



**SUSTAINABILITY  
REPORT**

**2018**

Extract from the 2018 Management Report  
(Chapter on Non-Financial Information)



# SUSTAINABILITY REPORT

## 2018

Extract from the 2018 Management Report  
(Chapter on Non-Financial Information)



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## Identification of the company

### **Teixeira Duarte, S.A.**

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

Share capital: € 210,000,000

Single Legal Person and Registration number 500 234 526 at Cascais (Oeiras) Commercial Register 500 234 526

## PRESENTATION OF THE SUSTAINABILITY REPORT 2018

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 2018 financial year in its 2018 Management Report, which was approved in the Annual General Meeting by the shareholders.

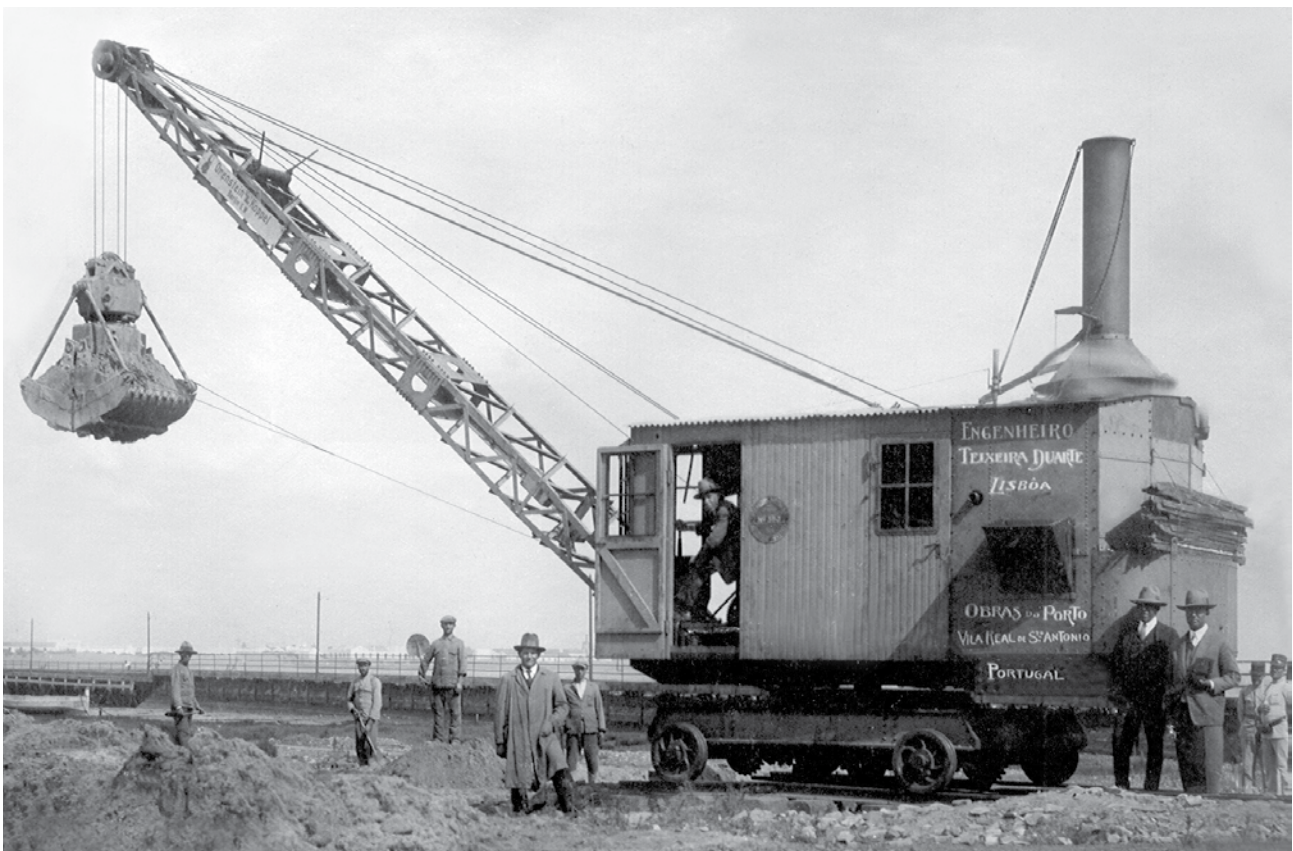
"Teixeira Duarte, S.A." formulated this document that includes the entire extract from the aforementioned chapter of the 2018 Management Report, as well as the chapter "The Teixeira Duarte Group in 2018 - Profile" of the same Management Report, which provides a framework for this autonomous disclosure.

Because it was deemed to be appropriate to disclose this report separately and under the heading "Sustainability Report 2018",



## TEIXEIRA DUARTE GROUP'S PROFILE

# A PORTUGUESE GROUP FOUNDED IN AN ENGINEERING COMPANY



Teixeira Duarte is the identity of a Business Group that presents itself through its brand image: a Portuguese Group founded on an Engineering House - something inherent in its origin and its founder - who, with an entrepreneurial spirit and support in their human resources and technical means, has extended its operations to other sectors and markets for decades, with an identity experienced and defended with warmth and affection by all, throughout around one hundred years of activity.

Engineer Mr. Ricardo Esquível Teixeira Duarte began the activity of the Teixeira Duarte Group in 1921. The company today known as "Teixeira Duarte - Engenharia e Construções, S.A." was also

incorporated by him in 1934 and it played the role of the group's leading entity until 2010. It became a public limited company in 1987 and was listed on the then Lisbon Stock Exchange in 1998.

In 2010, "Teixeira Duarte, S.A.", incorporated in 2009, acquired all of the share capital of "Teixeira Duarte - Engenharia e Construções, S.A." under the scope of a Public Exchange Offer, and became the listed company at the head of the Teixeira Duarte Group, which today consists of a group of entities that lie within its consolidation perimeter.



