

PREVENTION PLAN FOR
CORRUPTION RISKS AND
RELATED OFFENCES



ALVES RIBEIRO

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1. FRAMEWORK

This plan for the prevention of corruption and related offences was prepared under the provisions of articles 5 and 6 of the General Corruption Prevention Regime (RGPC) attached to Decree-Law no. 109-E/2021 of 09/12, as established in its article 1, paragraph b), taking into account the Recommendation of the Corruption Prevention Council of 1st July 2015 regarding Prevention Plans for Corruption Risks and Related Offences.

There is no definition of corruption common to all countries. However, there is consensus that corruptive conduct involves the abuse of a public power or function in order to benefit a third party, in return for the payment of a sum or other type of advantage.



Corruption constitutes behaviour that violates the fundamental principles of the rule of law, fostering inequality, reducing investment levels, and seriously harming social and economic development.

2. DESCRIPTION OF ALVES RIBEIRO, S.A.

Alves Ribeiro, SA is a company governed by Portuguese law, whose corporate purpose is to carry out construction contracts for public and private works, real estate development for sale or rent, acquisition of properties and the resale of those acquired for this purpose and the supply of construction materials.

In carrying out their activity, the members of the governing bodies, employees and contributors of Alves Ribeiro, S.A. are bound to comply with the law, having to base their actions on loyalty, personal honesty, integrity, transparency and responsibility.

This Plan seeks to be a tool that allows Alves Ribeiro, S.A. to prevent, detect, repress and subject to sanction any acts of corruption and related offences, carried out against or through the Company, covering its entire organisation, including the administration, management and operational areas, and it thus applies to all its employees or contributors and to all activities carried out by the Company within the scope of its corporate purpose.

The organic structure of Alves Ribeiro, S.A. is currently as shown in the following organisational chart:

Administration

Executive Committee

Concrete
Production
Division

Safety Committee

Bituminous
Production
Division

Autonomous
Production
Department

Representative of the Quality,
Environment and Safety
Administration

Safety
Department

Department of Quality,
Environment and Safety

Aggregates
Production
Division

Laboratory
Sector

IT
Division

Legal
Department

Equipment
Division

Shipyards
Division

Financial
Division

Financial/Adm
inistrative
Department

Civil
Construction
Department

Infrastructures'
Department

Real Estate
Department

Human
Resource
s'
Departm
ent

Civil
Construction
Production
Division

Studies
and
Proposals

Infrastructure
Production
Division

Studies
and
Proposals

Real Estate
Development
Division

Occupational
Health and
Safety

Technical
Secretariat



3. OBJECTIVES

In structuring this Plan, the following objectives are assumed:

- Explanation of the concepts of risk, risk prevention and management, corruption and related offences;
- Identification of the risks of corruption and related offences in relation to the activity of Alves Ribeiro, S.A. and the probability of their occurrence;
- Identification of the measures implemented and to be implemented to prevent their occurrence as well as corrective measures if an incident occurs;
- Identification of the person responsible for managing, monitoring and reviewing the Plan.

4. CONCEPTS

4.1 RISK

Risk is defined as the future event, situation or circumstance with the probability of occurrence and potential positive or negative consequence if it occurs.

4.2 RISK MANAGEMENT AND PREVENTION

Risk management is the process whereby organisations methodically analyse the risks inherent in their activities, with the aim of achieving a sustained advantage in each individual activity and in the set of all activities.

The possibility of a future event of corruption or related offence, as well as a conflict of interest, constitutes a situation of danger or risk that requires the identification of potential events and risk management by the organisation, with a view to its prevention and deterrence.

4.3 CORRUPTION AND RELATED OFFENCES

In general terms, corruption can be defined as the committing of any act or omission, whether legal or illegal, against the receipt or promise of any compensation that is not due, to themselves or to a third party.

The main source for the classification of situations of corruption and related offences is the Portuguese Criminal Code, which foresees, in article 372 and subsequent articles thereof, the crimes of undue receipt of an advantage and corruption. Corruption crimes essentially come in two forms: active corruption and passive corruption, depending on whether the agent



is, respectively, offering/promising or requesting/accepting an undue material or non-material advantage, also distinguishing in each one in line with whether or not the act requested or to be performed is contrary to the duties of the corrupted employee's position.

