V.1.3 Results

In each subrecommendation and for each issuer company, one of four results was attributed in the respective individual tables:

S - compliance;

N – non-compliance; NA – not applicable;

E - explain materially equivalent to compliance, pursuant to the terms explained below regarding the quality of explain.

The set of individual results has been treated in an integrated manner, as follows (V.3.).

Unless otherwise stated, the reference to compliance figures refers to the sum of the direct compliance results ("S") and the results of explain materially equivalent to compliance ("E"), which thus make up, computed together ("S+E"), an overall compliance figure.

V.2 The quality of the explain

V.2.1 The comply or explain principle

In compliance with the comply or explain principle on which the Code is based, pursuant to the Protocol entered into between the IPCG and the AEM, issuer companies shall, on the one hand, reflect on the appropriateness and relevance of each recommendation in relation to their reality and circumstances

and, on the other hand, present their options regarding corporate governance, namely in light of the principles set out in the Code.

Ideally, the *explain* implies three "statements" from the issuer company: (1) a statement of non-compliance, (2) explanation of the solution it has adopted and (3) a clarification of why it considers this solution to be an option equivalent to adopting the Code's recommendations.

Notwithstanding, the CEAM continues to place emphasis on the need for any omissions by the issuer companies to be integrated in a proper and adequate place, considering all the material explanatory information contained in the various points of the governance reports and other publicly available information.

Thus, in line with the *comply or explain* principle, special emphasis has been placed on the quality and depth of the "explain", the evaluation of which is apt to lead, taking into account the specific circumstances, to it being treated as an equivalent to the "comply".

In these terms, for the analysis of the quality of the *explain*, it is always necessary to assess in which cases a *properly explained* non-compliance has the effects of a compliance.

In this regard, it shall be kept in mind what is contained in CMVM Regulation no. 4/2013, which remains in force and therefore, regarding this part, subsists as a guiding document for issuer companies:

its preamble, with regard to the comply or explain principle, states that there will be "material equivalence between the compliance with recommendations and the explanation for non-compliance" when such explanation "allows for a valuation of those reasons for non-compliance in terms that make it materially equivalent to the compliance with the recommendation".

Annex I of the same Regulation, specifically point 2 of Part II, states that "[the] information to be reported shall include, for each recommendation:

- a) Information enabling measurement of compliance with the recommendation or reference to the point in the report where the issue is dealt with in detail (chapter, title, point, page);
- **b)** Justification for any non-compliance or partial compliance;
- c) In the event of non-compliance or partial compliance, identification of any alternative mechanism adopted by the company for the purposes of pursuing the same objective as the recommendation."6

V.2.2 The evaluation of the explain

On the basis of these guidelines, the explanations provided in cases of non-compliance with recommendations were considered as materially equivalent to compliance whenever the issuer companies explained in an effective, justified and substantiated manner the reason for not complying with the recommendations provided for in the CGS in terms that demonstrate the adequacy of the alternative solution adopted to the principles of good corporate governance and that allow a valuation of these reasons in a sense that is materially equivalent to compliance with the recommendation: we quote, with the necessary adaptations, the provisions of Article 1(3) of CMVM Regulation no. 4/2013.

For the purposes of this assessment, the Principles that frame the different Chapters (and subchapters) of the Code were considered, which are the guiding basis for the interpretation

^{6.} Similarly, also the European Commission Recommendation on the quality of corporate governance information ("comply or explain") of 9 April 2014, in section III, contains indications on the quality of explanations in the event of divergence from a code. The Recommendation is available at: https://eur-lex.europa.eu/legal-content/PT/TXT/PDF/?uri=CELEX:32014H0208&from=PL

and application the recommendations and, simultaneously, a qualitatively relevant basis for the assessment of the explain⁷.

As the evaluation of the *explain* is an essential pillar of the monitoring exercise of a recommendatory code, the importance of the information provided in Part II of the governance report on the non-compliance with the recommendations and the concomitant explanation is underlined.

In fact, as it is not necessary to merely repeat the content of the recommendation, and there may be occasional references to Part I of the governance report, for monitoring purposes it is essential that issuer companies always provide a suitable framework and reasoned justification as to why the recommendation in question was not complied with and, furthermore, identify the alternative solution of good corporate governance adopted and its adequacy in terms of material equivalence to the solution recommended by the Code.

^{7.} See the Preamble to the 1st edition of the CGS (2018), republished as an annex to the revised Code in 2023, p. 37.

V.3 Contents of the Code monitored by the CEAM

Chapter I. Company's relationship with Shareholders, Interested Parties and the Community at large

OVERALL ASSESSMENT OF THE CHAPTER

The first chapter of the CGS, added as a result of the 2023 revision, contains two recommendations dedicated to the matter of sustainability, in its twofold aspect of long-term sustainability of the company and the manner in which the objectives of the company are aligned with the interests of the community at large, especially with regard to the environmental and social impact of its activity.

The subdivision that took place resulted in four subrecommendations that are subject to monitoring.

The percentage of compliance with Chapter I was 93%, rising to 98% in the PSI context.

The percentage of compliance with the various recommendations and subrecommendations varied between 97% and 88% in the overall universe of monitored companies.

RECOMMENDATIONS

I.1.

Recommendation I.1 states that the company shall explain in the annual report how its strategy seeks to ensure the fulfilment of its long-term objectives and what the main contributions resulting herefrom are for the community at large.

The recommendation is subdivided into two subrecommendations, which registered a compliance rate of 88% and 91% (I.1.(1) and I.1.(2), respectively), rising to 94% and 100%, respectively, for PSI companies.

Among the practices adopted by the issuer companies that were deemed to correspond to compliance with subrecommendation I.1.(2) are, in particular, the adoption of sustainability policies in the areas where the companies operate and in the community in which they operate, the creation of innovative projects to promote good environmental, social and governance practices and the creation of departments with competences in defining and implementing strategies to promote sustainability and create long-term social and environmental value.

Recommendation I.1. corresponds, with slight changes, to recommendation IV.3. of the version of the CGS revised in 2020. Although the previous recommendation IV.3. was not broken down into subrecommendations, it is possible to note an increase in the percentage of compliance compared to the 80% seen in the 2022 exercise.

I.2.

Recommendation I.2. provides that companies shall identify the main policies and measures adopted with regard to the fulfilment of their environmental objectives and with regard to the fulfilment of their social objectives, thus having a predominantly informative nature.

This recommendation was introduced by the 2023 revision of the CGS, so it is not possible to make a comparative analysis of its compliance with previous monitoring exercises.

The recommendation is subdivided into two subrecommendations, which were complied with by 94% and 97% respectively [I.2.(1) and I.2.(2)]. In both cases, the percentage of compliance totalled 100% in the PSI universe.

Chapter II. Composition and Functioning of the Corporate Bodies

OVERALL ASSESSMENT OF THE CHAPTER

This chapter contains eleven recommendations, which are subdivided into 21 subrecommendations dedicated to a wide range of topics: information, diversity in the composition and functioning of the corporate bodies, the relationship between these bodies, conflicts of interest and transactions with related parties.

The overall percentage of compliance was 89%, rising to 95% in the context of the PSI, and the percentage of compliance of each recommendation varied between 50% and 100%.

RECOMMENDATIONS

11.1.1.

The first recommendation in this chapter refers to the establishment of mechanisms to adequately and rigorously ensure the timely disclosure of the information required to the corporate bodies, the company secretary, shareholders, investor financial analysts, other interested parties and the market at larg

This recommendation corresponds, with slight changes, to recommendation l.1.1. of the 2018 version of the Code, revised in 2020, with the main change being the express inclusion of the company secretary in the range of subjects to whom the timely circulation of the information necessary for their duties must be ensured.

