

Introduction

The operation of the companies belonging to Teixeira Duarte Group is based on its Mission and is in line with the United Nation (UN), the Guiding Principles of the Organization for Economic Cooperation and Development (OECD), of the International Labour Organisation (ILO), national and international legislation and the 10 Principles of the United Nations Global Pact in the fields of Human Rights, Labour Practices, Environment and Anti-Corruption.

Aligned with the corporate vision of the Group, Teixeira Duarte – Engenharia e Construções, S.A. (TD-EC), a leading company in the construction sector within the Teixeira Duarte Group, supports the management of its supply chain through the present Procurement Policy, which defines a set of fundamental principles. These principles reflect a deeply rooted way of operating across multiple generations and contribute to global sustainability, in terms of social, environmental, ethical, and integrity aspects, among others.

MISSION AND VALUES

Over nearly one hundred years of history, the conduct of employees of Teixeira Duarte Group companies has been guided by ethics that are a source of pride and an incentive for the growth of the company. The central core of such Ethics is grounded on its mission and values, which are set out below:

THE MISSION

EXECUTE, CONTRIBUTING TOWARDS THE CONSTRUCTION OF A BETTER WORLD

Defines what drives its employees day-by-day, and establishes the objective shared by all regardless of their area of operation, geography or work team.

"**Execute**" because it is always intended to make it happen.

"**Contributing**" because we must understand that no one does anything alone.

For the "**Construction**" of which we are part of.

Of "**a better world**" which is the objective we all share, within and outside Teixeira Duarte.

THE VALUES

The Values are the way one must act to achieve this goal and they characterise the Group's involvement with all related parties. They are:

INGENUITY

Value based on Teixeira Duarte's origin "A House of Engineering", where, from the research and mastering of the principles of science, one innovates and develops knowledge and techniques to apply, with efficiency and minimum waste, in the resolution of practical issues, forming, encouraging and rely upon in-house people.

TRUTH

It consists in the clear appreciation of the facts, exposing things as they are, with good faith and accuracy, assuming errors and limitations as well as successes and capabilities, always reporting in a transparent and suitable way according to the Group's scope of action and responsibilities.

COMMITMENT

Corresponds to the responsible and committed manner in which challenges and responsibilities are accepted, based on the importance of the "given word" and the fulfilment of all obligations, as much towards third parties as to loyalty and complicity towards the colleagues themselves and to the Company itself, with respect for others, for the dignity of all mankind and for the sustainability of the community.

Figure 1 – Mission and Values of the Teixeira Duarte Group

Scope

This procurement policy is applicable to all TD-EC employees which work directly in the procurement areas or contracting suppliers.

Also, it is expected from all suppliers of goods and services interacting with the company the following:

- a) to respect the fundamental principles which govern this Procurement Policy;
- b) To convey this Procurement Policy to all their employees;
- c) to promote the abidance by these principles among their own suppliers and the respective chain of supply.

Relations With Suppliers

The activities of the companies controlled by Teixeira Duarte, S.A., holding of the Teixeira Duarte Group, regardless of the sector of activity, have impacts on the socio-economic development of the places where they operate.

To enhance its positive impacts and, on the other hand, mitigate the negative ones, the Teixeira Duarte Group promotes, together with the companies it controls, a culture of ethics, of quality, of investment in local contracting and in the development of local suppliers, of strengthening their technological capacities and Social Accountability, especially in developing countries, which contribute to the sustainable development of communities.

TD-EC promotes along with its suppliers the respect for labour rights and safe and healthy work facilities for their employees, in full compliance with the requirements of SA 8000 International Standard, within the scope of Social Accountability.

Based on the geographic location of the supplier, the nature of activity carried out and the Company's capacity to influence the said supplier, the potential social risk of these suppliers is assessed against the expected risk, being selected to be monitored the cases with a higher risk.

Principles of the Procurement Policy

I. Ethics, Integrity and Transparency

Code of Ethics and Conduct

One of the mains tools guiding employees of Teixeira Duarte – Engenharia e Construções, S. A. is its Code of Ethics and Conduct. In this document are enshrined the cross-cutting operating principles applicable to all employees and, therefore, the involvement of the Company with related parties, thus establishing the strengthening and development of Teixeira Duarte's Values.

The Code is intended for all Directors, Personnel and Other Company Representatives; additionally, it is the obligation of all these employees not only to know and internalise, institutionally implement and defend the Code externally, but also to promote the application of the respective rules by third parties, within the scope and execution of the relations they maintain with Company.

In accordance with the Code of Ethics and Conduct, TD-EC fosters the application of its rules by its suppliers, within the scope and execution of the liaisons these suppliers may have with any of the Group's entities, with the purpose of comply with, defend and ensure compliance with - even among indirect subjects - with all legislation and regulations in force in the countries where they operate, including any global or sector agreements and specific professional ethics, as well as any and all commitments entered into on a contractual basis.