The criminal concept of corruption also includes, even if there is no abuse of public power or function, the crimes of corruption in international trade and private activity – provided for in Law no. 20/2008 of 21 April – and those provided for in the Criminal Liability Regime for Unsportsmanlike Behaviour (Law no. 50/2007 of 31 August).

However, the concept of corruption reaches a more comprehensive meaning in society, encompassing other conducts, also criminalised, committed during the performance of public duties, such as embezzlement, economic participation in business, graft, abuse of power, malfeasance, influence peddling or money laundering.

The related offence consists of the act in which an undue advantage (or compensation) is obtained, with examples being bribery, embezzlement, graft, influence peddling, economic participation in business and abuse of power (article nos. 363 and 375 to 380, inter alia, of the Criminal Code). All these examples are mentioned in the Criminal Code, but there are many other acts that may be regarded as related crimes.

Pursuant to the provisions of article 3 of the General Regime on the Prevention of Corruption (RGPC) attached to Decree-Law no. 109-E/2021 of 09/12 as referred to in its article 1, paragraph b), corruption and related offences are taken to mean the crimes of corruption, the undue receiving and offering of an advantage, embezzlement, economic participation in business, graft, abuse of power,

malfeasance, influence peddling, money laundering or fraud in obtaining or diverting a subsidy, subsidy or credit, provided for in the Criminal Code, approved by Decree-Law no. 48/95 of 15/03, in Law no. 34/87 of 16/07, in the Code of Military Justice, approved as an annex to Law 100/2003 of 15/11, in Law no.50/2007 of 31/08, in Law no. 20/2008 of 21/04 and in Decree-Law no. 28/84 of 20/01, all in their current wording.

5. CRITERIA FOR CLASSIFICATION OF RISK SITUATIONS

When identifying situations that increase the risk of corruption and related offences, the risks are considered in abstract terms in line with their severity and potential or probability of occurrence, regardless of their occurrence, as this is what is intended to be prevented.

Each risk identified was classified according to its probability of occurrence and the severity of the consequence. For this plan, the following criteria were used:

Probability of occurrence:

High (probable) - With a strong possibility of occurrence, the risk arises from frequent and current processes within the organisation.

Average (possible) - May possibly occur but sporadically.

Low (remote) - No possibility of occurrence or occurrence in exceptional circumstances.

Predictable impact / Severity of consequence

High - Serious harm to the company's activity and interests, whether economic or institutional;

Average - It moderately harms the activity and interests of the



company, economic or institutional.

Low - Low impact on the company's activity and interests, economic or institutional.

6. IDENTIFICATION AND CLASSIFICATION OF CORRUPTION RISK SITUATIONS AND RELATED OFFENCES

There are several factors that lead to an activity having greater or lesser risk, amongst which the following stand out:

- a) The trustworthiness of managers and decision-makers;
- b) The legitimacy and legality of acts and actions;
- c) The motivation of workers;
- d) The quality of the internal control system and its effectiveness.

In view of the activity of Alves Ribeiro, S.A., the table below identifies, by way of example, the situations/areas of activity that increase risks of corruption and related offences, in abstract terms, proceeding with the respective classification according to the criteria listed in the previous point, as well as the indication of preventive and corrective measures.

7. PREVENTIVE AND CORRECTIVE MEASURES

The preventive measures implemented and to be implemented aim to inform and hold accountable everyone working at Alves Ribeiro, S.A., as well as deterring the practice of acts that constitute acts of corruption or related offences.

In general terms, preventive and corrective measures are as follows:

- A) The existence of a supplier evaluation system;
- B) The existence of a Code of Conduct for the Group whereof the company forms part;
- C) The organisation of work in a way that encourages the exchange of knowledge and the promotion of teamwork;
- D) Regular assessment of the competence and training of workers, particularly in the context of raising awareness of the prevention of corruption;
- E) Monitoring of the proper performance of any contracts signed and exercising legal and contractual guarantees;
- F) The preparation of internal communications and dissemination of relevant legislation in the various areas of law, with special emphasis on legislation applicable to the company's activity and compliance with legal obligations to prevent corruption;
- G) The existence of instruments of a sanctioning nature for any situations that may be detected, such as the application of disciplinary sanctions provided for in the Employment Code, as well as the reporting by Alves Ribeiro, S.A. of all situations that lead to offences of a criminal nature. Disciplinary responsibility is independent of the existence of civil or criminal liability and may, however, be applicable concurrently therewith.

