



**SUSTAINABILITY  
REPORT**

**2017**

Extract from the 2017 Management Report  
(Chapter on Non-Financial Information)



# SUSTAINABILITY REPORT

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# Contents

006	Company Identification
007	Presentation of the Sustainability Report 2017
009	Presentation of Teixeira Duarte
010	Governing Bodies 2017
012	Teixeira Duarte Organisational Char 2017
014	Teixeira Duarte Group 2017
015	Sustainability Report 2017
018	I. Introduction
019	II. Main Guiding Principles
022	III. Economic Responsibility
026	IV. Social Responsibility
039	V. Environmental Responsibility

## **COMPANY IDENTIFICATION**

TEIXEIRA DUARTE, S.A.

LISTED COMPANY

Head Office: Lagoas Park, Edifício 2 — 2740-265 Porto Salvo

Share Capital: €210,000,000

Single Legal Person and Registration Number at Cascais-Oeiras Commercial Registration Office: 509.234.526

## PRESENTATION OF THE SUSTAINABILITY REPORT - 2017

In compliance with the regulations applicable, "Teixeira Duarte, S.A." has included a standalone chapter reporting the Non-Financial Information regarding the activity during the 2017 financial year in its 2017 Management Report, which was approved in the Annual General Meeting by the shareholders.

Because it was deemed to be appropriate to disclose this report separately and under the heading "Sustainability Report – 2017", "Teixeira Duarte, S.A." formulated this document that includes

the entire extract from the aforementioned chapter of the 2017 Management Report, as well as other additional elements from the same Management Report that provides a framework for this standalone disclosure, such as the "Presentation of Teixeira Duarte", the "Governing Bodies", the "Organisational Chart", the "Teixeira Duarte Group" framework and information about its presence in different geographical areas, along with some photographs included in this Sustainability Report in its graphical and visual aspects.



 **TEIXEIRA DUARTE**







# Building a better world.

Tendo iniciado a sua atividade em **1921**, a Teixeira Duarte é hoje líder de um grande Grupo Económico com mais de **10.200 colaboradores**, que trabalham em **18 países**, em **6 setores de atividade**, alcançando um volume de negócios anual de mais de **1.000 milhões de euros**.

Assente nos seus **Valores** estruturantes: o Engenho, a Verdade e o Compromisso, a Teixeira Duarte tem cumprido a sua **Missão: Fazer, contribuindo para a construção de um mundo melhor**.

A referência fundacional de Casa de Engenharia caracteriza a atuação da Teixeira Duarte em **todas as Áreas da Construção** desde a Geotecnia e Reabilitação, às Edificações, às Infraestruturas, à Metalomecânica, às Obras Subterrâneas, às Obras Ferroviárias e às Obras Marítimas.

O crescimento sustentado ao longo de décadas na Construção, permitiu que o Grupo fosse desenvolvendo **outros Setores de Atividade** fruto de oportunidades de negócio que foi encontrando e sabendo dinamizar desde os anos setenta, tais como as Concessões e Serviços (desde 1984), da Imobiliária (desde 1973), da Hotelaria (desde 1992), da Distribuição (desde 1996) e do Automóvel (desde 1991). Embora em 2016 ainda tenha atuado no setor da Energia - onde operava desde 1996 - a Teixeira Duarte alienou, já no primeiro trimestre de 2017, a participação que detinha na entidade através da qual mantinha atividade neste setor.

**Com um consolidado processo de internacionalização**, há muito que a Teixeira Duarte atua noutros mercados que ainda hoje são importantes nas suas operações, tais como a Venezuela (desde 1978), Angola (desde 1979), Moçambique (desde 1982), Espanha (desde 2003), Argélia (desde 2005) e Brasil (desde 2006), aos quais hoje se juntam também a França, a Bélgica, o Reino Unido, os Estados Unidos da América, a Colômbia, o Peru, Marrocos, a África do Sul, a China, o Qatar e o Dubai.

A "**Teixeira Duarte, S.A.**" é uma sociedade aberta, com sede no "Lagoas Park", Edifício 2, 2740-265 Porto Salvo, em Oeiras, com o capital integralmente subscrito e realizado de 210.000.000,00€, com o número único de pessoa coletiva e matrícula na Conservatória do Registo Comercial de Cascais 509.234.526 e é a **sociedade de topo** que lidera um Grupo económico que está **cotado na Euronext Lisbon** desde 1998 e com base acionista maioritária da família Teixeira Duarte.

# Teixeira Duarte, S.A.

## Presiding Board of the Shareholder's Meeting:

Chairman:	- Dr. Rogério Paulo Castanho Alves
Vice-Chairman:	- Dr. José Gonçalo Pereira de Sousa Guerra Constenla
Secretary	- Dr. José Pedro Poiares Cobra Ferreira

## Board of Directors:

Chairman:	- Dr. Pedro Maria Calainho Teixeira Duarte
Directors:	- Dr. Manuel Maria Calainho de Azevedo Teixeira Duarte
	- Engineer Joel Vaz Viana de Lemos
	- Engineer Carlos Gomes Baptista
	- Engineer Diogo Bebiano Branco de Sá Viana Rebelo

## Supervisory Board:

Chairman:	- Engineer Óscar Manuel Machado de Figueiredo
Board Members:	- Dr. Mateus Moreira
	- Mr. Miguel Carmo Pereira Coutinho
Deputy:	- Dr. Rui Pedro Ferreira de Almeida

## Chartered Accountant:

"Moore Stephens & Associados, SROC S.A.",  
represented by Dr. António Gonçalves Monteiro.

## Secretary of the Company:

Effective:	- Dr. José Pedro Poiares Cobra Ferreira
Deputy:	- Dr. Maria António Monteiro Ambrósio

## The Market Relations Representative:

- Dr. José Pedro Poiares Cobra Ferreira

# Teixeira Duarte - Engenharia e Construções, S.A.

## Presiding Board of the Shareholder's Meeting:

Chairman: - Dr. José Pedro Poiares Cobra Ferreira  
Secretary: - Dr. Maria Filipa Rebelo Pereira de Matos Alves Torgo

## Board of Directors:

Chairman: - Dr. Pedro Maria Calainho Teixeira Duarte  
Directors: - Dr. Manuel Maria Calainho de Azevedo Teixeira Duarte  
- Engineer Joel Vaz Viana de Lemos  
- Engineer Pedro Miguel Pinho Plácido  
- Engineer Rogério Esteves da Fonseca  
- Engineer Fernando Frias Correia

## Statutory Auditor:

Effective: - Moore Stephens & Associados, SROC, S.A  
Chartered Accounting Company, represented by  
- Dr. António Gonçalves Monteiro - ROC  
Deputy: - Dr. Ana Patrícia Correia Monteiro - ROC

## Secretary of the Company:

Effective: - Dr. José Pedro Poiares Cobra Ferreira  
Deputy: - Dr. Maria António Monteiro Ambrósio

# Board of Directors

## Adviser to the Board of Directors

Mr. António Costeira Faustino

## MARKETS

Portugal  
South Africa  
Algeria  
Angola  
Belgium  
Brazil  
China  
Colombia  
United Arab Emirates  
Spain  
United States of America  
France  
Morocco  
Mozambique  
Peru  
Qatar  
United Kingdom  
Venezuela

## CORPORATE CENTRE

### Central Offices

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#### Legal

Mrs. Maria António Ambrósio

#### Human Resources

Mrs. Isabel Amador

#### Information Technology

Mr. José Gaspar

#### Finance and Accounting

Mr. Martins Rovisco

Mr. Sérgio Castro

### Corporate Services

---

#### Corporate Secretariat

Mr. José Pedro Cobra Ferreira

#### Accounts Consolidation

Mr. Alexandre de Jesus

#### Internal Audit

Mr. Mário Ferreira Faria

## ACTIVITY SECTORS

### Construction

#### Areas of Operation

#### Geotechnics and Rehabilitation

Mr. Magalhães Gonçalves

#### I Exploration Centres

Mr. Hélder Matos  
Mr. João Pedro Lopes  
Mr. Duarte Nobre  
Mr. António Diniz

#### I Direction of Projects

Mr. Baldomiro Xavier

#### Buildings

Mr. Pedro Costa

#### I Exploration Centres

Mr. Fernando Martins  
Mr. Luís Santos  
Mr. Carlos Timoteo  
Mr. Luís Mendonça  
Mr. Carlos Guedes  
Mr. Luís Carreira

#### I Direction of Studies

Mr. Garcia Fernandes  
Mr. Pedro Nunes

#### Infrastructures

#### I Exploration Centres

Mr. Sampayo Ramos  
Mr. Rosa Saraiva  
Mr. Correia Leal  
Mr. Júlio Filho  
Mr. Amílcar Teresinho