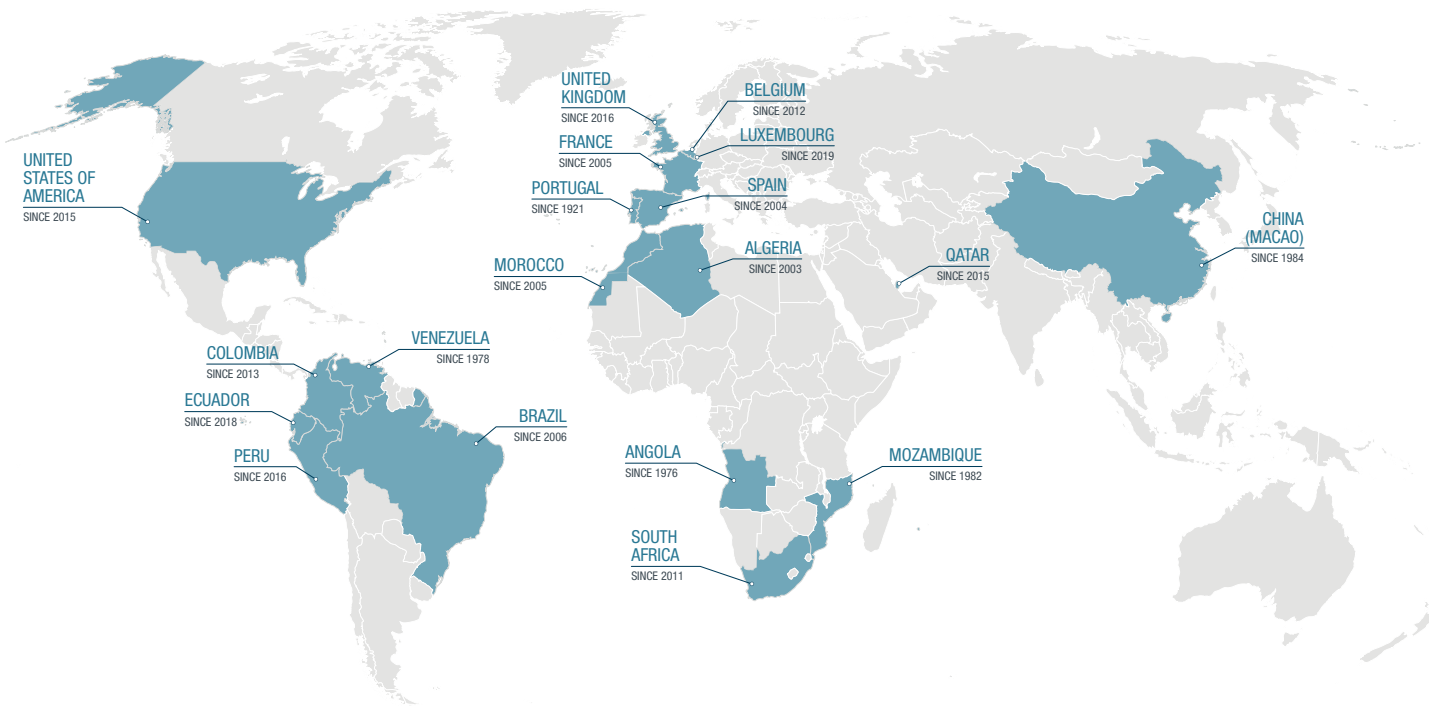
## I.1 PROFILE

MORE THAN  
**180**  
COMPANIES

**11,000**  
EMPLOYEES

**4**  
CONTINENTS

**19**  
COUNTRIES



**6**  
SECTOR

**CONSTRUCTION**  
SINCE 1921

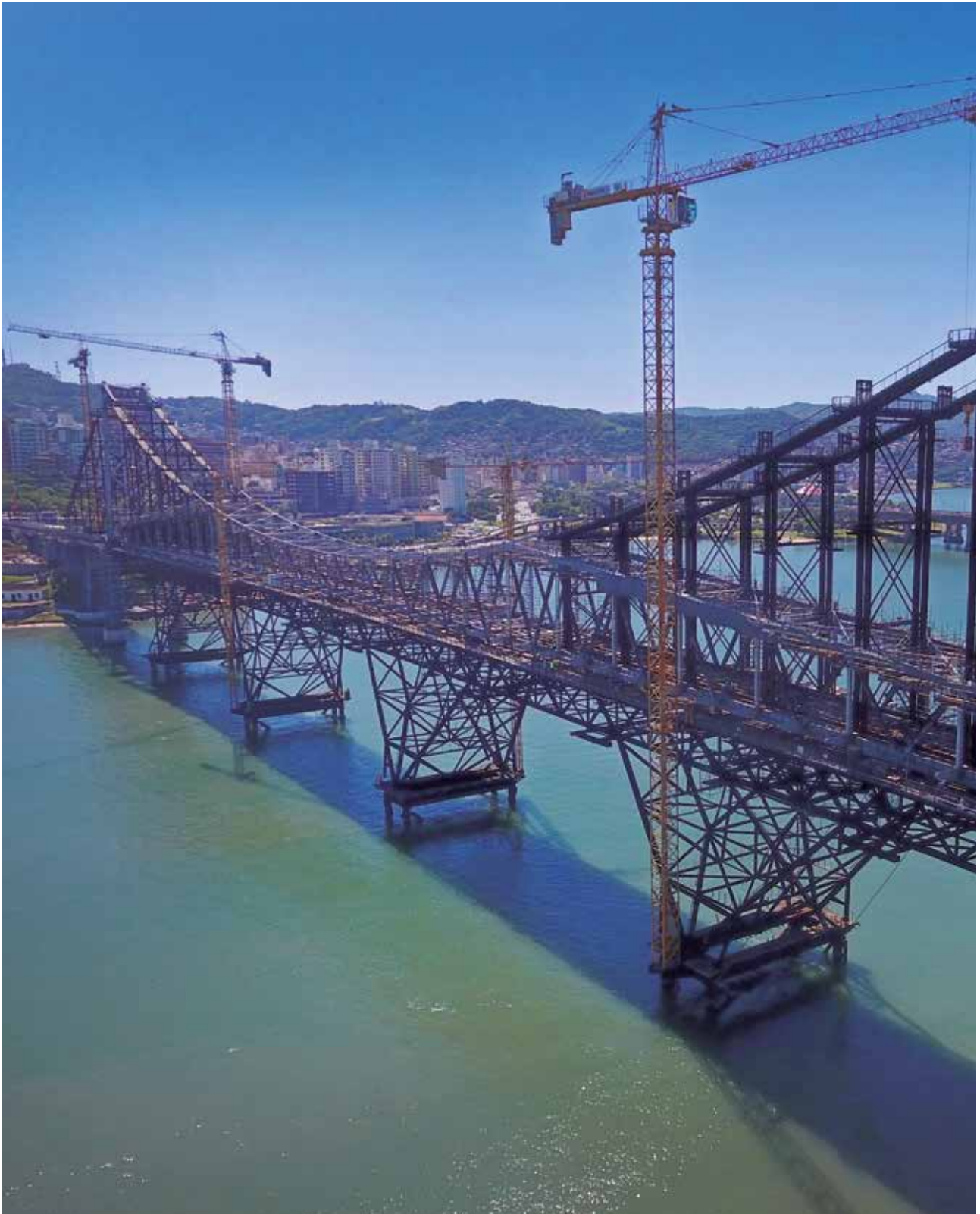
**REAL ESTATE**  
SINCE 1973

**DISTRIBUTION**  
SINCE 1996

**CONCESSIONS  
AND SERVICES**  
SINCE 1984

**HOSPITALITY**  
SINCE 1992

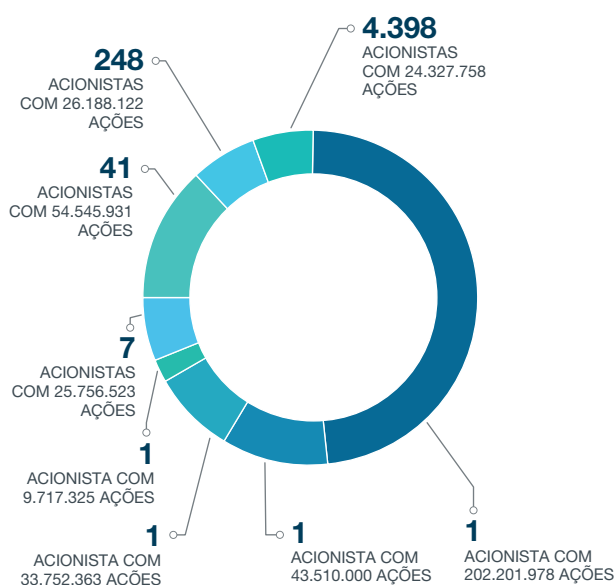
**AUTOMOTIVE**  
SINCE 1991



Restoration and Rehabilitation of Hercilio Luz Bridge  
FLORIANÓPOLIS - BRAZIL

## SHAREHOLDERS

The Teixeira Duarte Group's leading company has been listed on Euronext Lisbon since 1998 and the Teixeira Duarte family has been its majority shareholder since then. In effect, on 31 December 2018, "Teixeira Duarte, S.A." had the following shareholdings:



Distribution of shares representing the share capital of TD,SA at the end of the 2018 financial year, distributed to a total of 4,697 shareholders.