Recommendation II.1.1. was complied with by 97% of the companies monitored, and in the PSI universe it was fully complied with.

II.2.1.

With regard to the profile of new members of the corporate bodies, the Code recommends that the company establishes, previously and abstractly, criteria and requirements regarding the profile of the members, including individual attributes (such as competence, independence, integrity, availability and experience) and diversity requirements, emphasising here, in line with the equivalent recommendation in the previous version of the CGS, measures to promote gender equality, in line with legislative developments in this area.

The establishment of these criteria and requirements does not necessarily depend on whether or not there were elections during the period in question.

This recommendation was slightly adjusted in the revision of the CGS carried out in 2023 to transpose the reference, which already resulted from Interpretative Note no. 38, to the need for the criteria and requirements for new members of corporate bodies to be established in advance and in the abstract.

Compliance with recommendation II.2.1, without any materially equivalent cases of an *explain*, was 76% for all issuer companies and 94% for PSI companies (which compares favourably with the 71% and 93% recorded for the previous recommendation I.2.1 in the previous financial year, respectively).

It should be clarified, as stated in point 7) of the Guidelines on the application and enforcement of the Code⁹, that the mere reference to the CVs of referred members is not enough to comply with this recommendation, nor is the mere observation that, in practice, certain criteria and/or requirements have been taken into account, if these had not been previously defined.

^{8.} Available at: https://cgov.pt/images/ficheiros/2023/nota-interpretativa-n.%C2%BA-3.pdf

^{9.} Available at: https://cgov.pt/images/ficheiros/2023/cgs_2023-_guidelines.pdf

II.2.2. and II.2.3.

The recommendations under analysis, which correspond, with mere formal changes, to recommendations I.2.2. and I.2.3., respectively, of the version of the CGS as revised in 2020, concern the existence and disclosure of internal regulations, minutes and other general information (including the composition and number of annual meetings) relating to management and supervisory bodies, as well as internal committees, all of which showed levels of compliance equal to or greater than 86% in relation to all the subrecommendations, with full compliance in the cases of subrecommendations II.2.2.(4) and (5) and II.2.3.(1) and (2).

II.2.4.

Recommendation II.2.4. has some parallels with the previous recommendation I.2.4. of the version of the CGS revised in 2020 but has undergone significant substantive changes. This recommendation now provides for the need for companies not only to specify "the main rules and procedures to be followed for each communication" of irregularities, but also to adopt "an internal reporting channel that also includes access for non-employees as set forth in the applicable law".

The current recommendation II.2.4 is subdivided into two recommendations, which were complied with by 91% and 94% respectively, a percentage that rises to 100% in the case of PSI companies for both subrecommendations.

II.2.5.

This recommendation refers to internal committees that are "made up for the most part of members of the corporate bodies, to whom the company attributes company functions within the corporate ambit", in accordance with the definition in the footnote to Principle II.2.A.. If a remuneration committee provided for in Article 399 of the Companies Code has been created, and if such is not prohibited by law, this recommendation can be complied

with by giving this committee competence in the matters referred to by this recommendation, that is: corporate governance, appointments and performance assessment.

This recommendation broadly corresponds to the previous recommendation III.7, whereby the new wording clarified, in the terms that already were set out in point 13.b) of Interpretative Note no. 3, that, in terms of appointments, it is a question of creating a committee with competences in relation to the members of the corporate bodies, whereby the appointments committee for senior management is, in contrast, the specific subject of recommendation VI.3.4.

The percentage of compliance, either direct or via an explain, present in all the subrecommendations, is as follows: 59% with regard to corporate governance, rising to 81% in the PSI; 97% with regard to remuneration, rising to 100% in the PSI; 50% with regard to the appointment of members of corporate bodies, with 75% in the PSI; and 82% with regard to performance assessment, a percentage that rises to 100% in the case of PSI companies.

As mentioned in point 8) of the Guidelines, for full compliance with this recommendation, in all its different dimensions, it is not enough if competences in any of the areas mentioned in this recommendation are attributed to senior management - without prejudice, however, to the possibility, inherent to the CGS regime, of evaluating an *explain* as materially equivalent to compliance.

It should also be emphasised that subrecommendation II.2.5.(4) does not restrict its scope to assessing the performance of executive directors, but also applies to the other members of the corporate bodies.

II.3.1. and II.3.2.

Recommendations II.3.1. and II.3.2. refer to relations between the corporate bodies, with 97% and 94% compliance, respectively, for all issuer companies and, in both cases, 100% for PSI companies. The recommendations call for information to be made available,

both in documents and through access to the company's relevant employees, and for the existence of an information flow that ensures that measures are taken thoughtfully and efficiently, within the framework of an articulated and harmonious interorganic relationship.

These recommendations correspond, with mere formal changes, to recommendations I.3.1. and I.3.2. of the version of the CGS revised in 2020, and the percentages of compliance in the current year, with regard to the total universe of issuer companies, compare positively, in both cases, with the percentages of compliance in the previous year (which stood at 89% for both recommendations). With regard to PSI companies, full compliance stabilised.

II.4.1. and II.4.2.

With 91% and 88% compliance, respectively, for all monitored issuer companies, the figures for recommendations II.4.1 and II.4.2. compare favourably with the 89% and 86%, respectively, recorded in 2022 for the corresponding recommendations in the version of the Code revised in 2020, i.e. for recommendations I.4.1. and I.4.2. With regard to PSI companies, there was a slight reduction compared to the percentage of compliance with the equivalent recommendations in the previous financial year: from 100% in 2022 to 88% in 2023.

II.5.1.

Recommendation II.5.1., which corresponds to recommendation I.5.1. of the version of the CGS revised in 2020, with slight formal changes, aims to require disclosure of the internal procedure for verifying transactions with related parties, without advocating a specific design for such procedure. We found 97% compliance (an increase in comparison to the 94% recorded for the equivalent recommendation in 2022), maintaining the full compliance in the PSI universe.

Chapter III. Shareholders and General Meeting

OVERALL ASSESSMENT OF THE CHAPTER

The chapter contains seven recommendations, with only one subdivision in the first, all of which are dedicated to issues related to shareholder participation in general meetings.

The compliance percentage was 85%, rising to 90% in the PSI context.

The compliance percentage varied between 73% and 94%, and between 50% and 100% in the PSI universe.

This chapter corresponds almost entirely to Chapter II of the version of the CGS 2018 revised in 2020, with the only new addition being the introduction of recommendation III.2.

Compared to the equivalent chapter, there was an increase in the overall percentage of compliance (80% in 2022, compared to 85% in 2023), with the companies that make up the PSI universe continuing to fully comply with some recommendations, whose overall percentage of compliance remained constant compared to the previous year (90%).

RECOMMENDATIONS

III.1.

In taking a stance on the appropriate involvement of shareholders in corporate governance, the CGS begins by recommending that companies shall not set a high disproportion between the number of shares and the correspondent number of votes, while at the same time recommending (in recommendation III.3.) that companies shall not set quorums for resolutions greater than those foreseen by law, precisely to avoid difficulties in passing resolutions at general meeting level.

This recommendation was complied with by 91% of the issuer companies, either by adopting the principle that each share corresponds to one vote, or by deviating from this principle which, however, was deemed not to make the number of shares needed to confer the right to one vote excessively high. This circumstance made the following subrecommendation [III.1.(2)] largely inapplicable (56%), which asks issuer companies to explain the option in their governance report whenever there is a deviation from the aforementioned principle. Of the fourteen issuer companies to which the subrecommendation applied, 93% complied with it. In both cases, the percentage of compliance rises to 100% in the PSI companies.