#### I Direction of Studies

Mr. Ricardo Acabado  
Mr. João Torrado

#### Metalworking

Mr. Henrique Nicolau

#### Underground Work

Mr. Dias de Carvalho  
Mr. Carlos Russo

#### Railway Works

Mr. Magalhães Gonçalves  
Mr. Paulo Serradas

#### Maritime Works

Mr. Magalhães Gonçalves

#### Central Support Structures

#### Shuttering and Prestressing Operating Centre

Mr. Marques dos Santos

#### Central Office of Equipment

Mr. Rodrigo Ouro

#### Central Office of Management and Technology Systems

Mr. Ivo Rosa

#### Central Office of Supplies

Mrs. Rosa Almeida

#### Proposals Service

Mr. Viana de Lemos

### Concessions and Services

#### I Facilities Management

Mr. Rogério Fonseca  
Mr. Rodolfo Valentim  
Mrs. Mariana Coimbra

#### I Environment

Mr. Rogério Fonseca  
Mr. António Carlos Teixeira Duarte

### Real Estate

Mr. Diogo Rebelo  
Mr. Alfredo Silva  
Mr. Guilherme Silva

### Hospitality

Mr. Manuel Maria Teixeira Duarte  
Mr. Luís Vicente

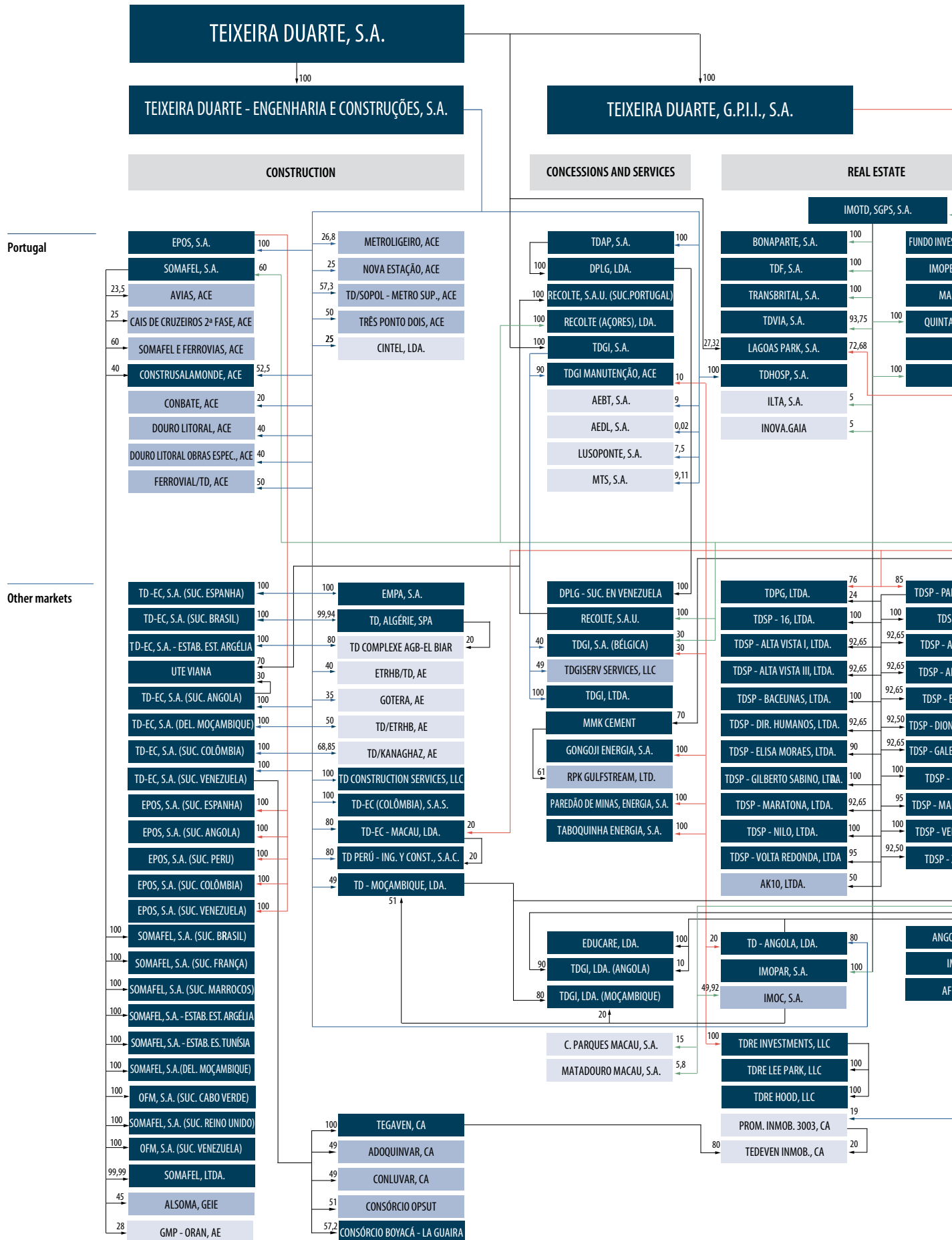
### Distribution

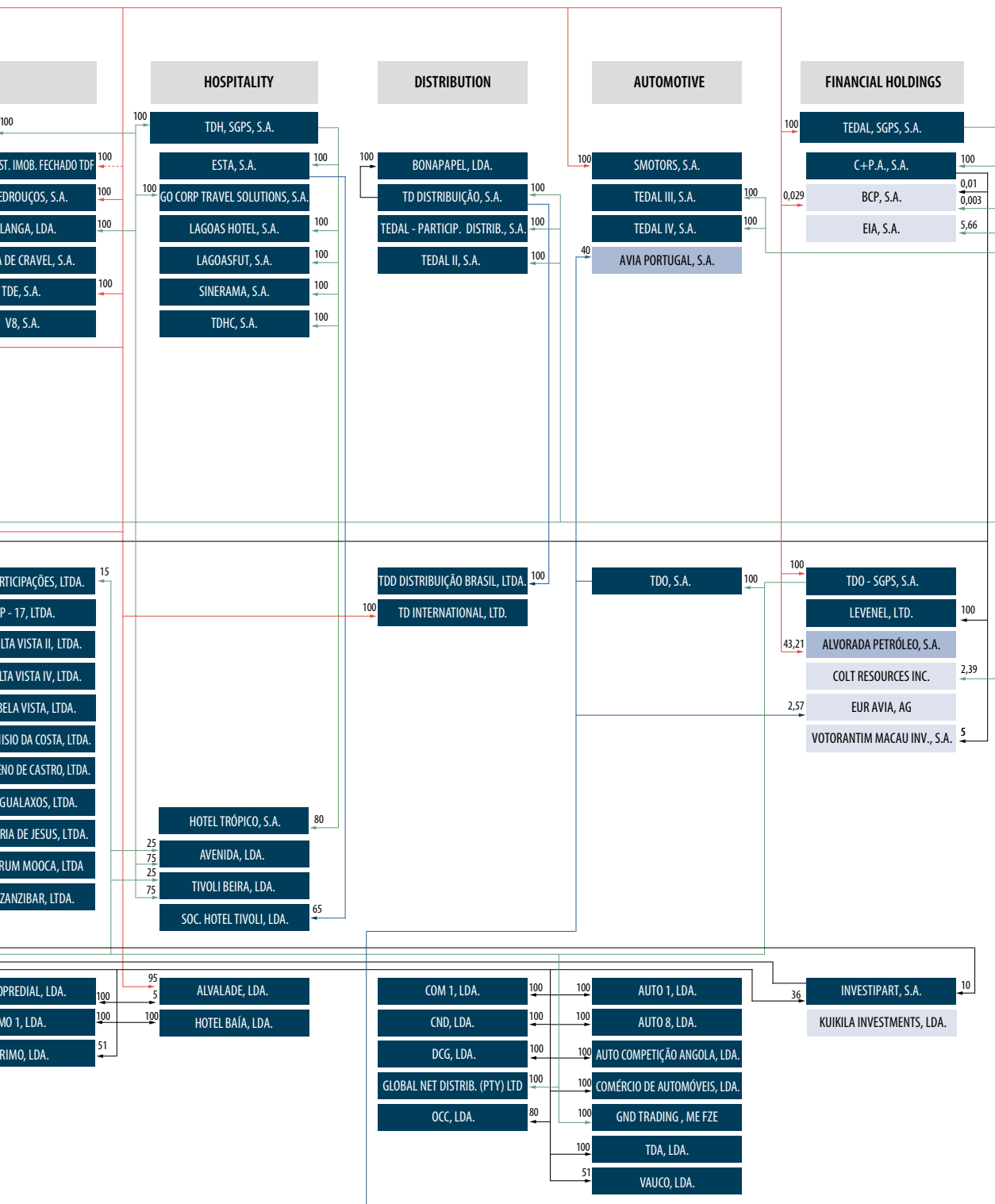
Mr. Diogo Rebelo  
Mr. Hugo Santos

### Automotive

Mr. Diogo Rebelo  
Mr. Pedro Medo

# TEIXEIRA DUARTE GROUP 2017





Caption:  COMPANIES INCLUDED IN THE CONSOLIDATION  
 COMPANIES INCLUDED IN THE CONSOLIDATION USING THE EQUITY METHOD  
 COMPANIES EXCLUDED FROM CONSOLIDATION  
 xx → Values as % Share Capital







## **Teixeira Duarte**

Extract from the 2017 Management Report  
(Chapter on Non-Financial Information)

# Sustainability Report 2017

The following text corresponds to the entire extract of the chapter on Non-Financial Information included in the 2017 Management Report that was approved in the Annual General Meeting by the shareholders and that is hereinafter disclosed in this document under the title "Sustainability Report – 2017". This report only includes some photographs to enrich the document in its graphical and visual aspects.

## I. INTRODUCTION

The aim of this chapter is to respond to non-financial information provisions requirements as required by Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, transposed into national law by Decree-Law No 89/2017, of 28 July, by submitting sufficient reports for an understanding of the evolution, performance, position and impact of Teixeira Duarte Group activities relating to environmental, social and worker issues, equality between women and men, non-discrimination, respect for human rights, fighting corruption and attempts at bribery, using indicators and information deemed relevant, traceable and reliable.

The information presented herein reflects the Teixeira Duarte Group's situation in these areas, in view of the main impacts and risks of the activity that it performs; the information provides a more comprehensive overview of this activity and performance. In this sense, and to ascertain the content of this chapter, an analysis was conducted of the reporting requirements of the aforementioned legislation, in the light of its associated guidelines. The topics considered most important were focused on, based on an analysis that considered sustainability references, peer reports and an internal reflection of relevance based on the level of impact and the situation of the Teixeira Duarte Group.

Throughout this chapter, the term "Teixeira Duarte Group" will cover all of the entities that fall within the consolidation perimeter and management scope of Teixeira Duarte, S.A.

With business activities dating back to 1921, the Teixeira Duarte Group has over 10,000 employees working in 18 countries, in 6 sectors of activity. This can be verified by consulting the map of subsidiaries shown at the beginning of the Management Report.

Its foundational reference as an Engineering Establishment characterises Teixeira Duarte's action in all its Areas of Construction from Geotechnics and Rehabilitation, to Buildings, Infrastructures, Metalworking, Underground Works, Railway

Works and Maritime Works.

The sustained growth in Construction over decades has enabled the Group to progressively develop other Activity Sectors due to the business opportunities it has encountered and knowingly fostered since the 1970s, such as Concessions and Services (since 1984), Real Estate (since 1973), Hospitality (since 1992), Distribution (since 1996) e Automotive (since 1991).

With a consolidated process of internationalisation, Teixeira Duarte has long operated in other markets which are nowadays still important in its operations, such as Venezuela (since 1978), Angola (since 1979), Mozambique (since 1982), Spain (since 2003), Algeria (since 2005) and Brazil (since 2006), currently also added by France, Belgium, United Kingdom, United States of America, Colombia, Peru, Morocco, South Africa, China, Qatar and Dubai.

The generic organizational lines of the Teixeira Duarte Group are shown on an organizational chart included at the beginning of the Teixeira Duarte, S.A. Management Report, to which the report refers.

Teixeira Duarte, S.A. is a publicly-held company, with head offices at "Lagoas Park", Edifício 2, 2740-265 Porto Salvo, in Oeiras, with a fully subscribed and paid-in capital of €210,000,000.00, with a single legal entity and Cascais Commercial Register Office registration number of 509.234.526. It leads an economic group, the leading company of which has been listed on Euronext Lisbon since 1998. The majority shareholders have been the Teixeira Duarte family ever since then.

It should be noted that - as stated in the Corporate Governance Report and duly described therein - ever since its incorporation on 30 November 2009, Teixeira Duarte, S.A. has adopted a model of Corporate Governance known as the "strengthened Latin" model. In addition to the General Meeting and its respective board, its corporate bodies are a Board of Directors and two independent oversight bodies: the audit committee and the Official Accounts Auditor Company.

## II. MAIN GUIDING PRINCIPLES

### MISSION AND VALUES

The mission of Teixeira Duarte – **To Do, contributing to the construction of a better world** – defines what moves its employees day-by-day, and establishes the objective shared by all regardless of their area of operation, geography or work team.

This mission is rooted in the following values:



#### Ingenuity

A value based on the origin and design of the Company: "A House of Engineering," where, from the research and domination of the principles of science, it innovates and develop the knowledge and techniques to apply, with efficiency and the minimum of waste, in the resolution of practical issues, forming, encouraging and relying to the "in-house" people.

#### Truth

It consists in the straight appreciation of the facts, exposing the things as they are, with good faith and with great accuracy, assuming the mistakes and limitations, as well as the successes and capabilities, and always reporting in a transparent and adequate the company areas of performance and responsibilities.

#### Commitment

Corresponds to a responsible and committed way of accepting challenges and responsibilities, on the importance of the "given word" and on the fulfilment of all obligations, with others as well as on the loyalty and complicity with their own colleagues and the Company itself, with respect for others, for the dignity of every human person and for the sustainability of the community.

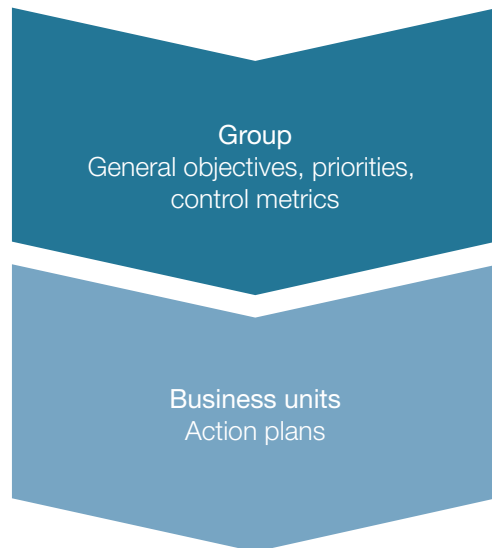
These values are enshrined in the Code of Ethics and Conduct that applies to Teixeira Duarte, S.A., and which covers all of the entities that form part of its consolidation perimeter and management scope.