## CORPORATE MODEL

Since 1987, the Teixeira Duarte Group's listed parent company has maintained a corporate model commonly referred to as a unitary management body (the Board of Directors), currently with five members, all of whom are executives and (since 2008) two oversight bodies: An Audit Committee (with three members) and an official accounts auditor company. This is the structure of the corporate bodies of "Teixeira Duarte, S.A.", which have the following members:

### 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  
Eng. Joel Vaz Viana de Lemos  
Eng. Carlos Gomes Baptista  
Eng. Diogo Bebiano Branco de Sá Viana Rebelo

### Supervisory Board:

Chairman  
Dr. Óscar Manuel Machado de Figueiredo  
Board Members  
Dr. Mateus Moreira  
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

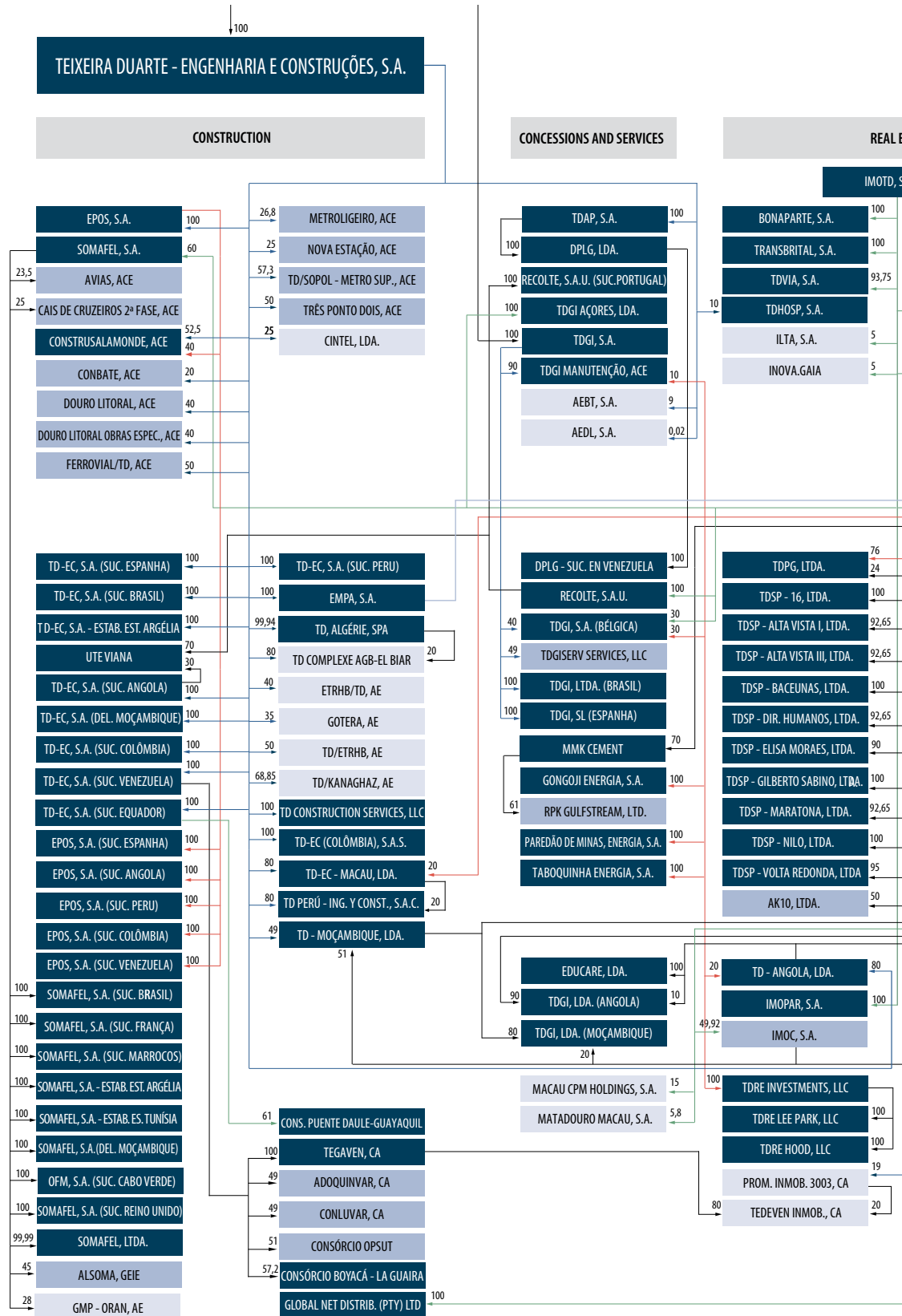
### The Market Relations Representative:

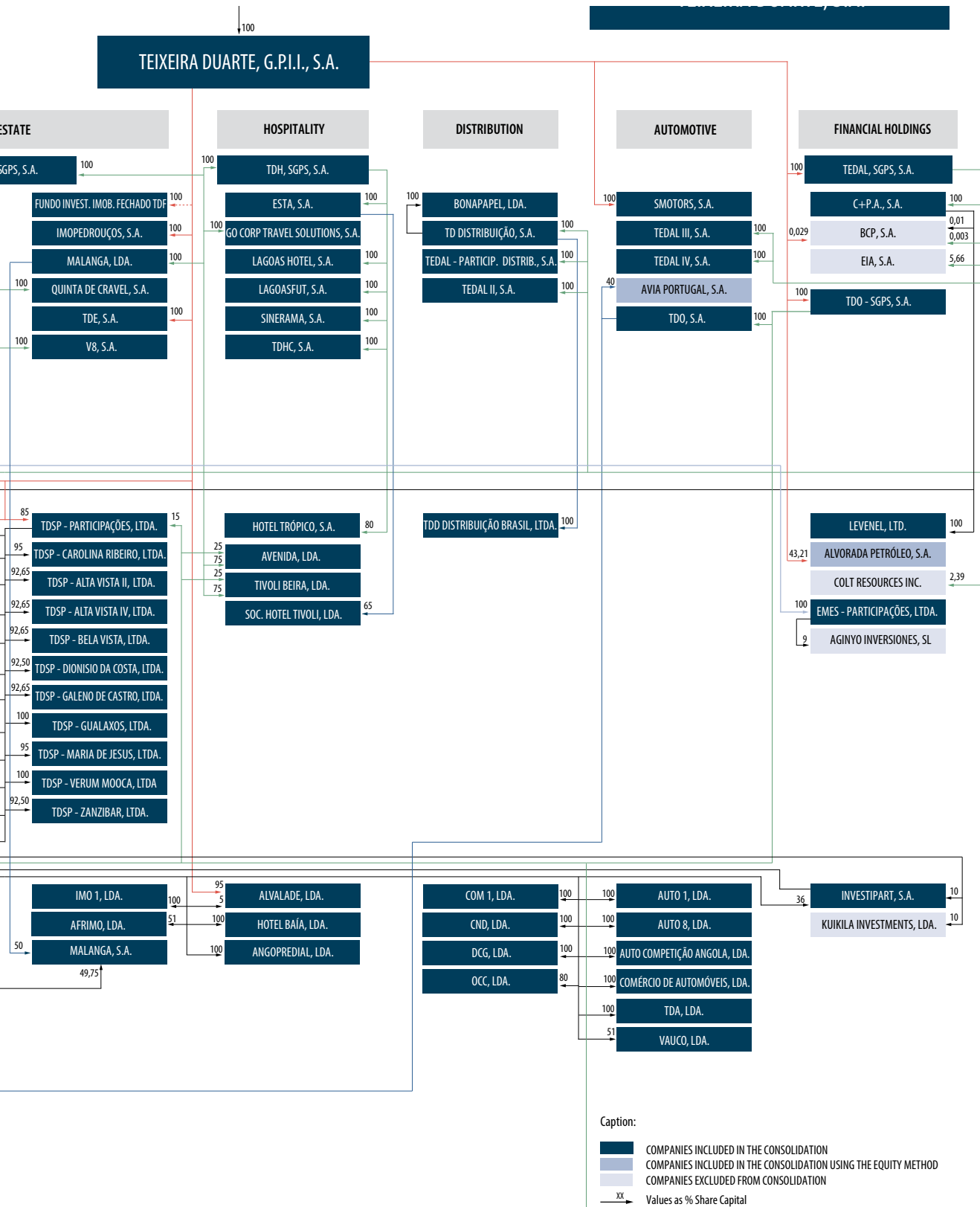
Dr. José Pedro Poiares Cobra Ferreira

**TEIXEIRA DUARTE GROUP  
2018**

**Portugal**

**Other Markets**





## ORGANIZATIONAL MODEL

In addition to the corporate bodies of “Teixeira Duarte, S.A.”, and the other bodies that form part of its consolidation perimeter, as well as bodies responsible for the different sectors of activity in which these subsidiaries operate, emphasis should be placed on the organisational structure of “Teixeira Duarte - Engenharia e Construções, S.A.” (hereinafter known in short as Teixeira Duarte - Engenharia e Construções) which, as the group's main company, runs its business in different areas of activity of the construction sector, which split up the different facets of production and are an essential part of the training of management staff and monitoring their careers. The organisational structure includes operation centres and departments and this subsidiary also has a specific set of support structures for this construction sector, particularly in the areas of formwork and pre-stressing, equipment management and bid logistics, as well as a materials laboratory.

Teixeira Duarte – Engenharia e Construções also includes another two structures that, although more focused on the construction activity, also support other Group sectors in the area of Management and Technology Systems and Supplies.

In addition to all those structures with more direct links to Group’s operational area, there is a set of Central Offices and Services with special cross-disciplinary support for activities carried out in the different sectors of activity. This is the so-called Corporate Area, which is responsible for promoting the standardisation of procedures and providing support, along with structures operating overseas, in these areas that are common to several businesses.

Thus, there are several qualified employees within the different entities that make up the Teixeira Duarte Group, forming part of the Senior Management, who are responsible for different companies, sectors, areas of activity and other organisational structures, identified on the following organisational chart below:

## TEIXEIRA DUARTE ORGANISATIONAL CHART

### CORPORATE AREA

#### Internal Audit

Mr. Mário Faria

#### Accounting

Mr. Alexandre de Jesus  
Mr. Sérgio Castro

#### Finance

Mr. Sérgio Pereira

#### Legal

Mrs. Maria António Ambrósio

#### Human Resources

Mrs. Isabel Amador

#### Corporate Secretariat

Mr. José Pedro Cobra Ferreira

#### Information Technology

Mr. Rui Pedroso  
Mr. Rui Miranda

### ACTIVITY SECTORS

## Construction

#### Geotechnics and Rehabilitation

#### Marine Works

#### I Exploration Centres

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

#### I Direction of Studies and Projects

Mr. Paulo Serradas  
Mr. Baldomiro Xavier  
Mr. Pinto Guedes

#### Buildings

#### I Exploration Centres

Mr. Fernando Martins  
Mr. Luís Santos  
Mr. Carlos Timóteo  
Mr. Luís Mendonça  
Mr. Carlos Guedes  
Mr. Luís Carreira  
Mr. Gustavo Lebreiro

#### I Direction of Studies

Mr. Garcia Fernandes  
Mr. Pedro Nunes

Infraestruturas

| Exploration Centres

Mr. Ricardo Acabado  
 Mr. Rosa Saraiva  
 Mr. Correia Leal  
 Mr. Júlio Filho  
 Mr. Amílcar Teresinho  
 Mr. Pedro Ferreira