III.2.

This recommendation is a novelty introduced by the 2023 revision and aims to ensure that issuer companies who have issued shares with special plural voting rights identify in the governance report the matters which, pursuant to the articles of association of the company, are excluded from the scope of plural voting.

This year, this recommendation was not applicable to any of the companies monitored.

III.3.

The current recommendation III.3. corresponds to recommendation II.2. of the version of the CGS revised in 2020.

The recommendation is complied with by 88% of the listed companies, of which around 70% correspond to direct compliance and 18% to solutions that were considered materially equivalent. In the PSI universe, the figure was 94%.

These figures represent a positive development compared to the percentage of compliance recorded in 2022 for the corresponding recommendation in the previous version of the Code (from 85% to 88% for all issuer companies and from 93% to 94% for the PSI).

III.4. and III.5.

The Code recommends the implementation of adequate means for the participation of shareholders in the general meeting without being present in person, in terms proportionate to their size (III.4.), as well as for the exercise of remote voting rights, including by correspondence and electronically (III.5.).

Issuer companies continued to widely comply with the recommendations, with 73% compliance with recommendation III.4. and 79% compliance with recommendation III.5.

In both cases, the figures compare favourably with the percentage of compliance recorded in 2022 for the equivalent recommendations in the previous version of the Code, recommendation II.3. and recommendation II.4. respectively (for the former, in 2022, there was a percentage of compliance of 71% and, for the latter, the percentage stood at 76%).

In the case of PSI companies, the percentage of compliance rises to 75% in the case of recommendation III.4. and 88% in the case of recommendation III.5., which represents a slight decrease in comparison to the figures recorded in 2022 in the case of the former (80% in relation to II.3), but a positive development in the case of the latter (in 2022, recommendation II.4. recorded 87% compliance).

III.6. and III.7.

These recommendations correspond to recommendations II.5. and II.6. of the version of the CGS revised in 2020.

The recommendation that, in cases where the articles of association provide for limitations on the number of votes that

may be held or exercised by a shareholder, there shall also be at least a five-year mechanism for making such limitations subject to a resolution for their maintenance or amendment (III.6.) remains largely inapplicable (88%), as a result of the fact that in the vast majority of cases there are no such limitations. In the cases of applicability, corresponding to four issuer companies, compliance was 75%.

For its part, the recommendation (III.7.) that no measures leading to corporate costs in the event of a change of control or a change in the composition of the management body shall be adopted was complied with by 94% of the listed companies, which is a notable increase compared to the 85% recorded for the equivalent recommendation in the previous financial year.

While it is true that the existence of these measures does not in itself preclude compliance, the cases of non-compliance refer to situations in which the issuer company, while declaring the existence, notably, of contractual measures, does not provide a reasoned justification that such contractual measures are not "likely to jeopardise the economic interest in the transfer of shares and the free assessment by shareholders of the performance of directors".

Chapter IV. Management

OVERALL ASSESSMENT OF THE CHAPTER

This chapter contains seven recommendations, one of which is broken down into three subrecommendations, all of which concern the management body.

The overall compliance rate is 80%, with the PSI achieving a 92% compliance rate.

RECOMMENDATIONS

IV.1.1.

The subrecommendations regarding the delegation of powers – which correspond to recommendation IV.2. of the previous version of the Code – are widely complied with by the issuer companies: in no issuer company does the management body delegate powers regarding the definition of the company strategy and main corporate policies (which corresponds to a 100% compliance rate), and the same can be said for matters that are to be considered strategic due to their amount, risk or special characteristics. As for the organisation and coordination of the corporate structure, these matters are not delegated by the management body in 97% of the issuer companies (a percentage that rises to 100% in the PSI universe). This is an improvement, in all these cases, by three percentage points compared to the percentage of compliance of the equivalent recommendation in the previous year.

The recommendation was considered not to be applicable to the German model, as well as in cases where the management body does not have non-executive directors, circumstances in which there is no delegation of powers.

IV.1.2.

Approval, through internal regulations or an equivalent means, of the rules governing the exercise by executive directors of executive functions in entities outside the group was verified in 62% of the companies monitored, rising to 75% in the case of companies that are part of the PSI. An increase of eight percentage points is registered when compared to the previous year (54%). The recommendation was considered to have been complied with in cases where this regime is materialised by a ban on executive directors exercising executive functions outside the group.

IV.2.1

This recommendation corresponds, with substantive changes, to recommendation III.1. of the version of the CGS revised in 2020.

In accordance with recommendation IV.2.1, the independent directors shall appoint a coordinator among themselves, unless the chairman of the management body is himself independent. If there are no independent directors, at all or in sufficient numbers, so that it would not be possible to appoint a coordinator, then the company shall appoint a coordinator of the non-executive directors in order to ensure compliance. There is, however, no record of issuer companies implementing this latter possibility, *qua tale*. Alternatively – a solution that results from the new wording of the recommendation – the company may establish other equivalent mechanism(s) to ensure coordination between the independent or the non-executive directors (as the case may be) and the chairman of the management body.

In the event that the company has no (or only one) non-executive director, the recommendation is deemed not to be applicable, as stated in point 15) of the Guidelines. This same result of non-applicability was introduced in the case of the adoption of the German model, as well as in cases where the chairman of the management body is independent. The combination of these three grounds resulted in the recommendation not being applicable to eight companies (24%).

Of all the companies to which this recommendation applies, thirteen (50%) complied with the recommendation, with the percentage of compliance rising to 82% among the PSI companies.

IV.2.2. and IV.2.3.

In recommendation IV.2.2, the Code recommends that the number of non-executive directors shall be adequate to the size of the company and the complexity of the risks inherent to the company's activity, but sufficient to the efficient performance of the duties entrusted to them.

Recommendation IV.2.2. was deemed not applicable to the German model, as it refers to non-executive directors.

Although the monitoring entity is not required to make a judgement on the adequacy of the specific composition of the corporate bodies, compliance depends on the governance report including such a judgement, albeit brief, on the adequacy of the number of members referred, as is clear from the text of the recommendation itself, *in fine*.

Recommendation IV.2.2. was complied with by 88%. In PSI companies, the percentage of compliance rises to 100%.

In cases where the issuer company does not have any non-executive directors, this total absence was assessed as non-compliance with recommendation IV.2.2 (with the exception, as mentioned above, of companies adopting the German model), without prejudice to the possibility, inherent to the monitoring system of the Corporate Governance Code, of an *explain* as materially equivalent to compliance.

Recommendation IV.2.3. states that the number of non-executive directors shall be greater than the number of executive directors, which is the case in 76% of issuer companies, a percentage improvement of 2 points compared to the compliance with recommendation III.3. (to which it corresponds) in 2022. This percentage rises to 100% in the case of PSI companies.

IV.2.4. and IV.2.5.

Recommendations IV.2.4. and IV.2.5. concern the independence of non-executive directors.

The percentage of compliance with recommendation IV.2.4. is 64%, rising to 80% in the PSI universe.

With regard to the independence criteria, we recall that, given that Annex I of CMVM Regulation no. 4/2013 remains in force, the CMVM made it known by means of a Circular that: "listed companies must: (i) in Part I, identify the non-executive members of the board of directors who may qualify as independent, in light of the criteria of point 18.1 of Annex I of CMVM Regulation no. 4/2013; and (ii) in Part II, state whether they comply with recommendation III.4 [read, today, IV.2.4.] of the IPCG code, which includes criteria not entirely coincident with those of the said regulation"¹⁰.