Compliance Programme

Corruption and bribery are inherent risks to any economic activity. In this regard, the tool that guides the companies belonging to Teixeira Duarte Group is a Compliance Programme which establishes and implements a set of measures and procedures grounded in the Compliance Policy, in the Code of Ethics and Conduct and in the Mission and Values of TD,SA, with the purpose of ensuring a greater efficiency and evidence of the respect of the

law and of internal rules, contributing to an ambiance of integrity and culture of ethics in the development of the activities of the companies belonging to Teixeira Duarte Group.

TD-EC has also implemented a compliance management programme, or compliance management, whose abidance by is mandatory to all employees.

The compliance programme establishes and implements a set of measures and procedures based on the Compliance Policy, the Code of Ethics and Conduct and Teixeira Duarte's Mission and Values in order to ensure with greater effectiveness and evidence compliance with the law and internal standards, contributing towards a climate of integrity and ethical culture in the development of its activities.

The compliance system defines risk assessment and financial and non-financial internal control procedures.

Thus, TD-EC encourages its suppliers to adopt a compliance system compatible with their activities, with the purpose of promoting and maintaining as ethic business environment, reason why it expects from its suppliers:

- a) To comply with the regulations in force applicable regarding matters of Compliance and with the "Code of Ethics and Conduct of TD,SA", adopted by the each one of the entities of the Teixeira Duarte Group and available at: <https://www.teixeiraduarte.pt/grupo/compliance/>;
- b) Not promise, offer or receive any sort of unlawful advantages, financial or in kind, to (or from) agents of TD-EC and of third parties, whether suppliers, clients, political agents, public agents or others;
- c) To avoid, while maintaining an upright stance, any type of conflict of interest that could jeopardise the normal business relationship with TD-EC, as well as to prevent any corrupt behaviours, whether active or passive, including facilitation payments or receipts, or the creation, maintenance, or promise of irregular or favoured situations.
- d) To tackle corruption and bribery, money laundering and terrorist financing;
- e) To comply with the obligation to report information about any actions that constitute improper behaviour, including those that may involve potential illegal or illicit practices in financial and accounting matters, fraud, corruption, and money laundering, as well as any actions directly or indirectly related to terrorist entities or that may target or support terrorist practices;
- f) To promote the commitment to strictly adhere to market and competition rules, acting honestly, seriously, and fairly, avoiding restrictive practices or abuses of dominant position, while ensuring a stance of good faith and mutual respect.

Corruption and Related Infractions Prevention Plan

TD,SA has implemented a Plan for Prevention of Risks of Corruption and Related Infractions (PPR) – which was developed by taking into consideration the different realities of operation, both geographical and sectoral, of the companies which belong to the Teixeira Duarte Group - with the purpose of identifying and classifying the risks and situations which might expose the entities of the Teixeira Duarte Group to corruption and related infractions and, also, establish and implement a set of measures and procedures based on the Corporate Code of Conduct, the Code of Ethics and Conduct and in the Mission and Values of Teixeira Duarte, in order to ensure a greater effectiveness and evidence of the compliance with the law and internal rules, allowing for the reduction of the probability of occurrence and the impact of the identified risks and situations, thus contributing to an environment of integrity and ethics culture in the development of the Teixeira Duarte Group's activity.

Thus, this PPR applies to all eligible companies of the Teixeira Duarte Group and to their employees as well all other agents who, regardless of their legal and functional relationship, provide work or services, and constitutes a fundamental management instrument that it makes it possible to reinforce and consolidate the procedures and mechanisms for preventing and detecting corruption and related offences.

Ethics Channel

Based on the Mission and Values and enshrined in its Whistleblowing Policy and in the Code of Ethics and Conduct, the activity of Teixeira Duarte – Engenharia e Construções, S.A. and of its employees is guided by the assumption of actions which give priority to the prevention and prohibition of non-conformity practices, such as

bribery, corruption or the violation of principles of corporate ethics and thus abide by the anti-corruption laws and regulations applicable in the countries where it operates, as well as the internal rule of Teixeira Duarte.

In compliance with this Whistleblowing Policy and the Code of Ethics and Conduct, the Teixeira Duarte Group has implemented a whistleblowing channel, the Ethics Channel, for its companies, which allows the reporting of facts related to corruption, as well as any other non-compliance that may involve the commission of an unlawful act, such as issues of harassment or discrimination, in a completely anonymous manner. For that purpose, it was devised a procedure that establishes how to communicate, control and treat the infringements reported to the corporate structure, as a measure to prevent and to fight unlawful practices, if the whistle-blowers so desire, the system ensures their total anonymity.

Infringements of applicable external and internal rules may be reported through the Whistleblowing Channel of the Teixeira Duarte Group and also through the following channels:

- a) Mail addressed to the Board of Directors or to the Supervisory Board of TD,SA;
- b) Electronic mail sent to compliance@teixeiraduarte.com, with exclusive access granted to the members of the Ethics Team;
- c) Electronic mail sent to conselhofiscal@teixeiraduarte.com, with exclusive access granted to the members of the Supervisory Board.