In addition to these measures, there are also preventive and corrective measures detailed in the table below.

Area of activity/Situation 1	Department/ Sector 2	Risk	Probability of Occurrence	Predictable impact/ Severity of consequence	Preventive and corrective measures
Consultation, Negotiation and Awarding and conclusion of contracts	Civil Construction Department and Infrastructures' Department	<p>Favouring suppliers of goods or labour or service providers to obtain benefits for themselves or for third parties;</p> <p>Acceptance of bonuses or commissions for selecting one supplier of goods or labour or service provider over others.</p>	Low	High	Code of Conduct; Supplier evaluation system; Monitoring and supervision of business processes by the hierarchical manager;
Performance of contracts	Civil Construction Department and Infrastructures' Department	<p>No application of penalties for non-compliance or defective fulfilment of contracts to obtain benefits for themselves or for third parties;</p> <p>Approval of additional work or non-existent temporary work to obtain benefits for themselves or for third parties;</p> <p>Intentional omission of information, when the scenario constitutes a conflict of interests, or facts that may undermine the impartiality, rigour and legality of internal management decisions, as well as acts and contracts concluded with public or private entities</p> <p>Offers of money, material goods or influence with a public or private entity to speed up processes or obtain any other type of direct benefit or advantage over third parties</p>	Low	High	Code of Conduct. Application of penalties for breach of contract in accordance with the provisions of the contracts; Supplier and service provider evaluation system.

Area of activity/Situation 1	Department/ Sector 2	Risk	Probability of Occurrence	Predictable impact/ Severity of consequence	Preventive and corrective measures
Administrative Management of Human Resources	Financial Administrative Department Human Resources' Department	<p>Manipulation of information in order to facilitate the improper or unauthorised payment of benefits and compensation to obtain benefits for themselves or for third parties; Failures in recording information on employee databases and disclosing confidential information to obtain benefits for themselves or third parties;</p> <p>Intentional omission of information, when the scenario constitutes a conflict of interests, or facts that may undermine the impartiality, rigour and legality of internal management decisions, as well as acts and contracts concluded with public or private entities</p> <p>Offers of money, material goods or influence with a public or private entity to speed up processes or obtain any other type of direct benefit or advantage over third parties</p>	Low	High	Code of Conduct Participation of various stakeholders in salary processing processes. System for authentication and restriction of access to data bases
Legal Advice	Legal Department	Intentional omission of information, when the scenario constitutes a conflict of interests, or facts that may undermine the impartiality, rigour and legality of internal management decisions, as well as acts and contracts concluded with public or private entities	Low	High	Code of Conduct



Area of activity/Situation 1	Department/ Sector 2	Risk	Probability of Occurrence	Predictable impact/ Severity of consequence	Preventive and corrective measures
Legal Advice	Legal Department	<p>Offers of money, material goods or influence with a public or private entity to speed up processes or obtain any other type of direct benefit or advantage over third parties Favouring suppliers of goods or labour or service providers to obtain benefits for themselves or for third parties</p> <p>Acceptance of bonuses or commissions for selecting one service provider over others</p>	Low	High	Code of Conduct
Financial and Asset Risk Management	Financial Administrative Department Financial Division (Treasury, Procurement)	<p>Improper payments to third parties in relation to situations not foreseen in the contracts or without due prior authorisation to obtain benefits for themselves or for third parties;</p> <p>Manipulation of transaction records to obtain personal benefits or benefits for third parties;</p> <p>Intentional failures/errors in the entering/processing of invoices or other adjustments in accounts receivable to obtain benefits for themselves or for third parties;</p> <p>Embezzlement of money and assets</p> <p>Falsification of accounting information;</p>	Low	High	<p>Code of Conduct</p> <p>Prior validation by the Hierarchical Manager of the supplier's invoice.</p> <p>Supervision that guarantees authorisation prior to payment by the hierarchically responsible person with competence to this end.</p> <p>Periodic control and monitoring actions to cross-reference accounting records and tangible/intangible elements of operations.</p>