No issuer company raised the issue of the cooling-off period for the purposes of the independence of its members of the board of directors, therefore recommendation IV.2.5, which corresponds to the previous recommendation III.5, was not applicable.

¹⁰. CMVM Circular, "Supervision of the Corporate Governance recommendation regime – new rules and procedures for 2019", of 11/01/2019: see https://cam.cgov.pt/pt/noticia/1339-notificacao-dacmvm-sobre-novas-regras-e-procedimentos-para-2019-em-materia-corporate-governance.

Chapter V. Supervision

OVERALL ASSESSMENT OF THE CHAPTER

This chapter contains two recommendations, broken down into four subrecommendations.

The overall compliance rate is 78%, rising to 94% in the case of PSI companies.

The percentages for compliance with the subrecommendations range from 71% to 100%.

RECOMMENDATIONS

V.1.

Recommendation V.1. states that the supervisory body, with due regard for the competences conferred to it by law, takes cognisance of the strategic guidelines [V.1.(1)] and evaluates and renders an opinion on the risk policy [V.1.(2)], prior to its final approval by the management body. It should be noted that the CGS also addresses the approval of the strategic plan and risk policy by the management body in recommendation VII.1., in the context of the chapter on risk management (Chapter VII), to which it also refers.

The final part of the recommendation was amended in 2020, making it unequivocal that, for the purposed of the compliance with this recommendations, it is required that the supervisory body takes cognisance of the strategic guidelines and evaluates and renders an opinion on the risk policy prior to their final approval by the management body.

The recommendation also underwent a substantive change in the 2023 revision (compared to the previous recommendation III.6.), with a distinction now being made between a duty to take cognisance of strategic guidelines and a duty to evaluate and render an opinion on the risk policy. It should be noted that the recommendation applies to all governance models. In the case of companies adopting the Anglo-Saxon model, there shall be a prior opinion rendered on the risk policy by the audit committee, preferably in an autonomous moment, in which the members of this committee act in their capacity as members of this body, and not also, simultaneously, as members of the management body.

In cases where the supervisory body takes cognisance and evaluates and renders an opinion in relation to multi-annual strategies and policies, the recommendation will be deemed to have been complied with if, in the year under monitoring, the governance report contains information regarding the adoption of the recommended practice in the year in which they were subject to final approval by the management body, thus extending compliance for the period of time during which such strategies and policies may be considered to be in force (see point 18) of the Guidelines in this regard).

Subrecommendation V.1.(1) was complied with by 71%, rising to 88% in the case of PSI companies. In the case of subrecommendation V.1.(2), it likewise recorded a compliance percentage of 71% in the total universe of monitored companies, thus seeing this second subrecommendation rise by eleven percentage points compared to the compliance percentage in 2022 (which stood at 60%). The percentage of compliance rises to 94% for PSI companies.

V.2.

Recommendation V.2. results from the subdivision of the previous recommendation III.2. into recommendations IV.2.2., regarding the management body, and V.2., regarding the supervisory body and the financial matters committee.

The Code recommends that the number of members of the supervisory board and the financial matters committee shall be adequate in relation to the size of the company and the complexity of the risks inherent to the company's activity, but sufficient to ensure the efficiency of the tasks entrusted to them.

Recommendation V.2.(2), concerning the members of the committee for financial matters, is only applicable to the German model.

As already mentioned, in relation to recommendation IV.2.2, while monitoring is not required to make a judgement on the adequacy of the specific composition of corporate bodies and internal committees, compliance depends on the governance report including such a judgement, albeit brief, on the adequacy of the number of members referred, as is clear from the text of the recommendation itself, *in fine*.

The two subrecommendations showed 91% and 100% compliance, respectively. In PSI companies, both figures are at 100%.

Chapter VI. Performance Assessment, Remuneration and Appointments

OVERALL ASSESSMENT OF THE CHAPTER

Chapter VI, with eighteen subrecommendations, is divided into three sub-chapters: annual performance assessment; remuneration; and appointments.

The overall compliance rate was 86%, rising to 93% in the PSI universe.

RECOMMENDATIONS

VI.1.1.

Subchapter VI.1. deals with the issue of annual performance assessment and, as such, recommendation VI.1.1. stipulates that the management body – or the committee with powers in this area, composed of a majority of non-executive members – evaluates its performance on an annual basis[VI.1.1.(1)], evaluating the performance of the executive committee / executive directors [VI.1.1.(2)] and the company committees [VI.1.1.(3)], taking into account the compliance with the company's strategic plan and annual budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.

As identified, this recommendation is subdivided according to the subjects being assessed. While the first subrecommendation is applicable to all companies, subrecommendations VI.1.1.(2) and VI.1.1.(3) will or will not be applicable depending on the existence of executive directors/executive committee and board committees, respectively. The non-applicability rates found for these subrecommendations were 15% and 38% respectively.

From the analysis carried out, the overall compliance rate for VI.1.1.(1) was 85%, for VI.1.1.(2) 90%, and for V.1.1.(3) 86% (these percentages rise to 100% for PSI companies). There have thus been increases in compliance with the three subrecommendations compared to the results of the equivalent subrecommendations in the previous year (V.1.1.), of five percentage points for the first and third, and four percentage points for the second.

As in previous years, with a view to fully complying with this recommendation, it would be appropriate – in addition to the finding in the governance report that the management body carries out the appropriate evaluations, based on the reference factors set out in the final part of the recommendation – for the duty to assess performance on an annual basis to be foreseen in internal regulations or other equivalent means.

VI.2.1.

Recommendation VI.2.1. is part of the subchapter on remuneration and establishes the duty of the company to set up a remuneration committee, whose composition ensures its independence from the management body, whereby it may "be the remuneration committee appointed pursuant to Article 399 of the Portuguese Commercial Companies Code".

The recommendation is not applicable when the company, by virtue of a special legal regime, is obliged to set up a remuneration committee made up in whole or in part by directors.

This recommendation was complied with by 85%, rising to 94% in relation to the PSI companies. This represents a decrease of four percentage points compared to the previous year (recommendation V.2.1), in terms of all the companies monitored and an increase of one percentage point in terms of the companies that make up the PSI.

VI.2.2.

The remuneration of the members of the management and supervisory bodies and committees of the company is determined by the remuneration committee, or by the general meeting upon a proposal from that committee, in accordance with Recommendation VI.2.2.

The recommendation was complied with by 100%.

VI.2.3.

This recommendation, which has no match in the version of the CGS revised in 2020, sets out that the company shall disclose (either in the corporate governance report or in the remuneration report) the termination of office of any member of the corporate bodies and/or committees and shall indicate the amounts of all costs related to such termination of office, for any reason.

Following a principle of progressive reinforcement in the monitoring of new recommendations, respecting an adequate period of internal adaptation by the monitored companies, in the current monitoring exercise the recommendation was considered to have been complied with in cases of mention of the nonoccurrence of termination of office in the management body and/ or in cases of disclosure of the non-payment of compensation amounts due to the termination of office by members of the corporate bodies. Nevertheless, and as indicated in the individual monitoring results for each issuer company, for the purposes of compliance with this recommendation in future financial vears it will be essential for the corporate governance report or remuneration report to expressly state whether or not there have been any situations of termination of office in any corporate body and/or internal committee (and not just the management body) and all the costs incurred as a result of this termination of office (which include, but are not limited to, compensation costs).

In the current year, this recommendation was complied with by 94% of both the global universe of monitored companies and the universe of companies that make up the PSI.