### VISION AND SUSTAINABILITY MODEL

In the Teixeira Duarte Group, sustainability is the result of a way of being and acting, with a sense of responsibility that is reflected in the relationship with its stakeholders.

This position is enshrined in its Values, which reflect a well-grounded means of acting over several generations, and that contribute to overall sustainability from an economic, social and environmental perspective. These values are pursued by all employees, who also integrate sustainability into their daily work in this way.

As the Teixeira Duarte Group is an organization that operates in a wide range of sectors, with businesses in several countries, its sustainability model consists of establishing a global matrix with general objectives and priorities for each country and control metrics; the business units are responsible for developing the respective action plans.



The following figure shows the Group's sustainability model and identifies its main global objectives:



This approach has recently been systematized and its respective implementation in the Group's different situations began in the Angolan business, where training, health and national production were defined as priorities.

This model will be progressively adopted in other geographical areas, for which the respective specific priorities will be defined.

**INTEGRATED MANAGEMENT POLICY**

The Teixeira Duarte Group has shown its commitment to the adoption of a range of different international and national **management references** in the areas of occupational health and safety, quality, the environment, social responsibility and research, development and innovation as a response to market demands, but also because it believes in, and implements these references such as to create an integrated system that results in a strengthened management model.

In this sense, it has an integrated management policy that defines the principles and objectives for actions in several areas covered by the integrated management system (IMS). This policy, along with the sustainability vision, serve as an anchor and mirror the Group's mission and values by setting targets to regulate the activities of the different companies in areas that make up the IMS - particularly the activities of certified companies.

This chapter identifies the companies certified in the different areas mentioned above.

**Action objectives defined in the integrated management policy:**

- Comply with and enforce applicable external and internal standards;
- Prevent and train to achieve zero accidents at work;
- Plan and evaluate to get it right the first time;
- Organise and create processes to manage and control all aspects of your activity;
- Analyse and educate in the management of environmental aspects and impacts to zero damages in the surrounding environment;
- Starting with research and the mastering the principles of science to innovate and develop knowledge at a products and services, processes, and organizational methods level.

**TEIXEIRA DUARTE'S CODE OF ETHICS**

A Code of Ethics and Conduct for the entire Teixeira Duarte Group came into being on 24 April 2015. It was first approved by the Board of Directors of Teixeira Duarte, S.A., as the parent company of the Teixeira Duarte Group, and extended to cover all of the entities that form part of its consolidation perimeter and management scope.

This Code aims to set out cross-company principles governing the activities of all Teixeira Duarte Group employees and, therefore, the Group's involvement with stakeholders, thereby becoming a means for strengthening and developing Teixeira

Duarte's mission and values.

Following the end of the 2017 financial year, on 5 February 2018 Teixeira Duarte, S.A. approved a new Code of Ethics and Conduct for the Teixeira Duarte Group to replace the previous version. This replacement also applied to all of the entities included in its consolidation perimeter and management scope.

The Teixeira Duarte Group's new Code of Ethics and Conduct also lays down the mission and values that define Teixeira Duarte's ethics, and establishes rules to strengthen, develop and supplement them. The aim is that it should apply to Teixeira Duarte, S.A. and extend to cover all of the entities that form part of its consolidation perimeter and management scope.

This Code is aimed at all Directors, Employees and other company representatives. In addition, it is the responsibilities of all of these employees not only to be aware of the code, memorize it, implement it within the institution and defend it outside the institution, but also to promote the application of the respective rules by third parties during the course of their relationships with all Teixeira Duarte Group entities.

In summary, according to this Code, all group employees are committed to complying with, defending and enforcing (as well as among indirect recipients) the legislation and regulation in force in the geographical areas where the group operates, including any global or sector agreements and ethical rules specific to each professional, as well as any and all contractual commitments taken on by the Group.



HOTEL ALVALADE  
Luanda - Angola



ANESRIF - MODERNIZATION OF THE THENIA/TIZI-OUZOU RAILWAY LINE  
Draâ Ben Khedda - Algeria



### III. ECONOMIC RESPONSIBILITY

#### INNOVATION, DEVELOPMENT AND QUALITY

The Teixeira Duarte Group is heavily committed to research and innovation and has a range of different instruments and infrastructure to enhance this commitment, such as its Innovation and Technical Development Center (ITDC) (1) and its Research, Development and Innovation (RDI) certification.

#### ITDC

The role of the ITDC is to stimulate RDI activities, working together with construction sector managers and corporate center management to identify subjects that could be integrated as RDI projects and that could have a useful effect in the respective area of activity.

(1) This action extends to cover all group companies, whose RDI activities complement those of TD.EC, specifically SOMAFEL, TDGI and EPOS.

#### RDI Certification

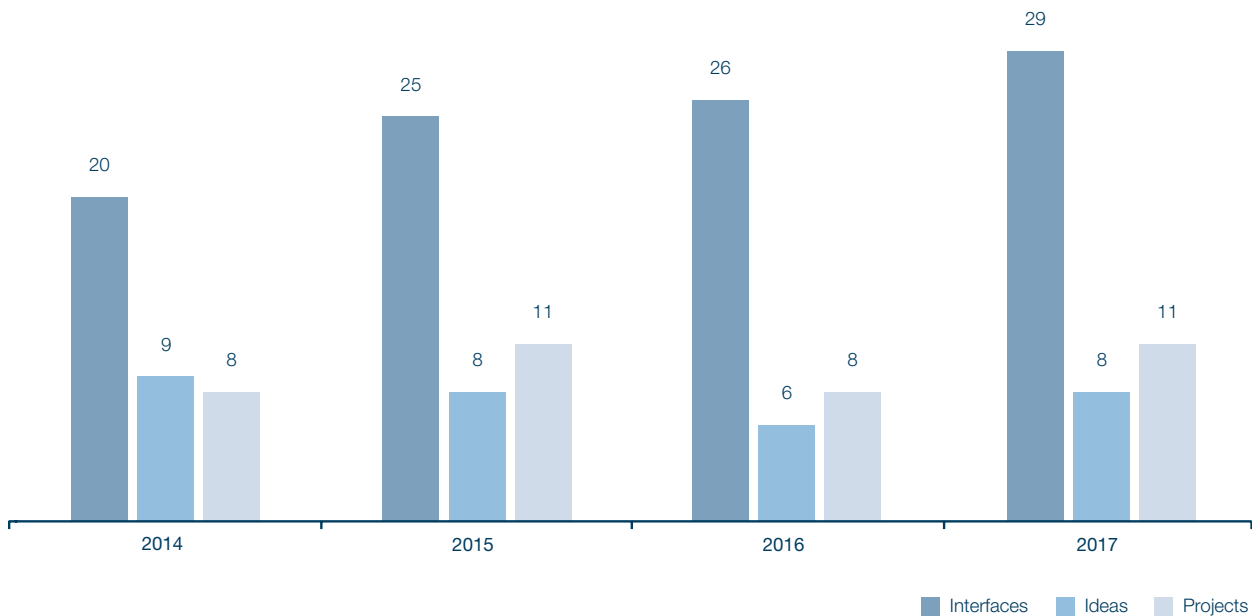
In Portugal, the companies TD-EC, EPOS, SOMAFEL and TDGI are certified for Research, Development and Innovation RDI according to Portuguese Standard 4457.

The RDI management system is the perfect way for these companies to channel all of their knowledge and creativity, turning it into innovation. Therefore, wealth creation through the introduction of new features onto the market is systematized, organized and available for any stakeholder to verify its excellence.

These measures generate great dynamics in the area of innovation and development, which are recorded internally based on the number of RDI ideas, interfaces and projects that are generated. A slight increase in numbers was seen in 2017, mirroring the RDI dynamic among companies certified in this area.

A record of the evolution of interfaces, ideas and designs under the scope of TEIXEIRA DUARTE - Engenharia e Construções, S.A. is simplified on the following page.





Evolution of interfaces, ideas and designs under the scope of Teixeira Duarte – Engenharia e Construções, S.A  
(Amounts expressed in units)

Five of the eleven RDI projects submitted in 2017 are related to innovation, to two research and four to development. Out of these, below can be found some examples of projects by Teixeira Duarte - Engenharia e Construções, S.A. submitted in 2017, which cover these 3 areas:

**Investigation**

"Epi-Building", a project to be developed as part of a Master's thesis in Civil Engineering for the seismic evaluation of existing buildings.

Its objective is the development of a methodology to support an "Epi-Building" business model based on the provision of structural characterization services for buildings, as support for seismic reinforcement designs. The expected result of this is an inspection, testing and numerical analysis methodology to be adapted to the different types of buildings, as well as the implementation of the methodology in a case study.

**Developments**

"BIM Hospital da Luz - Oeiras Clinic" developed from the perspective of an improved approach to planning, dimensioning, construction, operation and maintenance, using a unique standardized 3D model for each new or old project, containing

all of the information created or compiled on this project in a format that can be read by all participants throughout its life cycle.

**Innovation**

"The Portal as a means of communication and information in the area of TD Group employees' health" aims to provide health information to TD Group's entire population, and thereby promote a close relationship between the SMT and workers, and improve their health literacy.

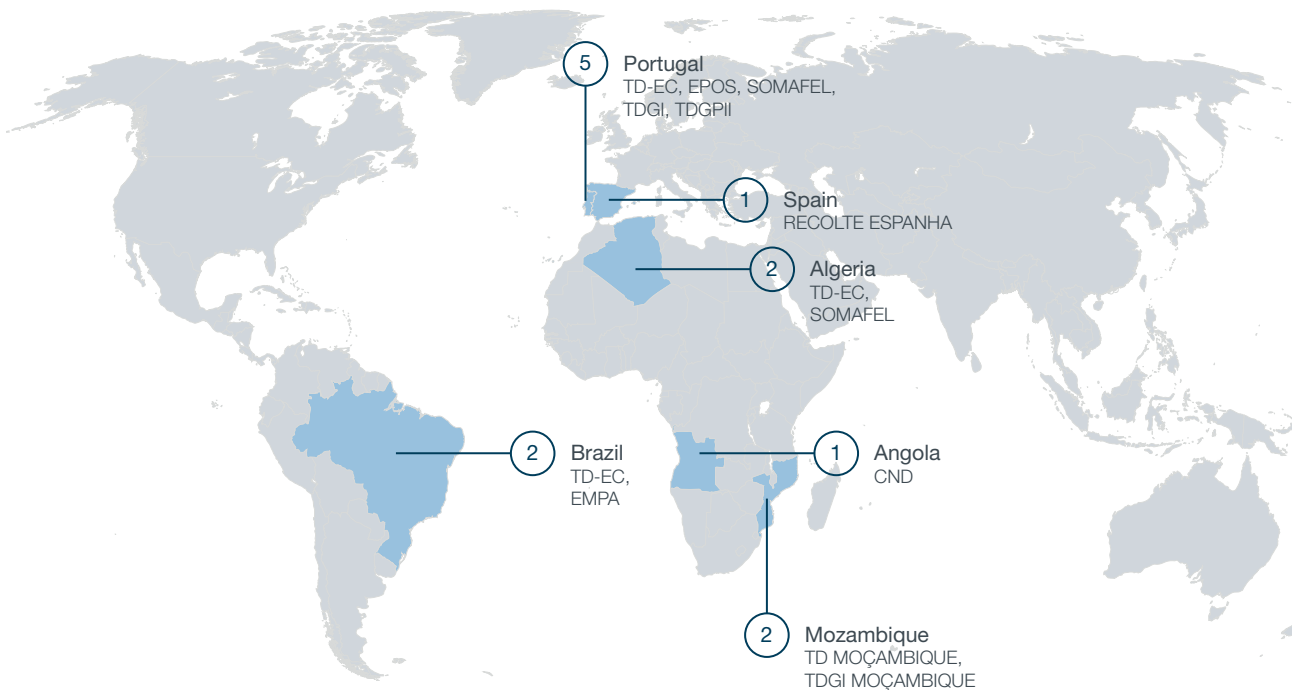
These projects are developed within the Teixeira Duarte Group and/or in partnership with national and international universities and research laboratories. Partnership agreements are signed for this purpose, or the group participates in consortia set up for specific matters.