| Direction of Studies

Mr. Fernando Frias

Metalworking

Mr. Henrique Nicolau

Underground Works

Mr. Dias de Carvalho  
 Mr. Carlos Russo

Railway Works

Mr. Paulo Serradas  
 Mr. Rui Costa

Shuttering and Prestressing

Mr. Marques dos Santos

Supplies

Mrs. Rosa Almeida

Equipment Management

Mr. Rodrigo Ouro

Management and Technology Systems

Mr. Ivo Rosa

Proposal's Logistics

Mr. Magalhães Gonçalves

Concessions and Services

Facilities Management

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

Environment

Mr. Rogério Fonseca  
 Mr. António Carlos Teixeira Duarte

Education

Mr. Diogo Rebelo

Real Estate

Mr. Alfredo Silva  
 Mr. Guilherme Silva

Hospitality

Mr. Luís Vicente

Distribution

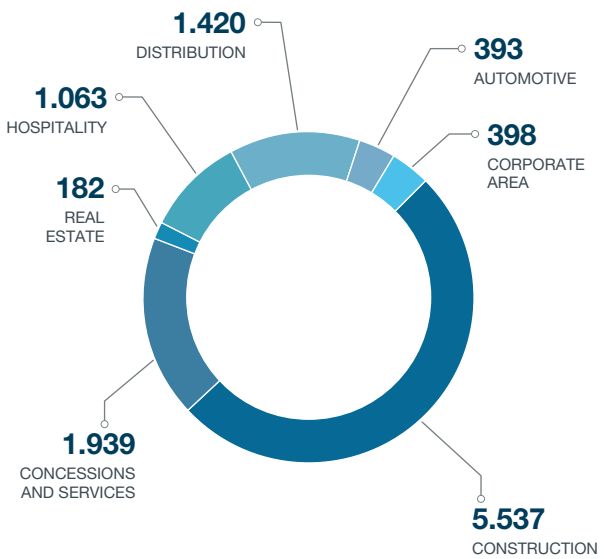
Mr. Diogo Rebelo  
 Mr. Hugo Santos

Automotive

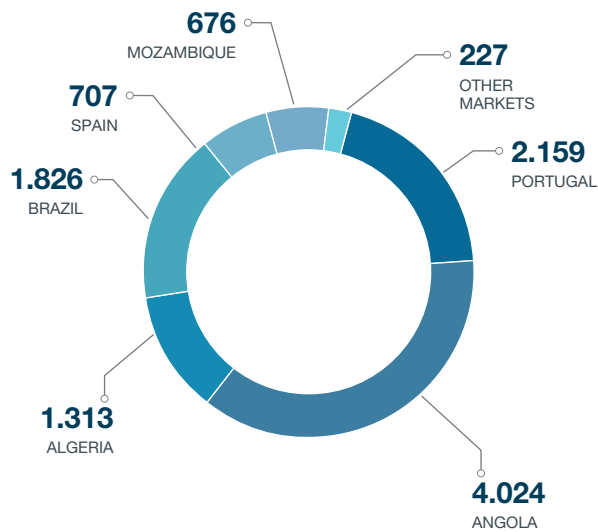
Mr. Pedro Medo

**EMPLOYEES**

As the central core of all Teixeira Duarte Group companies and greatest asset, the total number of employees in these entities is around 11,000, which at 31 December 2018 were distributed in the following sectors and operating companies:



Distribution of Employees by Sector



Employees distribution by Market

**MISSION AND VALUES**

Over nearly one hundred years of history, the conduct of employees of Teixeira Duarte Group companies has been characterized by an ethic that is a source of pride and an incentive for the growth of the company. At the central core of this ethic lie 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.

“Make”, 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 “a better world”, which is the objective that we all share, within and outside of Teixeira Duarte.

**THE VALUES**

The Values are the way we must act to reach that objective and characterise the Company’s relationship with all of related parties. They are:

**INGENUITY**

Value based on the origin and purpose 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.

### TEIXEIRA DUARTE GROUP CODE OF ETHICS AND CONDUCT

As a result of a long-term work carried out in 2017 - which included the implementation of a *compliance* management system in the Teixeira Duarte Group -, in February 2018 the so-called "Code of Ethics and Conduct of the Teixeira Duarte Group" was approved by "Teixeira Duarte, S.A." and adopted by all of the entities forming part of the Group. This reviewed and updated version of the code of ethics sets out the new legislative and economic situations and develops and adapts the Code that has been in place since 2015. Compliance with this document, like the previous one, is mandatory for all employees of these entities.



**Teixeira Duarte**

Extract from the 2018 Management Report  
(Chapter on Non-Financial Information)

# Sustainability Report 2018



The following text corresponds to the entire extract of the chapter on Non-Financial Information included in the 2018 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 2018".

## NON-FINANCIAL INFORMATION

### SUSTAINABILITY IN THE TEIXEIRA DUARTE GROUP

For the companies of 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 corporate vision is enshrined in the Group's Mission - **To Do, contributing to the construction of a better world** - and in its Values - **Ingenuity, Truth and Commitment** - which reflect a deep-rooted way of acting over several generations, and which contribute to the overall sustainability of its **economic, social and environmental perspectives**. These values are pursued by Group company employees who in this way integrate sustainability into their daily tasks.

As there is a wide range of sectors of activity in this universe of Teixeira Duarte Group companies, and as the group operates in several countries, each area is responsible for the sustainable management of human resources, the environment and communities, due to their proximity to the operations and the greater effectiveness of actions.

Each subsidiary thus meets sustainable development challenges during the course of its activities, and is guided by the Group with regard to general operating objectives and the specific sustainability priorities for each country.

Additionally, the corporate areas of Teixeira Duarte promote the coordination of joint policies among subsidiaries, by identifying practices and synergies that help the different businesses to evolve in a sustainable manner and to innovate within the scope of their activities.



Maxi Health Program  
ANGOLA

#### OUR MISSION

**EXECUTE, CONTRIBUTING TOWARDS THE CONSTRUCTION OF A BETTER WORLD**

#### HOW WE DO IT

**WITH INGENUITY, TRUTH AND COMMITMENT**

#### WE CONTRIBUTE

**SUSTAINABLE DEVELOPMENT GOALS**

#### OUR PRIORITIES

**ESTABLISHED FOR EACH COUNTRY**

## COMPLIANCE WITH INTERNATIONAL AGREEMENTS

The activities of Teixeira Duarte Group companies are based on their Mission and are in line with the UN Human Rights Declarations, the Guiding Principles of the Organisation for Economic Cooperation and Development (OECD), the International Labour Organisation (ILO), national and international legislation and the 10 Principles of the United Nations Global Compact in the fields of Human Rights, Labour Practices, the Environment and Anti-Corruption.

Teixeira Duarte - Engenharia e Construções, S.A., in Portugal, is also voluntarily certified to the International Standard SA 8000, showing the organisation's commitment to developing, maintaining and applying responsible practices to issues such as slave and child labour, occupational health and safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems.

## ETHICS AND CONDUCT

On 5 February 2018, Teixeira Duarte, S.A. approved a new Code of Ethics and Conduct that replaced the previous version created in 2015.

The Code of Ethics and Conduct extends to all entities within the group's consolidation perimeter and management scope, in all the geographical areas in which the entities operate, and sets out cross-company principles of action for all employees of Group companies and, therefore, for the involvement of Teixeira Duarte, S.A. with stakeholders, strengthening and developing its mission and values.

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.

Sent to all employees globally, the current Code of Ethics and Conduct is available on the website [www.teixeiraduarte.com](http://www.teixeiraduarte.com).

## SUSTAINABLE DEVELOPMENT GOALS

A new assessment was conducted in 2018 of how companies in the Teixeira Duarte group approach sustainability management and how the model that is followed could best be adapted to an economic group and society in continuous evolution.

This study showed great affinity between Teixeira Duarte's corporate vision and the United Nations' Sustainable Development Goals defined in the 2030 Agenda.

The United Nations (UN) resolution entitled "Transforming our world: The "2030 Agenda for Sustainable Development", which came into force on 1 January 2016, consists of 17 Sustainable Development Goals (SDGs), broken down into 169 targets that were unanimously approved by 193 UN member states. Meeting these goals depends on everyone, even companies.