VI.2.4.

97% of the monitored companies complied with the recommendation that a member of the remuneration committee attends the annual general meeting, or any other meeting in which the agenda includes a matter related to remuneration. The percentage of compliance is 100% for PSI companies.

VI.2.5.

100% of the issuer companies comply with the recommendation that, within the budget constraints of the company, the remuneration committee shall be free to decide to hire, on behalf of the company, consultancy services. There was, thus, a three-percentage point increase in the compliance with this recommendation compared to the result of compliance with the equivalent recommendation (V.2.5.) in the previous year, with this result remaining constant (100%) in the companies that make up the PSI universe.

As mentioned in previous years, it is not enough to state in the corporate governance report that no consultancy services to support the remuneration committee have been requested nor contracted, and it must be made clear that the remuneration committee is free to contract them if it deems it necessary.

VI.2.6. and VI.2.7.

Recommendations VI.2.6. and VI.2.7. result from the subdivision of the previous recommendation V.2.6.

Recommendation VI.2.6 states that it is the responsibility of the remuneration committee to ensure that the services mentioned in recommendation VI.2.5 are provided independently. Recommendation VI.2.7 states that the issuer company itself or any company controlled by or in a group relationship with the monitored company shall not contract such services provider for the provision of any other services related to the competences of the remuneration committee, without the express authorisation from the remuneration committee.

The percentage of compliance with recommendation VI.2.6. stands at 94% and recommendation VI.2.7. at 91%, rising in both cases to 100% in the universe of PSI companies.

Similarly to the understanding favoured for compliance with recommendation VI.2.5, it has also been understood regarding these recommendations that it is not enough to state in the corporate governance report that no consultancy services to support the remuneration committee have been requested nor contracted. To comply with the provisions of this recommendation, the issuer companies shall state in the corporate governance report that, if such consultancy services are contracted, the remuneration committee is responsible for ensuring that they are provided independently and that the respective providers are not hired to provide other services to the company itself or to other companies controlled by or in a group relationship with the company, without its express authorisation.

VI.2.8.

The recommendation refers to the remuneration of directors, and its rationale is that there should be variable remuneration that aligns the interests of the company and the executive directors.

Thus, the requirement that the variable component reflects the sustained performance of the company and does not encourage excessive risk-taking continued to be assessed on the basis of the overall calculation of the information that the issuer companies provided on variable remuneration.

Given this assessment, the level of compliance stood at 94% in the global universe of monitored companies and in the universe of PSI companies.

VI.2.9.

67% of the monitored companies (a percentage that rises to 87% in the PSI universe) have a significant part of the variable component partially deferred for a period of no less than three years, which represents an increase of three

percentage points compared in relation to the previous year (and an increase of seven percentage points in the PSI universe). As with the criterion adopted in the previous year, the omission in the internal regulations did not necessarily lead to the assessment of non-compliance, since t the association of the deferred variable component with the confirmation of sustainability in other publicly accessible elements was valued, namely in the corporate governance report or in the remuneration policy statement.

VI.2.10.

In the present monitoring exercise, recommendation VI.2.10., related to the inclusion of put or call options (or other instruments directly or indirectly subject to share value) in the variable remuneration, was only applicable to five issuer companies and was fully complied with, with four issuer companies complying directly and one other providing an *explain* materially equivalent to compliance.

VI.2.11.

The recommendation does not apply to companies that, due to their governance model or internal structure, do not have non-executive directors, which was the case in 15% of the monitored companies.

With regard to the rest of the universe, in 86% of the issuer companies the remuneration of non-executive directors does not include any component whose value depends on the performance of the company or its value. This percentage rises to 93% for PSI companies. This figure thus remains constant in relation to the previous year (recommendation V.2.10.) in the case of PSI companies, and falls by one percentage point in the overall universe of monitored companies.

VI.3.1.

In subchapter VI.3. regarding appointments, the applicability of recommendation VI.3.1. continued to only be considered from the first year in which there is a general meeting electing new members of the corporate bodies.

In the current year, the level of compliance was 68%, thus up fourteen percentage points compared to the result of the equivalent recommendation (V.3.1.) in the previous year. In the PSI companies, the percentage of compliance is 88%, down five percentage points compared to the previous year.

Although the proposals for the election of the members of the corporate bodies come from the shareholders, it is the responsibility of the company, "in the terms it deems appropriate, but in a manner that can be demonstrated", to ensure that these proposals are accompanied by a statement of reasons, in accordance with the points set out. It is for this reason that mere compliance with applicable law provisions or mere reference to the CVs of the proposed members is considered insufficient for the purposes of compliance with the recommendation, as stated in point 23) of the Guidelines.

As already identified in previous Annual Monitoring Reports and in the aforementioned point 23) of the Guidelines, among the practices adopted by issuer companies that constitute compliance with the recommendation are the instruction of the proposals submitted to the elective general meeting with the documentation that demonstrates the promotion of the existence of the grounds recommended herein, with such documentation being available online; a description in the corporate governance report itself of the duties, qualifications and competences required to fulfil the positions, and the adoption of a "selection policy" for members of the corporate bodies that is more widely applicable than that corresponding to a particular elective moment.

VI.3.2.

In VI.3.2. it is recommended that the committee for the appointment of members of corporate bodies shall include a majority of independent directors.

This recommendation was considered not to be applicable in the German model, as well as in cases where the issuer companies do not have a committee for the appointment of members of corporate bodies, which resulted in a non-applicability rate of 53% in the total universe of monitored companies and 31% in the case of PSI companies.

Within this framework, compliance with VI.3.2. represented 69% of the cases in which such recommendation was considered applicable, a percentage that drops to 55% for PSI companies.

VI.3.3. and VI.3.4.

In accordance with the footnote to principle VI.3.A. of the CGS, for the purposes of said Code, "senior management is understood as persons who are part of the senior management, as defined (under the name "management") by European and national legislation regarding listed companies, excluding members of the corporate bodies".

However, in cases where issuer companies define in the governance report that they adopt, in the specific context of their structure, another definition of the people who make up senior management, and give a specialised committee competences to make the respective appointments, this was considered to be a practice in line with the rationale of these recommendations.

From the analysis carried out, in nine cases (26%) the corporate governance report stated that there were no managers, so these recommendations were considered not applicable to these issuer companies.

In the case of recommendation VI.3.3., similar to previous years,

merely invoking the size of the company did not determine the non-applicability of the recommendation, but it was valued in virtue of the *explain*, in terms that proved to be substantiated, by invoking the particular characteristics of the company and identifying the equivalent option adopted by the company.

Within the universe of companies to which the recommendation applies, the percentage of compliance was 52%, with 32% corresponding to direct compliance and 20% to an *explain* considered materially equivalent to compliance. These figures rise to 70% for companies in the PSI universe, with 50% corresponding to direct compliance and 20% to an *explain* considered materially equivalent.

With regard to recommendation VI.3.4., although not applicable in 71% of cases, it was complied with by 70%, with the percentage falling to 67% in the PSI companies universe.

Chapter VII. Internal Control

OVERALL ASSESSMENT OF THE CHAPTER

Chapter VII, dedicated to internal control, contains eleven recommendations, broken down into fifteen subrecommendations. The percentage of compliance was 89%, with each subrecommendation varying between 100% and 68%.

RECOMMENDATIONS

VII.1.

VII.1 stipulates that the management body shall discuss and approve the strategic plan and risk policy of the company, including setting the limits in matters of risk-taking.