The Ethics Channel may be used by all employees, clients, suppliers or any other interested parties of the companies of the Teixeira Duarte Group. If aware of the practice of an act you consider it does not abide by the legal regulations of the internal rules do not hesitate to report it. TD,SA ensures the anonymity of the communications received, if the whistle-blowers so desire, the absence of reprisals towards good faith whistle-blowers and the protection of the personal data of the whistle-blower and of the person suspected of committing an infraction.

Due Diligence Procedure

TD, S.A. adopts a strict due diligence procedure for third parties, applicable to employees responsible for the commercial, procurement, and production processes of the companies within the Teixeira Duarte Group, whenever they are involved in business activities within the companies of the Teixeira Duarte Group.

In accordance with this procedure, TD-EC follows the same risk-based approach to due diligence, consisting of the following steps:

- a) Identification of the risk factors which are important for the due diligence of third parties;
- b) Collection of third parties relevant data;
- c) Risk Assessment;
- d) Approval and rejection of third parties;
- e) Awareness raising and control;
- f) Monitoring and revision.

The information related to third-party due diligence, once properly collected, must be forwarded to the corporate Compliance department. This action not only ensures compliance with the established procedures but also contributes to the creation of a comprehensive register of relevant third parties. This register, by reducing instances of duplicated requests, plays a crucial role in simplifying the entire process. This structured approach promotes operational efficiency, transparency, and more effective management of business relationships within the Teixeira Duarte Group, thereby strengthening integrity and reliability in the group's business activities.

II. Human Rights and Social Accountability

TD-EC has implemented a Social Accountability Management System pursuant to the International Standard SA 8000. Therefore, when of the selection of its suppliers, the Buyer takes into consideration their fulfillment, as well as of their sub-suppliers, of the obligations in matters of Social Accountability set forth in that standard:

- a) Not using or supporting the resort to child, forced or compulsory labour;

- b) Providing a safe and healthy environment for the provision of work;
- c) Not hindering freedom of association and the right to collective bargaining;
- d) Not engaging or supporting discriminatory acts in any form;
- e) Not exercising or supporting harsh or inhumane disciplinary practices;
- f) Acting in accordance with applicable laws and the standards of the respective area of activity, in matters related to working hours;
- g) Remuneration considered adequate for the work actually performed, always respecting what was legally stipulated;
- h) Ensure that no fee or expense related to the provision of work is assumed, in full or partially, by the workers.

III. Health and safety protection and promotion

TD-EC has always followed a strategy focused on measures aimed at improving the quality of life for all those who work with it.

This vision is reflected in a socially responsible stance regarding the promotion of health and safety at work.

TD-EC's good practices in health and safety are reinforced by certification in occupational health and safety management systems under the ISO 45001 standard, enabling a more comprehensive and effective management of operational risks and contributing to improved performance.

In this regard, the actions developed are based on the identified risk factors, namely risky behaviours, occupational noise, working conditions, emergency procedures, among others.

In the specific case of subcontractors, the Company has set specific contractual provisions which are mandatory, besides the legal ones, regarding safety and health at work, including occupational accidents insurance, personal protection equipment, accidents rates, training and information, prevention and control of alcoholism, among others.

IV. Quality

The focus on quality and continuous improvement of overall performance has led TD-EC to invest in the implementation and certification of Quality Management Systems in accordance with the ISO 9001 standard, as a factor for strengthening and sustaining the business. In this regard, TD-EC has established criteria for the selection, qualification, and evaluation of suppliers of goods and services to ensure compliance with the required standards.

V. Environment

ISO 14001 is a worldwide reference for environmental management systems, according to which TD-EC governs its practices with a view to continuous improvement of its environmental performance, incorporating specific processes to identify and manage the main environmental risks. In this context, in its relationship with Suppliers, TD-EC encourages the adoption of solutions within the supply chain that minimise key environmental impacts and contribute to Sustainable Development. This will help improve the environmental performance of the buildings and infrastructure it constructs or rehabilitates.

In the particular case of subcontractors, the company has established specific contractual provisions, beyond the legal requirements, regarding air quality, hazardous substances (chemicals, oils, paints, solvents, and others), management of produced waste, segregation, storage, and disposal, as well as requirements concerning water and soil, noise prevention, among others. These requirements also apply to subsequent subcontracted works, obliging the Subcontractor to comply with them.

TD-EC expects from its suppliers an environmental policy that must:

- a) Reflect the positive aspects of its activity;
- b) Comply with its nature and its scale;
- c) Include a commitment to continuous improvement of its environmental performance and pollution prevention;

- d) Include a commitment to respect of the regulations in force regarding environmental issues;
- e) Be documented, implemented and maintained;
- f) Be conveyed to all employees;
- g) Be available to all interested parties;
- h) Be periodically revised.

Communication of the Procurement Policy

The communication of these principles to suppliers is primarily carried out through the following instruments:

- a) TD-EC institutional website;
- b) Directly to the suppliers, during meetings, visits and / or monitoring;
- c) Contractual clauses which are attached to every purchase order sent to the supplier.

Lagoas Park, on the 9th of October 2024

The President of the Board of Directors

Manuel Maria Teixeira Duarte