Teixeira Duarte's main markets - Portugal, Angola, Brazil, Algeria and Mozambique - are also committed to integrating Sustainable Development into their planning processes, policies and national strategies.

In this sense, in 2018, Teixeira Duarte began a process of adopting the SDGs as a global framework to shape, channel, communicate and report the actions and targets of its subsidiaries in the field of Sustainable Development.

## COMMUNICATION WITH THE STAKEHOLDERS

All of the Teixeira Duarte Group companies have a wide range of relationships with groups of stakeholders. The companies use the following instruments to better understand their expectations and communicate more effectively with these different groups:

### Employees

Social climate studies, Corporate Website, Company Day, Staff Meetings, Christmas Lunch, Ethics Channel.

### Clients and general public

Websites, Call Centres, Social Networks, Suggestion and Complaint Systems, Ethics Channel.

**Investors**

General Meetings, Financial Reports, Answers to Specific Questionnaires, Announcements.

**Suppliers**

Visits and Audits, Reciprocal Training, Performance Assessment, Ethics Channel.

**Professional Organizations**

Participation in several organizations.

**Regulatory and Government Bodies**

Participation in different sector associations.

**Communities**

Partnerships with Representative Institutions, Community Support Projects, Ethics Channel.

**Educational Institutions and of Scientific and Technological System Bodies**

Participation in Academic Events, Conferences, Job Fairs and Partnerships.

**Media**

Announcements, Answers to specific questions.

**NOTE ON THE METHODOLOGY REGARDING COVERAGE OF INDICATORS**

The Human Resources, Communities and Environment indicators presented here encompass, whenever possible, 100% of the group of companies included in the consolidation perimeter of the Teixeira Duarte Group.

However, given the diverse range of sectors and the local circumstances of their operating areas, the scope of coverage may vary for some indicators, and this fact is mentioned where applicable in the main body of this chapter.

**MANAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES**

Employees are the most important asset that the companies of the Teixeira Duarte Group have for the development of their activities.

In addition to a concern for ensuring dignified treatment and respect for human and labour rights, as well as for providing adequate working conditions, ensuring the well-being of employees, along with hygiene, health and safety conditions, the development of skills and the retention of talent are highly relevant aspects in all of the activities.

In human resources management and development, the performance of subsidiary companies has allowed Teixeira Duarte to mainly contribute to 3 SDGs:



**Human Resources in 2018**

As at 31 December 2018, the companies included in the consolidation perimeter of Teixeira Duarte had a total of 10,932 employees, distributed among different types of businesses, skill sets and markets. This was a positive change of 7% compared to 2017, partly a result of the resumption of construction activity in Algeria.

As of December 31, 2018, the subsidiaries operating in the Construction sector accounted for 51% of the global workforce.

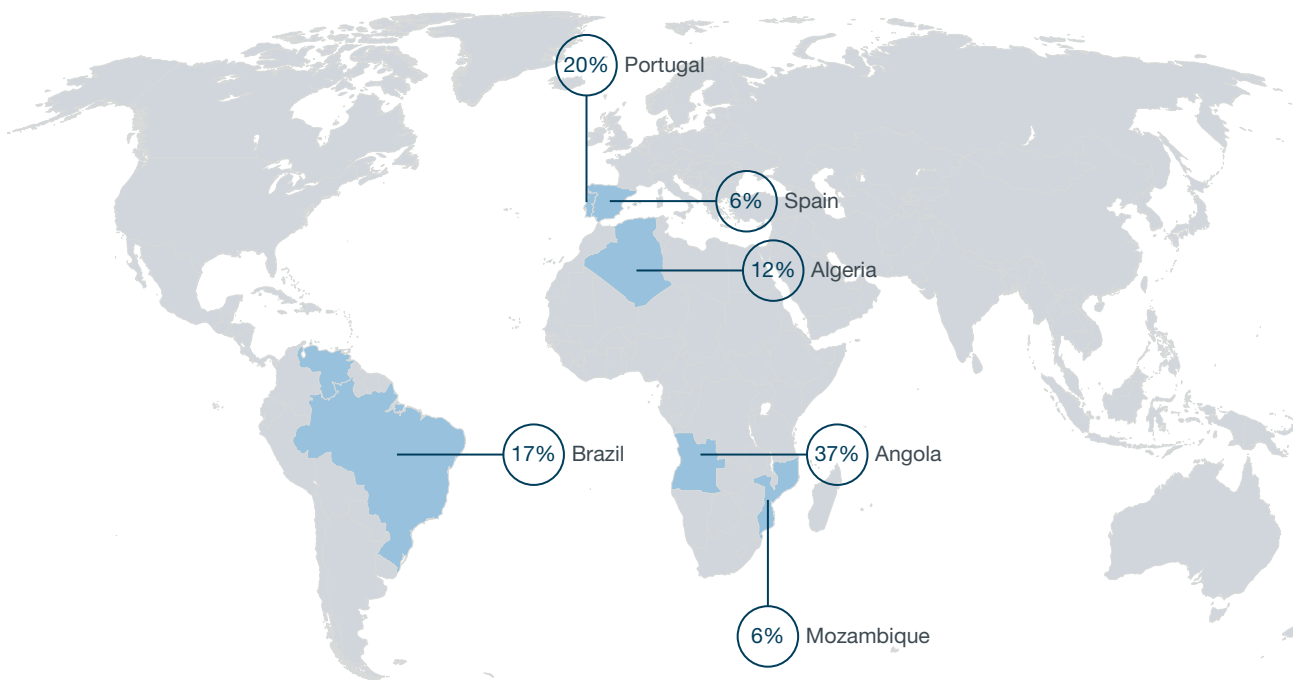


Teixeira Duarte Group Christmas Lunch 2018 PORTUGAL

	Corporate Area	Concessions and Services								Total 2018	Total 2017
		Construction	FM and Environment	Education	Real estate	Hospitality	Distribution	Automotive			
Portugal	174	1,181	534		48	148	39	35	2,159	2,160	
Angola	80	968	289	153	105	690	1,381	358	4,024	4,112	
Algeria	23	1,283	7						1,313	790	
Brazil	68	1,546	188		24				1,826	1,734	
Spain	13	85	609						707	561	
Mozambique	40	284	126		1	225			676	636	
Other Markets		190	33		4				227	252	
<b>Total</b>	<b>398</b>	<b>5,537</b>	<b>1,786</b>	<b>153</b>	<b>182</b>	<b>1,063</b>	<b>1,420</b>	<b>393</b>	<b>10,932</b>	<b>10,245</b>	

Number of employees as at 31 December 2018

Angola, Portugal and Brazil were the 3 markets with the largest number of employees, with 37%, 20% and 17% respectively, out of the 18 countries in which subsidiary companies were operating on this date.



Geographical distribution of employees in the main markets in which the group operates, as of 31 December 2018

In line with previous years, in 2018 the majority of employees were male, a fact not unrelated to the business areas of the Group's subsidiaries, where the construction and *Facilities Management* sectors predominate, which together accounted for 67% of the global workforce.