In this context, 94% of the issuer companies state that their management body discusses and approves the strategic plan, revealing an increase of three percentage points compared to the previous year [recommendation VI.1.(1)], and 85% of the issuer companies state that they approve a risk policy, revealing an increase of two percentage points compared to the previous year [recommendation VI.1.(2)]. The compliance value for VII.1.(1) and VII.1(2) stabilises at 94% in the context of the PSI.

With regard to the risk policy [VII.1.(2)], during the monitoring process the fundamental importance of disclosure, albeit in general terms, of the issues that have been defined in the risk policy was once again emphasised, in terms of setting limits, objectives or others that are deemed relevant.

VII.2.

Recommendation VII.2. was introduced with the 2023 revision of the CGS and has no parallel in previous versions of the Code.

This recommendation stipulates that the company shall have a specialised committee or committee composed of specialists in risk matters, which reports regularly to the management body.

The recommendation was complied with by 68% of the total universe of monitored companies, rising to 94% for the universe of companies that make up the PSI index.

VII.3.

With regard to VII.3., its compliance in the overall universe of issuer companies stood at 82%, which reveals an increase of six percentage points compared to the 76% obtained in 2022 (recommendation VI.2.). In the context of the PSI companies, compliance is 88%.

Similar to previous monitoring exercises, for the purposes of compliance with this recommendation, it was considered essential, not only to provide information on the implementation of the aforementioned mechanisms and procedures, but also on how these mechanisms and procedures translate into periodic monitoring, in particular specifying how they operate and the terms of their periodicity.

VII.4. and VII.5.

91% of the issuer companies have structured their internal control system in the terms they deem adequate¹¹ to the size of the company and the complexity of the risks inherent to the company's activity, with the supervisory body having the competence to assess the internal control system and propose any necessary adjustments. The compliance rate for VII.4. rises to 94% in the context of the PSI.

Recommendation VII.5, concerning the procedures for supervision, periodic evaluation and adjustment of the internal control system, has a compliance rate of 94%, whereby compliance is complete in the PSI universe.

VII.6.

With regard to subrecommendations VII.6.(1) to (4), all companies continue to establish mechanisms to identify the main risks to which they are subject in carrying out their activities. 94% of the issuer companies expressly state that they identify the probability of these risks occurring and their impact, and establish mitigation instruments and measures. All issuer companies define and identify

The "adequacy" referred to is taken as a guideline and as such is not subject to autonomous monitoring - as is also the case with recommendations II.1.1, IV.2.2. and V.2..

procedures for monitoring their risks. In the universe of PSI companies, compliance was 100% in all the subrecommendations analysed.

As emphasised in previous monitoring exercises, in relation to the identification of the probability of occurrence of the identified risks and their impact (VII.6.(2)), it was also pointed out to the issuer companies that, for compliance purposes, although it is not required to indicate, in public information, the concrete probability of occurrence and respective impact, it will be essential to clearly indicate that the company carries out these calculations.

VII.7. and VII.8.

Recommendations VII.7. and VII.8. were introduced with the 2023 revision of the CGS.

Pursuant to recommendation VII.7., the company shall establish processes to collect and process data related to environmental and social sustainability, in order to alert the management body to risks that the company may be incurring in these matters and propose strategies for their mitigation. Also, within the scope of environmental sustainability concerns, VII.8. recommends that the company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in its decision-making processes.

With regard to VII.7, its compliance in the global universe of issuer companies stood at 85%, falling to 79% for recommendation VII.8. In the context of the PSI companies, compliance is 100% for both recommendations.

VII.9.

Recommendation VII.9. was also introduced in the 2023 revision of the CGS and requires the company to disclose, in the corporate governance report, on the manner in which artificial intelligence mechanisms have been used, or not, as a decision-making tool by the corporate bodies.

As is clear from its content, this is a recommendation of an informative nature, which is why it is considered to have been complied with when the corporate governance report contains information that makes it possible to conclude that these artificial intelligence mechanisms are used or not used, whereby it is not required to disclose the terms of such use for the purposes of compliance with this recommendation.

This year the recommendation was complied with by 82% of the total number of companies monitored, rising to 88% for the companies that make up the PSI universe.

VII.10. and VII.11.

Pursuant to recommendation VII.10. (corresponding to the previous recommendation VI.4.), the supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions (where they exist), in 97% of cases, which shows a continuous improvement since 2019 (64%); 2020 (77%), 2021 (80%) and 2022 (94%). This figure rises to 100% in the context of the PSI.

The supervisory body is also the main addressee, pursuant to recommendation VII.11., of the reports made by the internal control services in 91% of the issuer companies, which represents an increase of eight percentage points compared to the equivalent result in 2022 (recommendation VI.5.), while the result of 100% is maintained in the issuer companies that are part of the PSI.

Chapter VIII. Information and Statutory Audit of Accounts

OVERALL ASSESSMENT OF THE CHAPTER

Chapter VIII, on information and statutory audit of accounts, contains five subrecommendations.

The compliance rate was 88%. In the context of the PSI, compliance rises to 95%.

RECOMMENDATIONS

VIII.1.1.

Given that the regulations of the supervisory body must include a set of competences listed herein, this was the case in 91% of cases. In the PSI universe, compliance was complete.

It should be emphasised that, as reinforced in previous monitoring exercises, this duty will only be complied with when the internal regulations of the supervisory body impose it. It should also be noted that the new wording of the recommendation, resulting from the 2023 revision, no longer restricts the duty of supervision to financial information, but now covers both financial and non-financial information, an element that will be essential to include in the regulations of supervisory body if the recommendation is to be fully complied with in future monitoring exercises.

VIII.2.1.

In accordance with the reading adopted since the first monitoring exercise¹², reflected today in point 29) of the Guidelines, what is at stake is not just the generic establishment of the competence of the supervisory body to define the supervisory procedures

^{12.} See page 56 of the RAM for 2018 and page 58 of the RAM for 2019.

designed to ensure the independence of the statutory auditor, but rather the prior and abstract definition of those same procedures.

This was the case for 68% of issuer companies, a figure that represents an increase of five percentage points compared to last year. In the context of the PSI, compliance increased from 87% to 88% of issuer companies.

VIII.2.2.

With regard to recommendation VIII.2.2.(1), 97% of companies indicate that the supervisory body is the main interlocutor for the statutory auditor in the company. Compliance is complete in the PSI universe.

In this regard, it should be noted that the supervisory body, although it may not be the exclusive interlocutor, as is clear from point 30) of the Guidelines, must be, even if not the only one, the first addressee of the respective reports.

It was also noted, now with regard to VIII.2.2.(2), that in 94% of issuer companies it is the supervisory body that is responsible for proposing the remuneration of the statutory auditor, which means, consequently, an increase of eight percentage points in the degree of compliance [compared to the equivalent recommendation, VII.2.2.(2)]. In the context of the PSI, compliance is also 94%.

VIII.2.3.

In 88% of the issuer companies, the supervisory body has the duty to annually assess the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions, and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so. In the PSI universe, compliance stands at 94%.

In this regard, it should be emphasised, following on from what has already been emphasised in previous exercises (in relation to the compliance of recommendation VII.2.3.), that compliance with the recommendation presupposes that all the duties listed are made explicit.