**Quality Certification and Integrated Management System**

A focus on quality, on continuously improving overall performance and the intention to meet customer needs and expectations and boost their satisfaction has led Teixeira Duarte Group companies to commit to the implementation and certification of Quality Management Systems according to the ISO 9001

standard, as a business strengthening and sustainability factor. This contributes to economic aspects and in turn provides capabilities and resources for other sustainability initiatives.

The following figure shows the group companies that are currently certified according to this internationally recognized reference.



ISO 9001 Certifications

**COMBATING CORRUPTION AND BRIBERY, MONEY LAUNDERING AND TERRORISM FINANCING**

Corruption and bribery is an inherent risk of any economic activity. The main tool that guides actions by employees in this area is the Code of Ethics and Conduct.

According to this Code, Teixeira Duarte employees must act such as to assess and avoid and avoid possible situations of conflicts of interest. They must also actively and passively prevent any corrupt behavior, including payments or receiving facilitations, or creating, maintaining or promising irregular or favorable situations.

They shall be obliged to report any information that constitutes misconduct, including those that constitute possible illegal or illicit practices in financial and accounting matters, fraud, corruption and money laundering, as well as any actions related, directly or indirectly, to terrorist entities or those that may target or support terrorist practices. They are also responsible for ensuring that indirect recipients of this code also do so.

Employees must act in a manner that actively combats possible attempts at money laundering, refusing to participate in any act that as such may be considered, under current legal and regulatory standards, as well as in any attempt, complicity, facilitation or advice to carry it out.



They must also take actions to prevent the business of any Teixeira Duarte Group from being able to supply, collect or hold funds or assets in any way that could be used for financing and supporting criminal activities, specifically terrorists.



MOZAMBIQUE NATIONAL BANK - 3 BUILDING COMPLEX  
Maputo - Mozambique

## IV. SOCIAL RESPONSIBILITY

The mission and values mentioned above, particularly the "Commitment" value, reflect the Teixeira Duarte Group's concern for Social Responsibility. This is also reinforced by the principles and rules established in the Code of Ethics and Conduct that particularly applies to human capital, and by the sustainability vision and model that affirms the intention of contributing to the development of communities.

This concern is expressed to its maximum extent in Teixeira Duarte - Engenharia e Construções, S.A. in Portugal, through the social responsibility certification according to the SA 8000 reference.

### PEOPLE

Employees are the most important asset that the Teixeira Duarte Group has for the development of its activities.

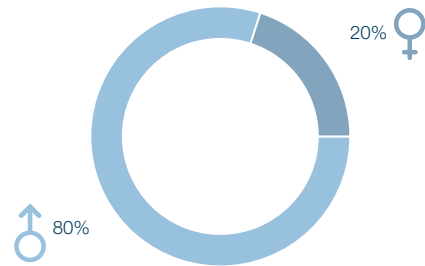
In addition to showing a concern for ensuring dignified treatment and respect for basic human and labor rights, as well as to providing adequate working conditions - which is a particularly relevant aspect for expatriate employees -, and for ensuring employee well-being, skill development, the retention of talent and health and safety conditions are extremely relevant aspects and as such are described in greater detail here.



"FAZER PESCAR" TDA PROGRAM  
Luanda - Angola

### EMPLOYEES AND OCCUPATIONAL DATA

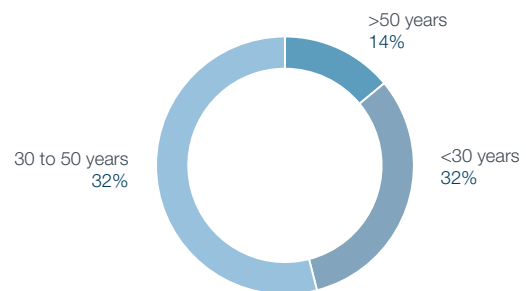
At 31 December 2017, the Teixeira Duarte Group had **10,245 employees**, mostly male, which is not unusual in the Group's business areas - predominantly the construction sector



Employees gender

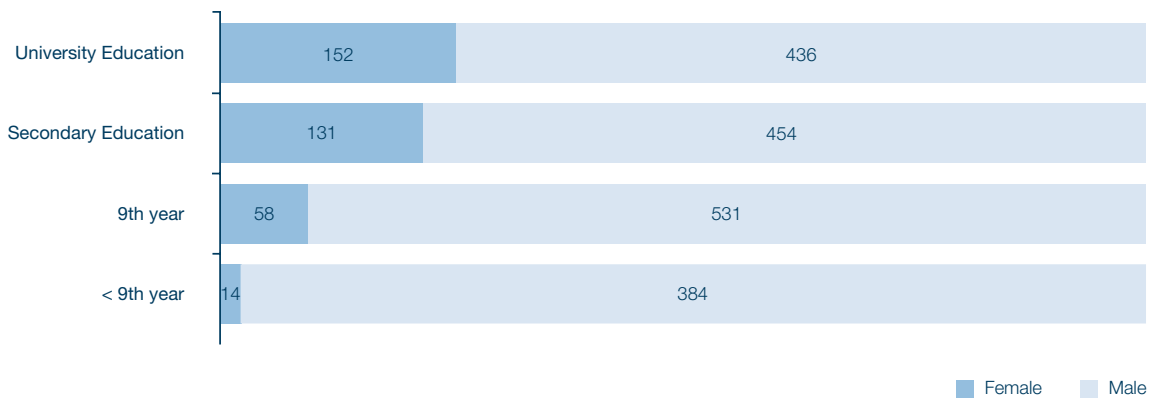
Notwithstanding the circumstances described in the previous paragraph, **diversity** is an issue that the Group recognizes as being relevant; as such it is analyzed in greater detail in the Corporate Governance Report, to which it refers.

During 2017, as regards distribution by age group, the highest percentage of employees lies in the age range between 30 and 50 years.

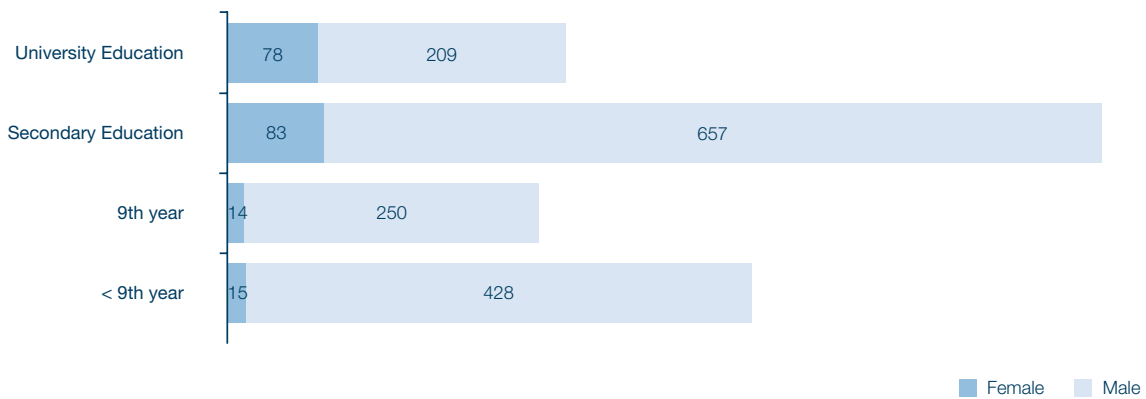


Employees Age group

The distribution of employees by level of education and gender is shown on the following tables, which cover the two situations for which it was possible to aggregate this information:

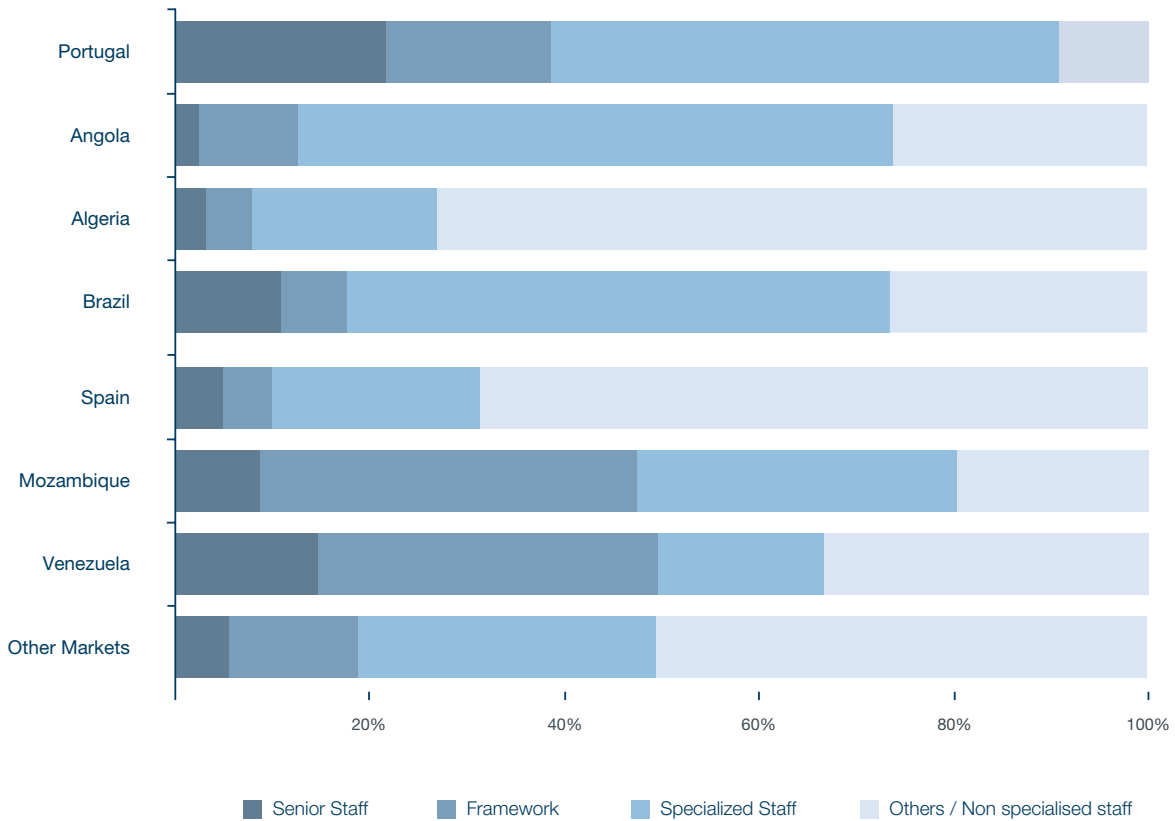


Level of education in Portugal by gender



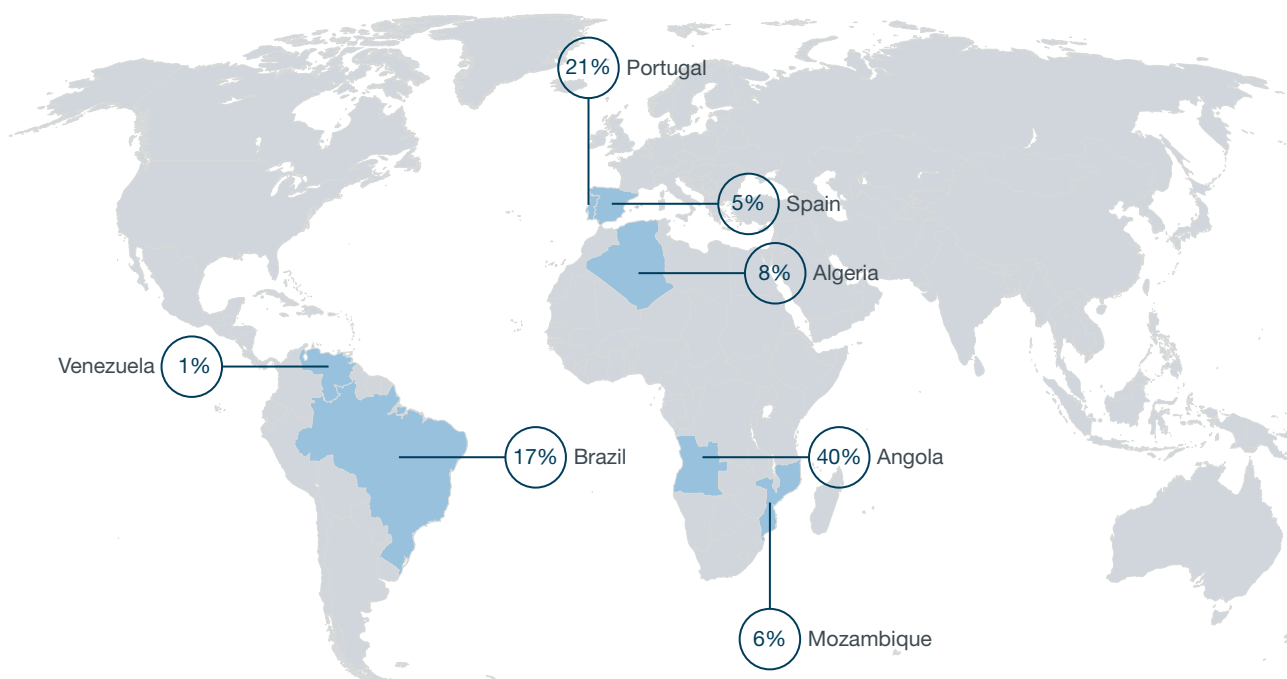
Level of education in Brazil by gender

Details of the distribution of employees by country and professional category can be found on the following table:



INFRAESTRUTURAS DE PORTUGAL - MODERNIZATION OF THE ELVAS-BORDER SECTION OF THE EAST LINE  
Elvas - Portugal

This information is supplemented by the following map and table, which illustrate the **geographical distribution of employees** in the main countries in which the Group operates, and through which it can be seen that the highest concentration is in Angola and Portugal. Details of distribution are provided by sector and country.



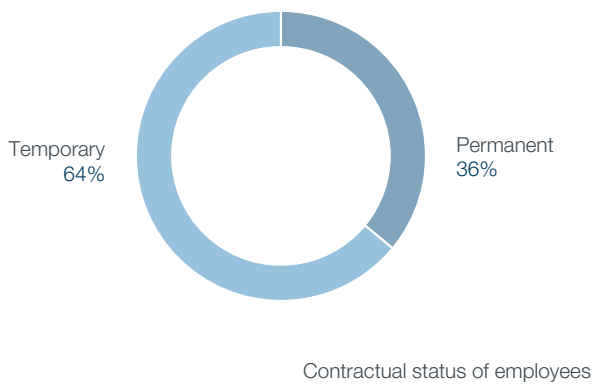
Employees geographical distribution in the main countries in which the Group operates

	Portugal	Angola	Argelia	Brazil	Spain	Mozambique	Venezuela	Other Markets	Total
Construction	1.177	1.008	766	1.425	9	256	110	84	4.835
Concessions and Services	503	403	1	197	552	109	-	34	1.799
Real Estate	35	89	-	27	-	-	-	5	156
Hospitality	175	678	-	-	-	236	-	-	1.089
Distribution	46	1.395	-	-	-	-	-	-	1.441
Automotive	36	448	-	-	-	-	-	-	484
Corporate Centre	188	91	23	85	-	35	19	-	441
Consolidated	2.160	4.112	790	1.734	561	636	129	123	10.245

Employees geographical and sectoral distribution



The **contractual situation** is reflected on the following image, showing that employees with permanent employment contracts represent 36% of all hiring, which can be understood based on the nature of the activity in the construction sector.

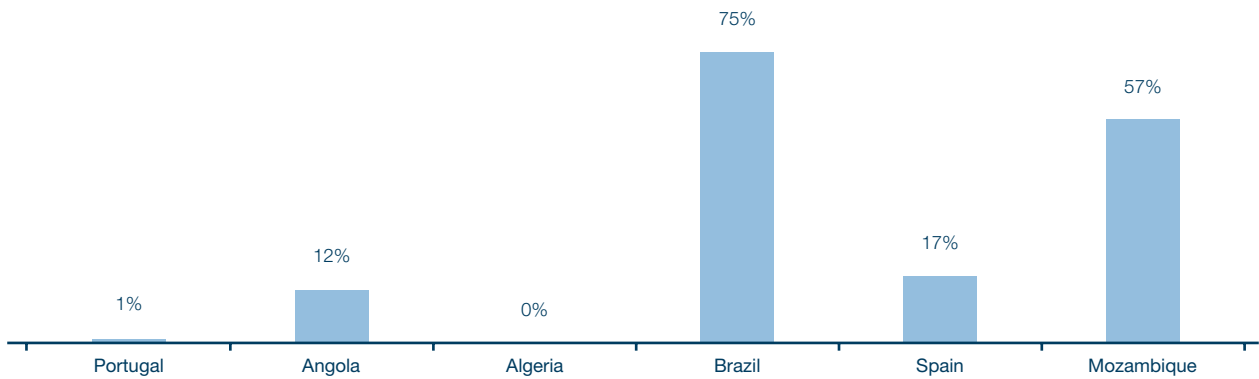


The overall **absenteeism rate** was 2.47 in 2017.

The **right to association and collective bargaining** is a principle enshrined in the Code of Ethics and Conduct. The percentage of employees who are trade union members, based on estimates made of the Group's main markets, is around 1% in Portugal, 12% in Angola, none in Algeria, 75% in Brazil, 17% in Spain and 57% in Mozambique. Considering the Teixeira Duarte Group as a whole, approximately 22% of employees are trade union members.



DGRNSS - REFURBISHMENT OF THE EASTERN BREAKWATER OF BARRA DE TAVIRA Portugal



Percentage of employees who are trade union members

## HUMAN AND LABOR RIGHTS

Both in terms of internal relations, and relations with the community and suppliers, the Teixeira Duarte Group recognizes the importance of safeguarding human and labor rights, as it is both a question of principle and because the group has a presence in some geographical areas where legal contexts are not always as robust as those in Portugal and Europe, meaning that compliance with the International Labor Organization and universal human rights conventions is ensured.

The group has tools to define and enact rules to minimize risks relating to these matters, specifically the Code of Ethics and Conduct and the voluntary SA 8000 certification, in the case of Teixeira Duarte - Engenharia e Construções, S.A. in Portugal.

Based on Human Rights Declarations of the UN, the ILO - International Labor Organization and other international human rights, national and international legislation, industrial standards and codes of conduct, the voluntary SA 8000 certification by Teixeira Duarte - Engenharia e Construções in Portugal ensures that practices are adopted in order to protect the basic human rights of its employees.

The SA8000 certification stems from the Group's common vision, expressed in the Code of Ethics and Conduct, according to which, as part of respect for humans and the community, employees must show respect for their peers and for the dignity of every human being, including different cultures and customs, and must ensure that indirect recipients of the Code also assume these responsibilities.

In detail, according to the aforementioned Code, Group employees are responsible for complying with and enforcing the rules listed below:

- Do not use, rather repudiate the provision of child labour with workers under the legally permitted age and adopt the principle that, in works which carry special risks, do not resort to child labour;
- Prohibit and repudiate forced or compulsory labour and any other forms of labour exploitation and slavery;
- Provide adequate hygiene, safety and health conditions in all aspects related to work, applying the necessary measures while taking into account the general principles of prevention of accidents and of potential damages to the health of the workers;
- Ensure the right to freedom of association and collective bargaining;
- Ensure the protection of the Employees' personal data, the reservation of privacy in their private lives and their rights,

freedoms and warranties;

- Do not exercise any kind of discriminatory action based on descent, age, sex, sexual orientation, gender identity, marital status, family situation, economic situation, education, social origin or condition, genetic heritage, reduced work capacity, disability, chronic illness, nationality, ethnic origin or race, territory of origin, language, religion, political or ideological beliefs or trade union membership;
- Respect and treat all Employees with courtesy and probity;
- Do not take part in, tolerate or encourage harassment;
- Ensure equal opportunities and equal treatment for men and women, in particular regarding access to work, training and promotion or professional careers and to working conditions;
- Enforce the current legislation and applicable regulations to their respective areas of activity relative to the duration and organisation of working time, namely, rest periods and mandatory holidays;
- Promote personal achievement and conciliation between the workers' professional and family life, as well exercising the parenting protection rights;
- Promote that the remuneration of workers is carried out in accordance with the applicable legislation and in compliance with the applicable collective labour regulations.



CAMPUS TAP - FM & Maintenance  
Lisboa - Portugal

### SERVICES ARE ASSESSED

The Teixeira Duarte Group shows clear concern for employee well-being, essentially involving the promotion of the following:

- Occupational health;
- Safety and hygiene at work;
- A socially responsible Group posture.

It should be emphasized that the following guidelines are followed for activities in the area of occupational health:

- Employee health monitoring, which takes the form of general health checks, visits to workstations and the monitoring of disease situations.
- For the promotion of health, accomplished through screening tests, health training/education actions, individual and in groups.
- The creation of a new space for periodically publicizing health information, on the Corporate Website Homepage.

The Teixeira Duarte Group continues, and will continue with its commitment to constant investment in a culture of safety and, as a result, to combating the culture of risk. Therefore, its commitment includes a prevention policy that is integrated into the management system, aiming to ensuring that human lives are safeguarded, as this asset is defined as the most precious of all.

The Teixeira Duarte Group's commitment to employee health and safety is therefore proven by its occupational health and safety management system certification under the scope of the OHSAS 18001 standard, for companies at high risk. It is also part of the risk management system to ensure that operational risks are more comprehensively and effectively managed, thereby contributing to employee protection and better performance.

Best occupational health and safety practices related to the certified management systems are fundamental for employees and are also increasingly important for customers and other and other stakeholders.