	Corporate		Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
	Area	Construction	FM and Environment	Education						
Women	40%	7%	14%	79%	42%	40%	40%	18%	19%	20%
Men	60%	93%	86%	21%	58%	60%	60%	82%	81%	80%

Percentage of employees by gender as at 31 December 2018

In 2018, the majority of the employees of Teixeira Duarte Group companies were aged between 30 and 50. In Teixeira Duarte's overall totals, this group of employees increased by 5 percentage points when compared to 2017.

	Corporate		Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
	Area	Construction	FM and Environment	Education						
<30 years	20%	20%	19%	24%	24%	26%	45%	27%	24%	30%
30 to 50 years	60%	62%	61%	72%	68%	63%	51%	62%	61%	56%
>50 years	20%	18%	20%	5%	8%	11%	4%	11%	15%	14%

Percentage of employees by age group as of 31 December 2018

The majority of employees were in fixed-term contract situations, with Angola, Algeria and Spain being the markets with the greatest tendency towards this contractual regime, due to the characteristics of the activities carried out on these markets.

	Corporate		Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
	Area	Construction	FM and Environment	Education						
Permanent contract	66%	41%	25%	1%	33%	25%	10%	6%	32%	36%
Fixed term contract	34%	59%	75%	99%	67%	75%	90%	94%	68%	64%

Percentage of employees by contractual situation as at 31 December 2018

**Recruitment, Selection and Retention of People with Potential Talent**

Recruitment is a key part of the development of the human capital of an organization that intends to be innovative and dynamic, since it is the starting point of the human resources management value chain.

Many of the Group's subsidiary companies position themselves in their markets as recognised employers, particularly with a view to promoting the employment of youths with potential talent, since it offers this age group conditions and prospects for personal and professional development. They value this, and their contribution has proved to be strategic for the assertion of Group companies.

Continuing this positioning requires notable activity by these organisations in the area of recruitment and selection, including the permanent expansion of reference sources and the strengthening of partnerships.

In this context, emphasis should be placed on participation in academic events, the signing of protocols and the granting of internships, which encourage applications from trainees, students and professionals who graduate from these partner institutions.

Emphasis should also be placed on the adoption, during the second half of 2018, of a new *Applicant Tracking System* by several Teixeira Duarte Group companies. Using this platform, organisations started to manage job offers and candidates more efficiently, and the search network for attracting talent was expanded by integrating the system with jobseeking websites.

Along these same lines, mention should also be made to the role of internal recruitment which, based on performance with recognised merit, has given several employees opportunities to develop their careers.

In terms of absenteeism, the Group's different subsidiary companies have rates that vary depending on the business areas and the countries in which they operate.

	Corporate		Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Global 2018
	Area	Construction	FM and Environment	Education					
Portugal	3.2%	3.1%	1.7%		0.6%	2.9%	3.1%	3.6%	2.5%
Angola	1.0%	3.2%	1.8%	4.7%	1.8%	2.6%	2.2%	3.1%	2.6%
Algeria	0.4%	3.2%	0.8%						3.2%
Brazil	2.0%	3.9%	2.1%		2.8%				3.6%
Spain	6.6%	4.3%	8.7%						8.2%
Mozambique	1.2%	0.5%	0.6%			0.4%			0.5%
Other Markets		3.6%							3.4%
Total	2.1%	2.7%	3.3%	5.8%	1.0%	0.5%	0.3%	3.1%	2.1%

Absenteeism rate as at 31 December 2018

Overall absenteeism in 2018 was 2.1%, down 3 p.p. when compared to 2017.

#### Compliance with International Labour Organization (ILO) Conventions

The promotion of the fundamental conventions of the International Labour Organisation (ILO), and of human rights, is enshrined in the Code of Ethics and Conduct of Teixeira Duarte, S.A., which extends to all the entities that form part of its consolidation perimeter.

The Code expresses the commitment of the Group's subsidiaries to recognising the right to association and collective bargain-

ing. Their corporate practices protect labour rights and promote safe and healthy working environments for all workers.

Although in some countries it is not possible to identify all employees who are trade union members, it has been ascertained that the subsidiary companies operating on the Mozambican and Brazilian markets have the highest percentage of employees covered by collective bargaining agreements, considering collective contracts, collective agreements and company agreements. In Brazil it should be noted that trade union contributions were mandatory up until 2017. This was no longer the case in 2018, which explains the significant reduction in employees identified as trade union members.

	Corporate		Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
	Area	Construction	FM and Environment	Education						
Portugal		1%	1%						1%	1%
Angola	1%	5%				29%	10%	26%	12%	12%
Algeria										
Brazil		46%	77%						47%	75%
Spain			20%						17%	19%
Mozambique	48%	62%	34%			63%			56%	58%
Other Markets		3%							2%	
Total	5%	17%	18%			32%	10%	23%	17%	22%

Percentage of trade union member employees as at 31 December 2018

Employees covered by professional associations are not included in the above data.

#### Health and safety protection and promotion

The corporate vision of the Teixeira Duarte Group has always included a strong human resources management strategy. Its measures aim to improve the quality of life of all those who work for its subsidiaries, in order to optimise the work-life balance and promote employee loyalty, regardless of the activity of the companies and the markets in which they operate.

This vision is reflected in the socially responsible attitude of its subsidiary companies with regard to the promotion of health, safety and hygiene at work.

In terms of occupational health, emphasis should be placed on the employee health monitoring policy, which takes the form of general health examinations, visits to work stations and the monitoring of situations of illness.

	Corporate Area	Construction	Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
			FM and Environment	Education						
Portugal	100%	98%	99%	100%	100%	99%	100%	100%	99%	99%
Angola	100%	68%	83%	90%	90%	98%	88%	91%	85%	54%
Algeria		51%							51%	52%
Brazil	96%	98%			100%				98%	98%
Spain	80%		65%						67%	100%
Mozambique	100%	100%	77%		100%	95%			94%	92%
Other Markets		50%							50%	18%

Coverage rate of medical examinations performed on Group company employees as at 31 December 2018  
 Note: Indicator calculated based on 99% of employees.

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 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 companies operate, 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 partnerships have been set up, seeking to make health care more effective and less expensive.

In the case of Angola and Mozambique, for example, Group companies have defined a medical assistance and medication policy that includes access to medical consultations for all employees and first-degree relatives.

Within the scope of health promotion, several activities are also

In Mozambique, Teixeira Duarte - Engenharia e Construções, S.A co-finances up to **8,500 Mzn** of medical expenses per year per employee and his/her close relatives, along with the purchase of prescription glasses.

promoted in Group companies, such as screening and individual and group health training/education activities.

In 2018 in Portugal, Group companies provided employees with:

- 1,871** medical consultations in the field of occupational medicine;
- 1,801** occupational nursing consultations;
- 464** curative medicine consultations;
- 11,578** complementary diagnostic tests.