CONCLUSIONS

We can therefore conclude the following:

- In the monitoring regarding 2023, the percentage of compliance with the 60 recommendations of the IPCG CGS 2018 revised in 2023 broken down into 84 subrecommendations is 87%.
- This compliance percentage rises to 94% in the universe of issuer companies that are part of the PSI.
- In comparison with the previous year, there was an improvement of four percentage points (from 83% to 87%) in the total of issuer companies considered and a **stabilisation**, reflected in a slight decrease of four tenths, in the universe of companies that make up the PSI (reflected, only by virtue of rounding up towards the nearest integer, in the shift from 95% to 94% compliance).
- These overall figures reflect a period of growing stability and maturity in the monitoring process, whereby this financial year was, essentially, marked by the need for the monitored companies to adapt, which was generally successful, to the new recommendations resulting from the 2023 revision and by some changes in the monitored universe (both in terms of the overall universe of monitored companies and the composition of the companies that make up the PSI).
- The experience gained over the six monitoring exercises that have now been completed allows us to conclude that there has been significant stability in the identification of the recommendations with the highest and with the lowest

compliance level, thus allowing to identify with a high level of rigour the areas where the reporting of good corporate governance practices is most robust and those that continue to deserve greater attention.

- Nevertheless, it is particularly important to emphasise that the
 present exercise has seen an increase, albeit slight, in the overall
 percentage of compliance with all the recommendations
 that were, both last year and this year, on the list of
 recommendations with the lowest compliance level.
- As in previous years, we have observed qualitative progress in terms of the information provided in the corporate governance reports regarding the practices adopted, attesting to a healthy concern on the part of the issuer companies to meet the requirements of the recommendations and to make them explicit in order for an external observer to be able to verify their compliance. The Executive Monitoring Committee has continued to play its role in this area, seeking, within its competences and through the interactions that this exercise allows, to promote the improvement of corporate governance practices and the improvement of their reporting.
- Amongst the recommendations with the highest compliance level the following are, in particular, worth highlighting: drawing up minutes of the meetings of the management and supervisory bodies; disclosure on the website of the company of the composition and number of annual meetings of the management and supervisory bodies and their internal committees; non-delegation by the management body of powers with regard to the definition of the corporate strategy and main policies of the company and matters that shall be considered strategic due to their amount, risk or particular characteristics; the remuneration of the members of the management and supervisory bodies and company committees set by a remuneration committee or by the general meeting, upon a proposal from the remuneration committee; freedom for the remuneration committee to decide to hire, on

behalf of the company, consultancy services necessary or convenient for the performance of its duties, within the budget constraints of the company; the establishment of a risk management function, identifying the main risks to which the issuer company is subject in the operation of its business and the monitoring procedures aimed at their accompaniment.

Amongst the recommendations whose compliance grew **most**¹³, the following are, in particular, worth highlighting: promotion by the company that the proposals for the appointment of members of the corporate bodies are accompanied by a statement of grounds regarding their suitability for the function to be performed; assessment and opinion of the supervisory body on the risk policy, prior to its final approval by the management body; disclosure of the regulations of the internal committees on the website of the company; non-adoption of measures that require payments or the assumption of costs by the company in the event of a change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment of the performance of directors; the establishment of mechanisms to ensure that members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company; approval by the management

^{13.} It should be noted that for the purposes of this comparison with the results of the 2022 exercise, and given the entry into force of a new version of the CGS resulting from the 2023 revision, only those recommendations were considered that: i) did not undergo any wording changes in the 2023 revision of the CGS; ii) underwent only formal changes; and iii) underwent substantive changes that had no impact on the criterion for monitoring their content compared to the 2022 exercise. The table of correspondence of recommendations between the CGS (2020 revision) and the CGS (2023 revision), available at: https://cgov.pt/images/ficheiros/2023/cgs_tabelade-corresponde%CC%82ncias revisao2023.pdf, was used as a reference.

body of the regime for the exercise by executive directors of executive duties outside the group; the supervisory body as the addressee of the reports produced by the internal control services; the competence of the supervisory body to propose the remuneration of the statutory auditor and to ensure that adequate conditions for the provision of services by the statutory auditor are in place.

- Amongst the recommendations with the lowest compliance level the following recommendations are found regarding: the existence of a specialised committee for matters of corporate governance and the appointment of members of the corporate bodies; the appointment of a coordinator by the independent directors; the existence of a committee to monitor and support the appointment of senior management; approval by the management body of the regime for the exercise by executive directors of executive duties outside the group; the existence of no less than one third of non-executive directors who fulfil the independence requirements; deferral of a significant part of the variable component of the remuneration of executive directors for a period of no less than three years; promotion by the company that the proposals for the appointment of members of the corporate bodies are accompanied by a statement of grounds regarding their suitability of the function to be performed; the existence of a specialised committee or committee composed of specialists in risk matters; definition by the supervisory body of the supervisory procedures designed to ensure the independence of the statutory auditor.
- The results obtained allow us to conclude that, along with the developments that have taken place since the beginning of this process in 2018, there is room to continue a path of consolidation of good corporate governance practices in Portugal and that this path has been traced, in a tendency of stability and consolidation, by most of the monitored companies, in a fruitful dialogue between the monitoring entity and the issuer companies and in the commitment of many issuer companies to improving their corporate governance.

ANNEX I

Comparative table (2022-2023) of individual results of the subrecommendations ¹⁴

	Global compliance (S+E)			
Recommendation	All issuer companies		PSI issuer companies	
	2022	2023	2022	2023
1.1.(1)	80% (IV.3.)	88%	93% (IV.3.)	94%
1.1.(2)	80% (IV.3.)	91%	93% (IV.3.)	100%
1.2.(1)	-	94%	-	100%
1.2.(2)	-	97%	-	100%
II.1.1.	-	97%	-	100%
II.2.1.	71% (I.2.1.)	76%	93% (I.2.1.)	94%
II.2.2.(1)	91% (I.2.2.(1))	91%	93% (I.2.2.(1))	94%
II.2.2.(2)	89% (I.2.2.(2))	91%	93% (I.2.2.(2))	94%
II.2.2.(3)	77% (I.2.2.(3))	86%	87% (I.2.2.(3))	88%
II.2.2.(4)	100% (I.2.2.(4))	100%	100% (I.2.2.(4))	100%
II.2.2.(5)	100% (I.2.2.(5))	100%	100% (I.2.2.(5))	100%
II.2.2.(6)	90% (1.2.2.(6))	90%	100% (I.2.2.(6))	94%

^{14.} For the purposes of drawing up this comparative table, only those recommendations were considered that: i) did not undergo any wording changes in the 2023 revision of the CGS; ii) underwent only formal changes; and iii) underwent substantive changes that had no impact on the criteria for monitoring their content compared to the 2022 exercise. The table of correspondence of recommendations between the CGS (2020 revision) and the CGS (2023 revision), available at: https://cgov.pt/images/ficheiros/2023/cgs_tabela-decorresponde%CC%82ncias_revisao2023.pdf, was used as reference.