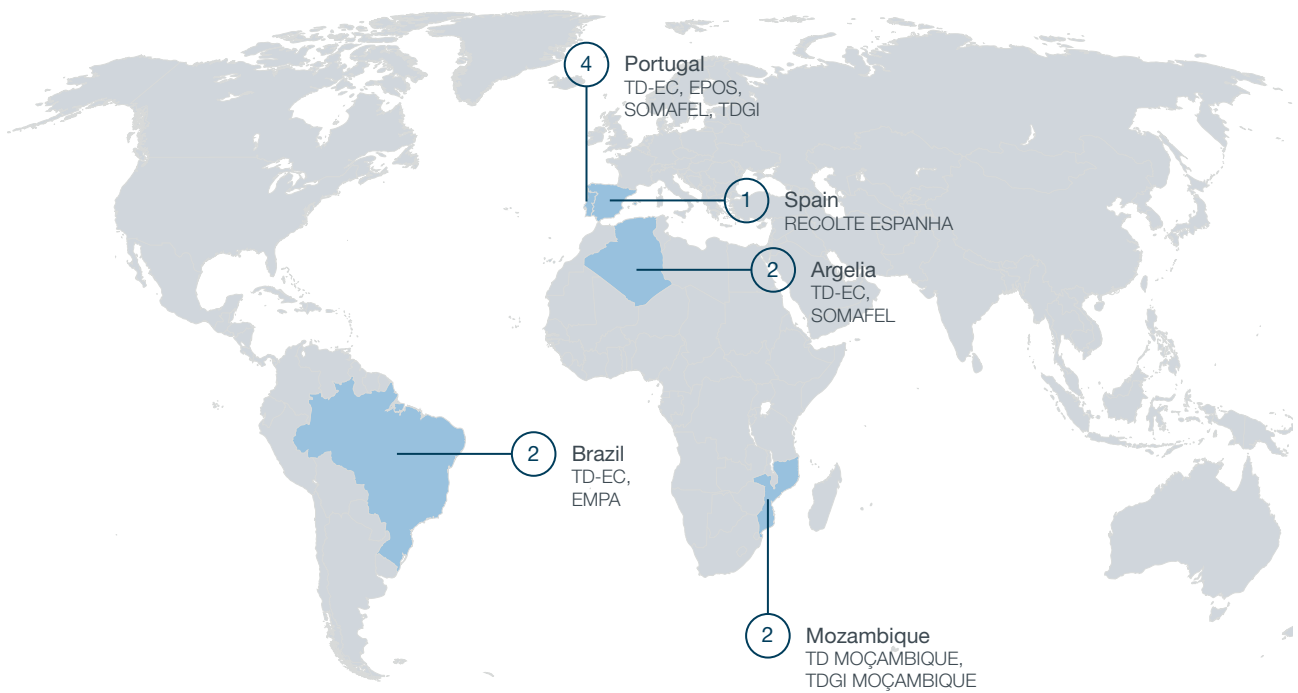
It should be emphasized that, as part of the integrated management system policy, Teixeira Duarte Group has an objective of zero accidents for both the aforementioned companies and all other companies.

Practices arising from this policy are not limited to Teixeira Duarte Group companies themselves - they also extend to companies who work with the group.



QUARTIER CAMPO BELO  
São Paulo - Brazil





OHSAS 18001 Certifications

The following main accident rate and occupational disease data for the year 2017 are presented by company:

Teixeira Duarte – Engenharia e Construções, S.A.	
Nb. of work accidents	93
Number of employees with occupational diseases declared	6
Accident frequency rate	14
Accident severity rate	262

Out of the aforementioned accidents in the workplace, Teixeira Duarte - Engenharia e Construções, S.A. (including Portugal, Algeria, Angola and Brazil) recorded 27 accidents without time off, 9 involving less than 3 days off and 57 involving over 3 days off. The declared occupational disease was deafness.

EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A.	
Nb. of work accidents	4
Number of employees with occupational diseases declared	2
Accident frequency rate	5
Accident severity rate	230

The occupational diseases declared on the above table were deafness and skin disease.

SOMAFEL – Engenharia e Obras Ferroviárias, S.A.	
Nb. of work accidents	7
Number of employees with occupational diseases declared	0
Accident frequency rate	24
Accident severity rate	940

TDGI – Tecnologia de Gestão de Imóveis, S.A.	
Nb. of work accidents	26
Number of employees with occupational diseases declared	1
Accident frequency rat	33
Accident severity rate	1275

**Notes:**

- The accident frequency rate represents the no. of recorded accidents (with or without time off) per thousand people x hours worked.
- The accident severity rate represents the no. of days off recorded as a consequence of accidents, per thousand people x hours worked

Zero fatalities were recorded during the course of 2017.

**RECRUITMENT, SELECTION AND EMPLOYABILITY OF PEOPLE WITH POTENTIAL TALENT**

Recruitment is a starting point for the human resources management value chain and, as such, is a fundamental part of human capital development of organizations that define themselves as innovative and dynamic.

Therefore, it is part of the Teixeira Duarte Group’s vision to identify and develop talents, creating value for the organization by attracting candidates, developing their skills and ensuring their loyalty. The Group positions itself as a well-known employer of reference, and particularly aims to promote the employment of young people, with potential talent, as it offers personal and professional development conditions and prospects to this age group. This age range is valued and its contribution is looked upon as strategic for the Group’s assertion, not only in terms of value formation, but also in terms of the renewal of generations of professionals.

To achieve these goals, the Teixeira Duarte Group has a defined strategy based on the following set of initiatives run with communities, which are a source of recruitment:

- a. Participation in job fairs/job shops and other events run by well-known education establishments, particularly universities, as well as with bodies that represent their students;
- b. Participation in workshops and other activities that contribute to providing clarifications and motivating candidates to work for the Group;

c. Promoting study visits to work contexts existing in the Group, to foster relationships between the world of work and the academic community, involving the sharing of scientific and technological knowledge and experience;

d. Technical-educational partnerships with the aforementioned training institutes and educational establishments, with the aim of adjusting curriculum, training and educational plans to suit the professional activities carried out by Teixeira Duarte Group, as a way of promoting employability. This contributes to improving the personal lives of young people and ensuring their professional integration, as some of them may end up as employees in the future;

e. Running projects in the areas of social responsibility, education, professional qualifications and employability. In Angola, the “Go Fishing” project was run for the fifth consecutive year in 2017, through which 300 young people were trained with the skills they need to work both for the Group and the local jobs market. This project placed an emphasis on collaboration for the sustainable development of that country, particularly regarding the qualification and employability of young people.

In this context, also worthy of note is the role of internal recruitment which, based on recognized good performance, has provided various employees with opportunities to develop their professional careers. Some of these employees currently perform activities with high levels of responsibility.

**QUALIFICATION FOR THE EXPRESSION OF TALENT - DEVELOPMENT AND TRAINING**

Once employees with potential talent have been selected and contracted, learning processes need to be implemented to duly qualify the personnel, thereby meeting a range of different requirements that stem from the different challenges facing the Group, as well as the specific features of the markets on which it operates.

Throughout the history of the Teixeira Duarte Group, a culture of ethics, work and merit has always been promoted, based on continuous incentives to acquire knowledge and on the development of the necessary skills, both among employees and teams, as well as their leadership.

Performance with merit is recognized and therefore rewarded. For this reason, the aim is that this should translate into opportunities being offered, with prospects for functional and/

or geographical mobility. This serves as a basis for building up multifaceted professionals with goals of upward mobility, in terms of both experiences and results.

This being the case, the vast majority of employees, particularly those who make up the senior management, are career employees and have been trained by the Teixeira Duarte Group.

This policy and practice is not confined to certain markets, and efforts are made to ensure that all group companies share the same culture, ethics, values and mission. Therefore, talent development management is subject to the same principles, regardless of the market on which they operate.

As such, these activities are in line with the strategic objectives set out by the Group. They are therefore supported by the group and are developed such as to provide trainees with suitable knowledge and skills for the group's culture and operating methods. The activities involve promoting and designing customized programs, mostly internal, that provide an incentive for self-study, as well as sharing knowledge capital and experiences mostly resulting from the history of generations of professionals who have worked for the Group that should not be squandered due to its richness.

During 2017, each employee received an average of 15.8 hours of training. Over 160,000 hours of training were provided across the group.

A fundamental piece of this process in Angola is the Teixeira Duarte Professional Development Center, which focuses on training and professional development in a range of different areas. Over recent years it has provided ongoing training activities for employees and specific certification programs, in line with the best practices of different industries and with international standards.

Emphasis should be placed on Angolan and international education institutes, mentoring schemes and integral training programs with social outreach, such as the "Go Fishing" program, which aims to provide training to target populations and prepare trainees for life and for work.

The training offered by the PDC in Angola includes training in several different academic areas, such as:

- Construction;
- Real Estate;
- *Facilities Management*;
- Education;
- Food Distribution;

- Automotive;
- Energy;
- Hospitality.

The Teixeira Duarte Group's professional training model in Angola promotes an evolutionary training course that helps employees to improve their professional skills and develop their full potential.




Each activity has a plan with several levels of development. Depending on their professional group, trainees are assigned a level, according to the respective course plan. Each course includes between 70 and 80 hours of training per year for a total of 2 years.

Trainees are assessed by modules and are given a certificate of achievement for each year completed with a grade of over 85%, as well as a completion diploma for each course.

The assessment model adopted by the Teixeira Duarte Group aims to forge a path and encourage growth.



LIMPEZA VÁRIA RIVIERA  
Galiza - Spain

<p style="text-align: center;"><b>PERSONAL TRAINING PASSPORT</b></p> <p>For each 2 year course. Record and monitor the academic track record of each trainee.</p> 	<p style="text-align: center;"><b>CERTIFICATE</b></p> <p>Attendance certificate awarded at the end of the 1st year of each 2 year course.</p> 	<p style="text-align: center;"><b>DIPLOMA</b></p> <p>Attendance certificate awarded at the end of each 2 year course.</p> 
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**INFORMATION AND COMMUNICATION**

Given the size of the Teixeira Duarte Group and the geographical dispersion of its businesses, a concern for ensuring effective communication and guaranteeing the provision of up to date information about significant situations led the Teixeira Duarte Group to develop an internal communications policy based on different communication methods and formats, with an emphasis on the following:

**Welcome Manual**

The main purpose of induction manuals of different Group Companies in different geographical areas is to introduce newly admitted employees to the group, thereby enabling better and more effective integration.

The manuals present the Group’s mission, values and policy, and provide an additional set of relevant information on human resources, health, safety and social responsibility.

They are intended to be documents that inform workers of their rights and duties, thereby complying with the requirements established by current labor legislation.

**Corporate Website**

The Teixeira Duarte Group website is a large and extremely important project, which is intended to cover all employees and through which any information and services that could be useful to them are optimized. In addition to human relations, this is the vehicle of choice for communications between employees and the Group.

This is a dynamic and evolving process, in which content is developed to include the many services necessary to optimize internal communication and to streamline the use of work platforms.

**Staff Meetings**

Periodic work meetings and meetings of staff from different sectors and companies, specifically in the real estate, distribution and automobile sectors, as well as in “TDGI, S.A.”, which operates in the facilities management area, were held in 2017.

**Company day**

Both the company’s day and the date of birth of its founder, Engineer Ricardo Esquivel Teixeira Duarte, is celebrated on 15 October.

The administration and senior management welcomed shareholders who wanted to honor employees who had completed 30 years of service with the Teixeira Duarte Group, at a lively dinner and a ceremony during which these guests of honor were awarded symbolic crystal helmets.

### **Christmas Lunch**

The Teixeira Duarte Group maintains a tradition of holding a Christmas lunch for the purpose of bringing together its employees. It was attended by around 600 people, including Group employees and some retired colleagues.

This is a moment for enjoying a warm and united environment and receiving information about the Teixeira Duarte Group's activities during the current financial year, as well as prospects for the following year.

### **BENEFITS**

The Teixeira Duarte Group has always sought to include measures in its human resources management strategy aimed at improving the quality of life of everybody who works for it, with the aim of optimizing the work/personal life balance and encouraging the loyalty of its employees, regardless of the market where they are working.

The increasingly comprehensive geographical coverage of its activity has made it essential to create appropriate conditions to respond to different social situations and a range of legal obligations, always safeguarding the well-being of its employees and creating the best possible working conditions.

In this sense, group policy has been guided by the provision of a set of benefits that bring some added value to the day-to-day life of its employees, and that are recognized by them as such.

### **Health Protection**

- Curative medicine support mechanisms are made available on different markets, either directly (internal services) or indirectly (agreements with private clinics and/or health insurance companies).
- The existence of an internal curative medicine service allows the most problematic health situations to be monitored more effectively and, in parallel, to improve the ability to act in emergency and extremely serious situations.
- Employees are offered the chance to access medical services and drugs that, due to the situation in some of the countries

where the Group operates, are an essential part of clinical monitoring and access to primary health care by employees. In some situations, this access is through private clinics with which the Teixeira Duarte Group has developed partnerships, seeking to make health care more effective and less expensive.