Area of activity/Situation 1	Department/ Sector 2	Risk	Probability of Occurrence	Predictable impact/ Severity of consequence	Preventive and corrective measures
Management of Assets and Financial Resources	Financial Administrative Department Financial Division (Treasury, Procurement)	<p>Intentional omission of information, when the scenario constitutes a conflict of interests, or facts that may undermine the impartiality, rigour and legality of internal management decisions, as well as acts and contracts concluded with public or private entities</p> <p>Offers of money, material goods or influence with a public or private entity to speed up processes or obtain any other type of direct benefit or advantage over third parties.</p> <p>Favouring suppliers of goods or service providers to obtain benefits for themselves or for third parties;</p> <p>Acceptance of bonuses or commissions for selecting a given supplier of goods</p>	Low	High	<p>Code of Conduct Prior validation by the Hierarchical Manager of the supplier's invoice.</p> <p>Supervision that guarantees authorisation prior to payment by the hierarchically responsible person with competence to this end.</p> <p>Periodic control and monitoring actions to cross-reference accounting records and tangible/intangible elements of operations.</p>
Sales of materials Purchases and sales of equipment	Autonomous Production Department Equipment Department	<p>Manipulation of the value of the sale of materials and equipment to obtain benefits for themselves or third parties</p> <p>Carrying out maintenance, inspection and repair services for vehicles outside the scope of scheduled maintenance plans without appropriate approval, to obtain benefits for themselves or for third parties;</p>	Low	High	<p>Code of Conduct; Supplier evaluation system;</p> <p>Monitoring and supervision of business processes by the hierarchical manager;</p> <p>Permanent monitoring of vehicle use and maintenance plans.</p>



Area of activity/Situation 1	Department/ Sector 2	Risk	Probability of Occurrence	Predictable impact/ Severity of consequence	Preventive and corrective measures
Sales of materials Purchases and sales of equipment	Autonomous Production Department Equipment Department	Intentional omission of information, when the scenario constitutes a conflict of interests, or facts that may undermine the impartiality, rigour and legality of internal management decisions, as well as acts and contracts concluded with public or private entities Favouring suppliers of goods or service providers to obtain benefits for themselves or for third parties Acceptance of bonuses or commissions for selecting one supplier of goods or service provider over others	Low	High	Code of Conduct; Supplier evaluation system; Monitoring and supervision of business processes by the hierarchical manager; Permanent monitoring of vehicle use and maintenance plans.
Drawing up of studies and proposals	Civil Construction Department Infrastructures' Department	Improper sharing of information with competitors to obtain benefit for themselves or third parties Intentional omission of information, when the scenario constitutes a conflict of interests, or facts that may undermine the impartiality, rigour and legality of internal management decisions, as well as acts and contracts concluded with public or private entities	Low	High	Code of Conduct; Monitoring and supervision of business processes by the hierarchical manager;

8. IMPLEMENTATION AND MONITORING

This Plan is a dynamic management tool, constituting an instrument for controlling the company's internal processes and it is subject to monitoring, in order to ensure the applicability, usefulness and effectiveness of the measures established therein.

The managers of each Company Department are responsible for applying and monitoring the measures contained in this Plan and for preparing any necessary information and reports that will reflect the results of the evaluation carried out.

9. GENERAL MANAGER RESPONSIBLE FOR IMPLEMENTING THE PLAN

The person generally responsible for the implementation, control and review of the plan is Mr. Francisco Ferreira da Silva and he will be responsible for fulfilling the following obligations:

- a) Drawing up, in October, of an interim assessment report on any high-risk situations identified;
- b) Preparation, in the month of April of the year following the implementation of the PPR, of an annual assessment report, setting out the quantification of the degree of implementation of the preventive and corrective measures identified, as well as a forecast of their full implementation;
- c) The review of this Plan every 3 years or whenever there is a change in the organic or corporate structure of the entity which justifies the review of the elements indicated in the table above.