	Global compliance (S+E)			
Recommendation	All issuer companies		PSI issuer companies	
	2022	2023	2022	2023
II.2.3.(1)	100% (I.2.3.(1))	100%	100% (I.2.3.(1))	100%
II.2.3.(2)	97% (1.2.3.(2))	100%	100% (I.2.3.(2))	100%
II.2.4.(1)	-	91%	-	100%
II.2.4.(2)	-	94%	-	100%
II.2.5.(1)	54% (III.7.(1))	59%	87% (III.7.(1))	81%
II.2.5.(2)	-	97%	-	100%
II.2.5.(3)	49% (III.7.(2))	50%	87% (III.7.(2))	75%
II.2.5.(4)	80% (III.7.(3))	82%	100% (III.7.(3))	100%
II.3.1.	89% (I.3.1.)	97%	100% (I.3.1.)	100%
II.3.2.	89% (I.3.2.)	94%	100% (I.3.2.)	100%
II.4.1.	89% (I.4.1.)	91%	100% (I.4.1.)	88%
II.4.2.	86% (I.4.2.)	88%	100% (I.4.2.)	88%
II.5.1.	94% (I.5.1.)	97%	100% (I.5.1.)	100%
III.1.(1)	88% (II.1.(1))	91%	100% (II.1.(1))	100%
III.1.(2)	50% (II.1.(2))	93%	100% (II.1.(2))	100%
III.2.	-	-	-	-
III.3.	85% (II.2.)	88%	93% (II.2.)	94%
III.4.	71% (II.3.)	73%	80% (II.3.)	75%
III.5.	76% (II.4.)	79%	87% (II.4.)	88%
III.6.	75% (II.5.)	75%	50% (II.5.)	50%
III.7.	85% (II.6.)	94%	93% (II.6.)	94%
IV.1.1.(1)	97% (IV.2.(1))	100%	100% (IV.2.(1))	100%
IV.1.1.(2)	94% (IV.2.(2))	97%	100% (IV.2.(2))	100%

	Global compliance (S+E)			
Recommendation	All issuer companies		PSI issuer companies	
	2022	2023	2022	2023
IV.1.1.(3)	97% (IV.2.(3))	100%	100% (IV.2.(3))	100%
IV.1.2.	54% (IV.1.)	62%	73% (IV.1.)	75%
IV.2.1.	-	50%	-	82%
IV.2.2.	-	88%	-	100%
IV.2.3.	74% (III.3.)	76%	100% (III.3.)	100%
IV.2.4.	62% (III.4.)	64%	86% (III.4.)	80%
IV.2.5.	-	-	-	-
V.1.(1)	-	71%	-	88%
V.1.(2)	60% (III.6.(2))	71%	87% (III.6.(2))	94%
V.2.(1)	-	91%	-	100%
V.2.(2)	-	100%	-	100%
VI.1.1.(1)	80% (V.1.1.(1))	85%	100% (V.1.1.(1))	100%
VI.1.1.(2)	86% (V.1.1.(2))	90%	100% (V.1.1.(2))	100%
VI.1.1.(3)	81% (V.1.1.(3))	86%	100% (V.1.1.(3))	100%
VI.2.1.	89% (V.2.1.)	85%	93% (V.2.1.)	94%
VI.2.2.	100% (V.2.2.)	100%	100% (V.2.2.)	100%
VI.2.3.	-	94%	-	94%
VI.2.4.	-	97%	-	100%
VI.2.5.	97% (V.2.5.)	100%	100% (V.2.5.)	100%
VI.2.6.	85% (V.2.6.)	94%	93% (V.2.6.)	100%
VI.2.7.	85% (V.2.6.)	91%	93% (V.2.6.)	100%
VI.2.8.	91% (V.2.7.)	94%	100% (V.2.7.)	94%
VI.2.9.	64% (V.2.8.)	67%	80% (V.2.8.)	87%

	Global compliance (S+E)			
Recommendation	All issuer companies		PSI issuer companies	
	2022	2023	2022	2023
VI.2.10.	100% (V.2.9.)	100%	100% (V.2.9.)	100%
VI.2.11.	87% (V.2.10.)	86%	93% (V.2.10.)	93%
VI.3.1.	54% (V.3.1.)	68%	93% (V.3.1.)	88%
VI.3.2.	-	69%	-	55%
VI.3.3.	65% (V.3.2.)	52%	89% (V.3.2.)	70%
VI.3.4.	67% (V.3.4.)	70%	67% (V.3.4.)	67%
VII.1.(1)	91% (VI.1.(1))	94%	100% (VI.1.(1))	94%
VII.1.(2)	83% (VI.1.(2))	85%	100% (VI.1.(2))	94%
VII.2.	-	68%	-	94%
VII.3.	76% (VI.2.)	82%	93% (VI.2.)	88%
VII.4.	91% (VI.3.)	91%	100% (VI.3.)	94%
VII.5.	89% (VI.7.)	94%	100% (VI.7.)	100%
VII.6.(1)	100% (VI.6.(1))	100%	100% (VI.6.(1))	100%
VII.6.(2)	91% (VI.6.(2))	94%	100% (VI.6.(2))	100%
VII.6.(3)	91% (VI.6.(3))	94%	100% (VI.6.(3))	100%
VII.6.(4)	100% (VI.6.(4))	100%	100% (VI.6.(4))	100%
VII.7.	-	85%	-	100%
VII.8.	-	79%	-	100%
VII.9.	-	82%	-	88%
VII.10.	94% (VI.4.)	97%	100% (VI.4.)	100%
VII.11.	83% (VI.5.)	91%	100% (VI.5.)	100%
VIII.1.1.	-	91%	-	100%

	Global compliance (S+E)			
Recommendation	All issuer companies		PSI issuer companies	
	2022	2023	2022	2023
VIII.2.1.	63% (VII.2.1.)	68%	87% (VII.2.1.)	88%
VIII.2.2.(1)	97% (VII.2.2.(1))	97%	100% (VII.2.2.(1))	100%
VIII.2.2.(2)	86% (VII.2.2.(2))	94%	100% (VII.2.2.(2))	94%
VIII.2.3.	86% (VII.2.3.)	88%	93% (VII.2.3.)	94%



ANNEX II

List of monitored issuer companies that adopted the revised IPCG CGS 2018 as revised in 2023 (financial year 2023) 15

Altri, S.G.P.S., S.A.

Banco Comercial Português, S.A.

Caixa Económica Montepio Geral, Caixa Económica Bancária, S.A.

Caixa Geral de Depósitos, S.A.

Cofina, S.G.P.S., S.A.

Corticeira Amorim, S.G.P.S., S.A.

CTT - Correios de Portugal, S.A.

EDP - Energias de Portugal, S.A.

EDP Renováveis, S.A.

Estoril-Sol, S.G.P.S., S.A.

Flexdeal SIMFE, S.A.

Galp Energia, S.G.P.S., S.A.

Glintt - Global Intelligent Technologies, S.G.P.S., S.A.

Greenvolt - Energias Renováveis, S.A.

^{15.} The universe of companies listed here includes the 34 entities that in due course adhered to the IPCG CGS 2018 in its 2023 revised version. It therefore does not include one issuer company that still adopted the 2013 CMVM Code; two other issuer companies that, as of the date of the present Report, had not yet publicised the approval of their governance report for the 2023 financial year and two issuer companies that adopted the IPCG CGS 2018 in its 2020 revised version.

Grupo Media Capital, S.G.P.S., S.A.

Ibersol, S.G.P.S., S.A.

Impresa, S.G.P.S., S.A.

Inapa - Investimentos, Participações e Gestão, S.A.

Jerónimo Martins, S.G.P.S., S.A.

Martifer, S.G.P.S., S.A.

Mota-Engil, Engenharia e Construção, S.A.

NOS, S.G.P.S., S.A.

Novabase, S.G.P.S., S.A.

Pharol, S.G.P.S., S.A.

Ramada Investimentos e Indústria, S.A.

REN - Redes Energéticas Nacionais, S.G.P.S., S.A.

Semapa - Sociedade Investimento e Gestão, S.G.P.S., S.A.

SONAE, S.G.P.S., S.A.

SONAECOM, S.G.P.S., S.A.

Sporting Clube de Portugal - Futebol, SAD

Teixeira Duarte - Engenharia e Construções, S.A.

Toyota Caetano Portugal, S.A.

The Navigator Company, S.A.

VAA - Vista Alegre Atlantis, S.G.P.S., S.A.

Issuer companies included in the PSI index in 2023