- For most group companies, the Teixeira Duarte Group also offers health insurance to its permanent staff members/trainees and any staff working outside Portugal, regardless of their contractual relationships. These employees can extend the insurance to their household if they wish.

### **Life Insurance**

- In addition to health insurance, the same group of employees that are provided with health insurance are also offered life insurance that guarantees protection in situations of personal accidents, death and disability.
- The purpose of this insurance is to supplement the mandatory protections that apply in each country to social security and labor legislation matters.

### **Protocols and Partnerships**

- A set of protocols and partnerships between the Teixeira Duarte Group and external entities is made available to employees in different areas of activity, such as telecommunications, banking, education establishment and car dealerships.
- The established partnerships aim to allow Group employees access to goods and services under more favorable market conditions.

### **COMMUNITY SUPPORT INITIATIVES**

Based on its structural values: Ingenuity, Truth and Commitment, the Teixeira Duarte Group has accomplished its Mission: Execute, contributing towards the construction of a better world. In line with these values, the Group has taken an active role in both all aspects relating to the well-being of its employees and their respective families, as well as in meeting the needs of local communities in the markets where it runs its businesses, by carrying out and supporting a range of different social projects.

Some examples of community support initiatives taken by the Teixeira Duarte Group:

### Social Responsibility Todos Damos

A global programme run by the Teixeira Duarte Group, which aims to support people through the co-funding of projects or social institutions.

The company donates or doubles the amount directly donated by employees, with the institution receiving triple the value of the employee's donation.



### Health, nutrition and healthy living: MaxiSaúde

Social responsibility program developed by Maxi in Angola.

It works with the most disadvantaged local communities, in partnership with different social and private institutions, with pillars being health and education. They carry out preventive actions and provide counseling, screening and treatment of diseases. It also teaches and promotes good eating habits and well-being for improving the quality of life of the population.

This program was launched in 2016 and has already reached more than 10,000 people.



### Training Fazer Pescar

A program run in Angola that seeks to create opportunities by training young people in vulnerable socio-economic situations, teaching them and training them to independently become a fundamental part of the development of communities where they live.

With a duration of 3.5 months and 360 hours, young people with positive evaluations join Group companies.

By the end of 2017, 20 editions of the program had been completed, with an impact on over 5000 candidates and the graduation of 300.

With 7 Teixeira Duarte Group companies involved, the retention rate stands at around 60%.



### National Production: Fazenda Maxi

This program is run by Maxi in Angola and sets up partnerships with producers for the purpose of developing domestic production and making the best national agricultural projects accessible to the entire population. It contributes to the professional development of small-scale farm businesses and the economic well-being of several local families; it provides jobs and offers a diverse range of high quality national products, thereby contributing to the economic development of the country.

Over 11,000 tonnes were purchased over the last 5 years, 30% of which from small- and medium scale producers, creating an average of 4,450 permanent and seasonal jobs.

In 2017, 24 producers across 9 provinces formed part of the program.



## V. ENVIRONMENTAL RESPONSIBILITY

The Teixeira Duarte Group recognizes the important role of companies in safeguarding the environment, and has defined this as one of the strategic objectives of its sustainability vision and model - "Caring for the Environment".

However, as regards environmental performance in particular, there are several factors that affect the selection of a panel of indicators and a reporting approach that is suitable for reflecting the performance of the Group's different activities. Essentially, these factors are the extremely diverse range of activities, as well as the fact that the most representative activity - construction - is subject to major fluctuations in the impacts that are caused, depending on the projects in question (type, quantity and phase), which limits annual comparisons of data and the capability to manage them.

Therefore, the definition of a panel of indicators that consistently reflects the Group's environmental performance lacks a concerted reflection and comprehensive following of an information collection procedure system, which will only be possible to reproduce during the next financial year. Consequently, the environmental component of this chapter essentially focuses identifying performance improvement initiatives that are carried out, and the environmental management tools that are used.

The Group recognizes that some of the activities it carries out cause significant environmental impacts. Therefore, the Code of Ethics and Conduct states that preserving and showing respect for the environment must be essential principles of work done by its employees, and that employees must also transmit them to the indirect recipients of this instrument. In this context, we highlight the obligation to comply with applicable legal requirements and other requirements associated with the identified environmental aspects, as well as minimising the environmental impacts resulting from their activity in the various business areas, in order to guarantee sustained development of the Company's activities.

### MANAGEMENT OF ENVIRONMENTAL ASPECTS AND IMPACTS

ISO 14001 is a worldwide reference for environmental management systems and since TD,SA is a global company, this certification is an essential tool for ensuring that customers, employees, surrounding communities and society gain added confidence in company practices, by demonstrating a voluntary commitment to the continuous improvement of its environmental performance.

In this context, specific processes have been established to identify and manage key environmental risks, including setting objectives for continuous improvement.

In the Group's other situations, parameter-based and safeguarded environmental risks are essentially the ones that are indexed to legal aspects. However, in addition to management indexed to the control of legal compliance risks, measures/investments are also implemented from an operational efficiency point of view that are reflected in gains, specifically regarding energy consumption and waste management, among other gains.

It should also be noted that, in order to comply with the legal obligations in the area of liability for environmental damage, arising from Directive no. 2004/35/EC, amended by Directive no. 2006/21/EC, the Teixeira Duarte Group companies in Portugal covered by this legislation opted to constitute financial guarantees totaling a value of €113,500.00. In Spain, only one company is covered by this legislation, and has taken out a civil liability insurance policy to cover environmental damage.

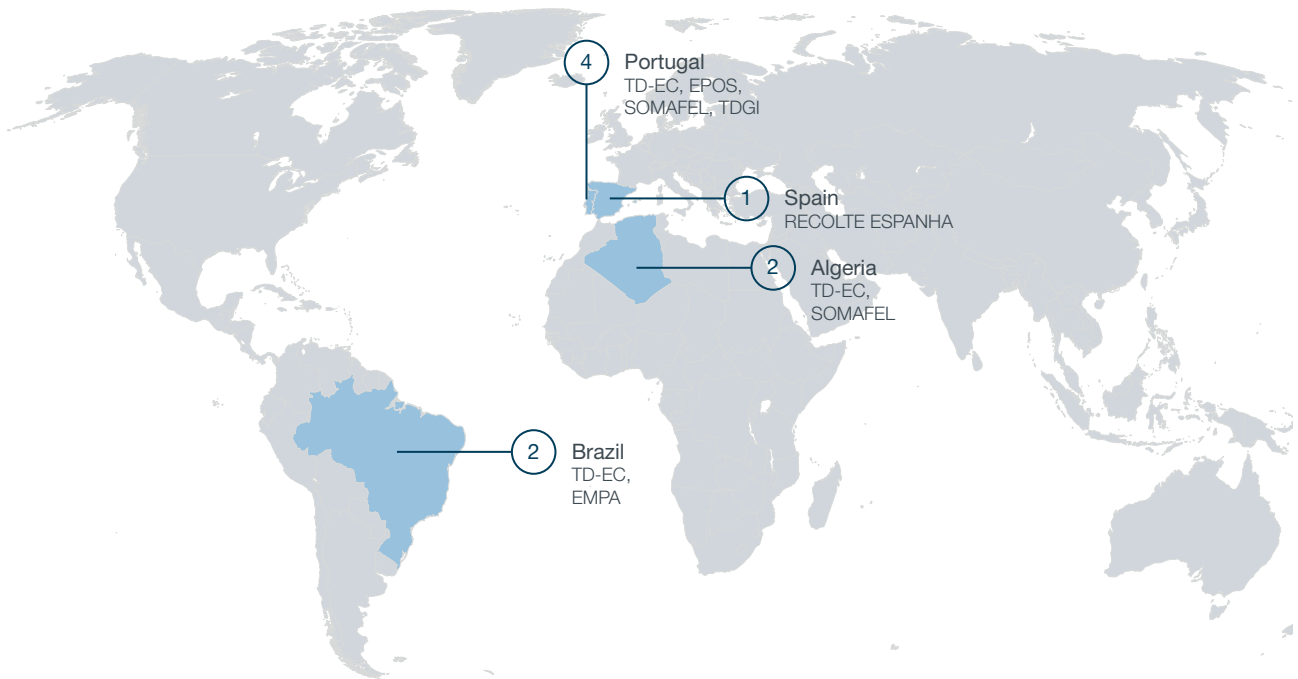
The risk of the occurrence of possible environmental damages caused by the activities of these companies is duly covered.

### WASTE

Waste production is a challenge for the Teixeira Duarte Group, as it is one of the most significant environmental aspects in the construction sector.

The Teixeira Duarte Group has run awareness and training campaigns in recent years, with the aim of promoting waste segregation and its consequential recovery. These campaigns are not only targeted at the Group's employees, but also at all stakeholders and waste management participants, specifically subcontractors and suppliers.

When it is not possible to guarantee recycling and/or recovery, the waste is sent to duly authorized and licensed sites within the framework of the situation of each geographical area.



For 2018, the Group took on the commitment to develop and continue the current campaign to reduce paper consumption, significantly reducing waste production in this area.

**ENERGY**

For projects under development by the Teixeira Duarte Group, in its real estate activity, energy solutions are selected in order to optimize consumption.

In general, in the group's different activities, with a focus on operational efficiency, and particularly within environmentally certified, where operational efficiency is added to the specific requirement for improving environmental performance, the Teixeira Duarte Group has been operating with a view to minimizing energy consumption and, as a result, reducing greenhouse gas emissions. In this sense it has been implementing a set of measures, of which emphasis should be placed on the following:

**TD-EC**

At the Edifício do Lagoas Park, energy rationalization measures have been implemented, which have led to a reduction in the specific consumption per user of 36.2% compared to 2016; however, a slight increase has been seen in absolute terms

ISO 14001 Certifications

due to works and an increase in the average number of users.

**EPOS**

Improvement measures have been applied at the company's facilities at the Neves Corvo Mine, such as the replacement of incandescent lighting by low consumption fluorescent and LED lighting; the acquisition of more efficient appliances and work equipment; management of the operation of fixed equipment according to the operating hours of the facilities; prioritize the operation of installations during daytime periods; the optimizing of equipment maintenance plans in line with manufacturer instructions; raising awareness among employees of frugal energy use and best practices to be taken into account.

**TDGI**

As part of its activities in the "Analysis and Troubleshooting" and "Energy Solutions" sectors, during 2017 TDGI proposed energy efficiency measures to its customers with a view to making annual savings of 3391 MWh, corresponding to a reduction in emissions of 767.7 tonnes of CO2e.

**SOMAFEL**

In the maintenance office of the Carregal do Sal Office Park, it



was possible to reduce electricity consumption by increasing the area with natural lighting through the office roof, and by optimizing office lighting sections.

By ensuring the energy management systems certification according to the ISO 50001 reference, and the energy efficiency of its activities as a result, Recolte Spain fulfills its responsibility to the environment and guarantees that the requirements of business partners are met.

## **WATERS**

Under the scope of environmental management systems, the Teixeira Duarte Group assesses the environmental impacts resulting from the use of water resources, and strives to take actions to reduce consumption and minimize the pollution load discharged into the soil or water.

In construction activities, it is common practice to reuse water for parallel activities such as irrigation/sprinkling dusty surfaces, washing wheels at the construction site exit, and washing cement mixers, among other uses. This subject is widely publicized during training and awareness activities, with the aim of eliminating waste and maximizing the resources available on site.

Activities that normally take place along water courses are subject to monitoring of surface water resources for the purpose of identifying any quantitative or qualitative change. At the same time, water intakes and discharges into the soil or water are monitored, whenever there is a potential for an environmental impact.

The implementation of best practices and the search for constant improvement in the reduction and reuse of water has led to the implementation of some best practices, such as those listed below.

### **TD-EC**

Between 2006 and 2017 a reduction in water consumption of 0.53 m<sup>3</sup>/user per month was achieved, corresponding to 52.4% less.

### **EPOS**

In 2017, measures were taken to reuse condensed water from conditioned air for sanitary water and for use in work equipment. Actions were also implemented to raise awareness among workers for regulated use of this resource.

## **SOMAFEL**

Best consumption practices were implemented in 2017, such as the automatic irrigation of green spaces of the central site during the night, and only washing equipment when its respective departure from the site is planned.

In projects under development by the group's real estate sector, there is increasingly deep concern for selecting equipment that allows for a reduction in water consumption (e.g. toilets with controlled flushes, tap aerators).

## **NOISE**

Noise during construction activity can be an environmental and social risk during some phases and types of work. Therefore, the loudest activities carried out close to sensitive receivers are planned such as to minimize their respective impact - whenever possible, noisy activities are planned to be carried out during daytime periods, and not on Saturdays, Sundays and holidays. If this is not all possible, a special noise license is requested to carry them out.

At EPOS, equipment maintenance was carried out during 2017, in compliance with the maintenance plans of manufacturers; quieter work equipment was also acquired.

Within the scope of real estate activity, there is also great concern for noise in projects where there are high noise sources close by. In these cases, designs are drawn up to ensure that the lowest amount of noise is transmitted to the interior of the buildings.

### Lagoas Park – A good example

Lagoas Park is a venture developed, constructed and managed by the Teixeira Duarte Group. Besides developing and constructing the park, Group companies also ensure that all management and maintenance services are carried out. They have extensive experience in the areas of space planning, the execution of fit out works, facilities management, parking lot management, the environment and landscaping.

Environmental concerns were present during the design stage and are present during the operation and maintenance phase of this park. Measures and practices are applied that show a positive interaction with the environment that goes beyond simple management, ensuring compliance with applicable legal environmental requirements (e.g. transporting of non-hazardous and hazardous waste to duly authorized and licensed destinations). Some examples of these practices are:

#### Biodiversity



At Lagoas Park, the selection of plant species took into account the soil-climatic conditions present at the site, and it was ensured that the species formed part of the region's variety of vegetation.

As regards the choice of plant species to be used, micro-climate conditions associated with the site were taken into consideration, along with botanical and landscaping interests, specifically regarding the effects of the region's wind directions and soil type.

The success of a green structure is always dependent on the suitability of the chosen species for the local ecological conditions, as well as the level of maintenance required. Therefore, the basic principles for selecting the species to be

planted are based on bio-ecology and sustainability. When designing landscapes and subsequent re-classification, priority is always given to the use of native or sub-autochthonous species that are perfectly suited to the site location.

On this subject, we would like to highlight the installation of the urban park riparian gallery, and the use of tree, bush and grass species with xerophyte (drought resistant) characteristics. There are also areas of bushes in the park, which produce berries and attract fauna that helps to control pests and diseases. Lagoas Park has thus transformed the area that previously existed - a dry area, into a new area with different green zones. New habitats were created as a result, bringing new species into the zone.

Similarly, the water used to irrigate green spaces is continually monitored, and the irrigation standards are adapted on a seasonal basis.

#### Energy

At Lagoas Park, the installed equipment is analyzed frequently, to ensure that it has the best possible energy classification.

In 2017, the BREAM certification process for all office buildings at Lagoas Park, started in 2016, was continued.

With this internationally recognized certification, the intention is to confirm that the construction and daily management techniques for buildings at Lagoas Park ensure convergence in terms of environmental and social sustainability.

Other solutions for improving the consumption management and monitoring system are also being studied, such as the installation of photovoltaic panels on roofs of buildings.

In 2017, an energy management test system was installed at Lagoas Park Hotel, known as iView - a centralized guest room access management and control system, aimed at reducing energy costs and achieving greater energy efficiency of cleaning equipment.

Effective feedback is currently being monitored through testing on a selection of rooms.

## FUTURE COMMITMENTS

Under the auspices of the integrated management system, and supported by the Group's sustainability vision, not only has an express commitment been made to continue to develop a range of projects and initiatives relating to the continuous improvement of environmental performance and management, but also a target has been set for obtaining and/or renewing certificates for the Teixeira Duarte Group's management systems.



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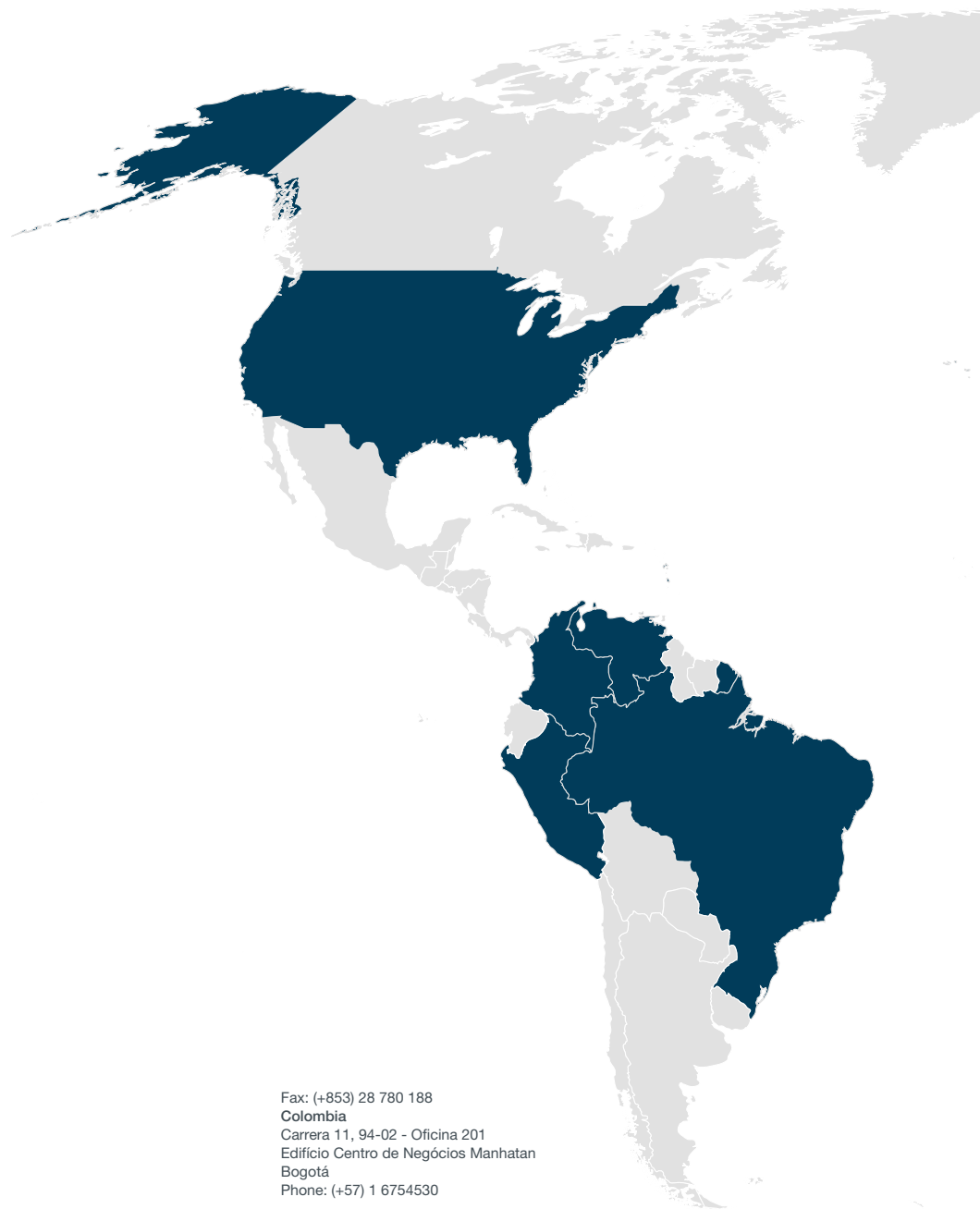
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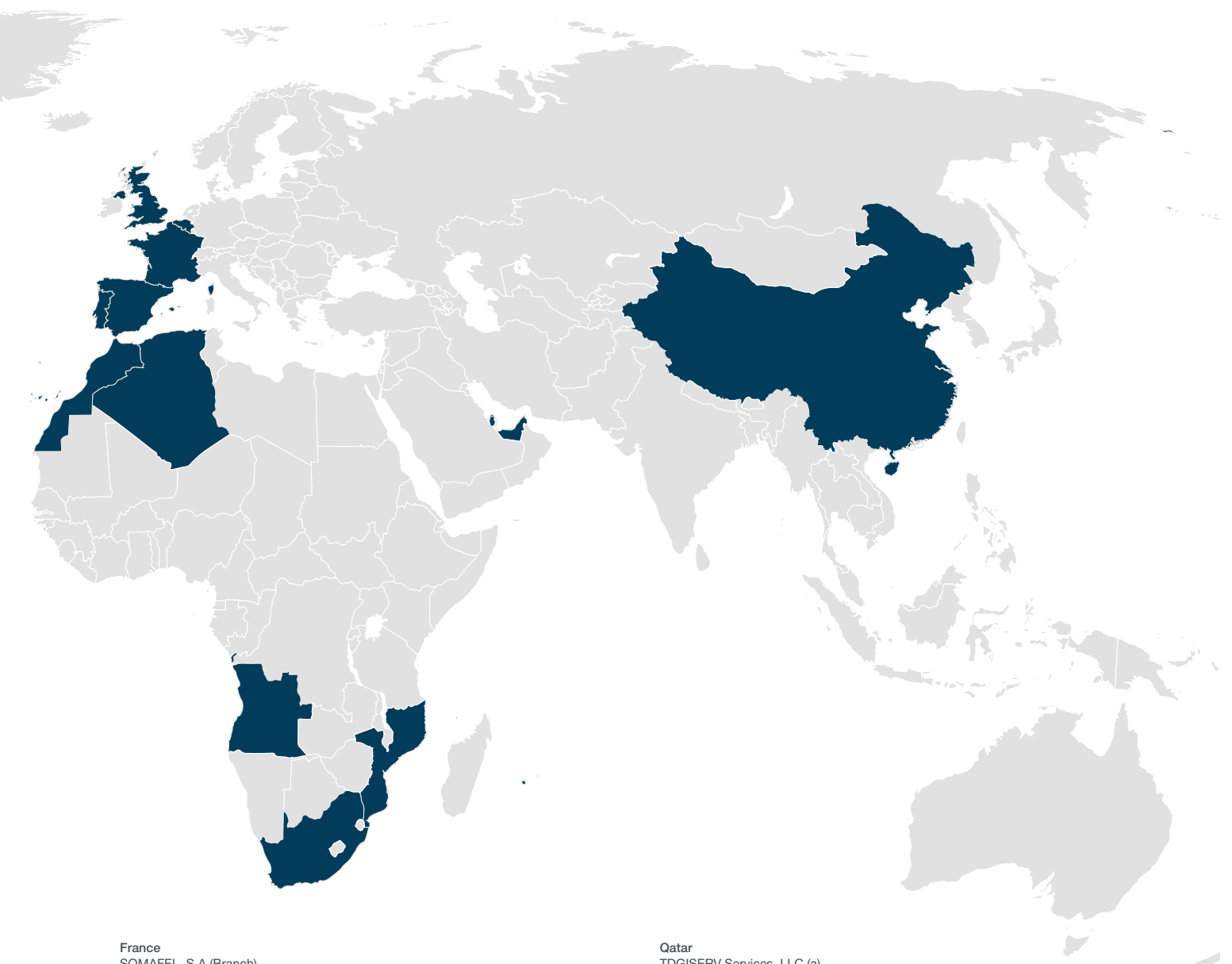
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