Teixeira Duarte medical centre in Luanda  
 ANGOLA

As its origins are firmly in the construction sector, the Teixeira Duarte Group has a deep-rooted corporate culture of continuous investment in safety and, as a result, combating risks. This attitude also emanates from Teixeira Duarte's subsidiary companies, whose commitment includes prevention policies aimed at ensuring the safeguarding of human lives.

During 2018 there were no fatalities in the companies included in the consolidation perimeter of Teixeira Duarte, S.A..

As regards the accident rate in the main markets in which the Teixeira Duarte companies operate, the evolution between 2017 and 2018 in terms of the frequency (no. of accidents in the workplace x 1000000 / no. of hours worked) and severity (no. of days lost x 1000000 / no. of hours worked) of accidents was as shown on the following tables.

PORTUGAL	Nb. of Work accidents	Accident frequency rate	Accident severity rate
<b>Corporate Area</b>			
2017	0	0	0
2018	1	3	0
<b>Construction</b>			
2017	58	21	408
2018	45	27	603
<b>Concessions and Services</b>			
Facilities Management			
2017	38	50	1033
2018	26	33	1275
<b>Real estate</b>			
2017	1	15	328
2018	0	0	0
<b>Hospitality</b>			
2017	8	37	173
2018	8	36	483
<b>Distribution</b>			
2017	0	0	0
2018	0	0	0
<b>Automotive</b>			
2017	1	17	702
2018	0	0	0

Accident rate in Portugal as of 31 December 2018

ANGOLA	Nb. of Work accidents	Accident frequency rate	Accident severity rate
<b>Corporate Area</b>			
2017	1	7	0
2018	1	6	0
<b>Construction</b>			
2017	30	13	76
2018	23	10	66
<b>Concessions and Services</b>			
Facilities Management			
2017	6	11	5
2018	11	18	90
Education			
2017	0	0	0
2018	0	0	0
<b>Real estate</b>			
2017	2	6	74
2018	3	34	0
<b>Hospitality</b>			
2017	4	3	32
2018	8	6	8
<b>Distribution</b>			
2017	19	6	26
2018	19	6	43
<b>Automotive</b>			
2017	10	12	65
2018	11	11	39

Accident rate in Angola as of 31 December 2018

ALGERIA	Nb. of Work accidents	Accident frequency rate	Accident severity rate
<b>Construction</b>			
2017	42	18	608
2018	27	18	393

Accident rate in Algeria as of 31 December 2018

BRAZIL	Nb. of Work accidents	Accident frequency rate	Accident severity rate
Construction			
2017	22	10	242
2018	17	12	206
Concessions and Services			
Facilities Management			
2017	3	9	9
2018	n/a	n/a	n/a
Real estate			
2017	0	0	0
2018	0	0	0

Accident rate in Brazil as of 31 December 2018

SPAIN	Nb. of Work accidents	Accident frequency rate	Accident severity rate
Concessions and Services			
Facilities Management			
2017	2	38	0
2018	n/a	n/a	n/a

Accident rate in Spain as of 31 December 2018

MOZAMBIQUE	Nb. of Work accidents	Accident frequency rate	Accident severity rate
Construction			
2017	0	0	0
2018	3	8	122
Hospitality			
2017	3	5	24
2018	2	3	17

Accident rate in Mozambique as of 31 December 2018  
Note: accident rate indicators cover 97% of employees.

In the cases of Portugal, Algeria and Brazil, the good practices of subsidiary companies, where the risks are higher with regard to the health and safety of employees, are strengthened by an OHSAS 18001 standard certification in occupational health and safety management systems, providing a more comprehensive and effective management of operational risks and contributing to employee protection and better performance.

**Employees covered by occupational health and safety management systems (OHSAS 18001 Standard) as of 31 December 2018:**

- Portugal: **1,355 employees**
- Algeria: **1,176 employees**
- Brazil: **1,157 employees**
- Mozambique: **323 employees**

Disease prevention and health promotion activities in 2018 in companies operating in the areas of construction and *Facilities Management* in Portugal, Angola, Brazil and Mozambique were based on risk factors that had been identified, specifically risky behaviour, noise in the workplace, working conditions and emergency procedures, among other aspects, with a total of over 100 actions taken.

In 2018, a study was carried out among employees working for different Group companies in Portugal to assess psychosocial risk factors. The aim of this study was to find out what work-related conditions may be influencing employee health and well-being.

The assessment consisted of answering a questionnaire aimed at measuring exposure indicators (psychosocial risks) and effect indicators (on health, satisfaction and *stress*). Participation was voluntary, and an uptake rate of around 58% was seen.

In the preliminary phase, the results were presented to the business managers and the main conclusions were shared with employees, with a view to recommending possible improvement proposals.

In accordance with the legislative provisions in countries where Group companies operate, all employees have the right to protection during parenthood. In Portugal, employees are offered a range of maternity/paternity leave options, in accordance with Law 7/2009, of 12 February, subsection IV, as defined in articles 33 to 65.

	Corporate Area	Construction	Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
			FM and Environment	Education						
<b>Portugal</b>										
Women	5	3	4		1	4	2	2	21	19
Men	5	44	27		4	4	3	1	88	71
<b>Angola</b>										
Women	2	4	3	12	1	14	51	9	96	111
Men	1	3	1				1	2	8	2
<b>Algeria</b>										
Women		4							4	6
Men		32							32	16
<b>Brazil</b>										
Women	3	8			3				14	15
Men		3			1				4	0
<b>Spain</b>										
Women	1	1	2						4	6
Men	1	4	16						21	14
<b>Mozambique</b>										
Women	2				1	4			7	4
Men			1						1	0
<b>Other Markets</b>										
Women		1							1	1
Men									0	0
<b>Total</b>	<b>20</b>	<b>107</b>	<b>54</b>	<b>12</b>	<b>11</b>	<b>26</b>	<b>57</b>	<b>14</b>	<b>301</b>	<b>265</b>

Number of employees who took parental leave in 2018  
Note: this indicator covers 99% of total employees.

## Other employee benefits

Companies forming part of the Teixeira Duarte universe also offer other employee benefits, such as:

### a) Health and life insurance

Most Group companies provide health insurance to their employees in accordance with defined criteria, including the possibility of extending insurance to cover their families.

In some subsidiary companies, life insurance is also available in addition to health insurance to ensure protection in situations of personal accidents, death and disability.

This insurance is to supplement the mandatory protections that apply in each country to social security and labor legislation matters.

## b) Protocols and Partnerships

A set of protocols and partnerships with external entities is made available to Group company employees, in various areas, such as telecommunications, banking, educational establishments, car dealerships, travel agencies and airlines, allowing employees access to goods and services under more advantageous market conditions.

### Qualification for the expression of talent: development and training

In the Teixeira Duarte Group's universe of companies, and during the course of its history that dates back nearly a century, a widely recognised culture of ethics, work and merit has always been maintained and improved. This culture is systematically applied at all levels.

Guided by the Values of Ingenuity, Truth and Commitment and by the Mission of "To Do, contributing to the construction of a better world", Group companies have consistently promoted knowledge acquisition and the development of employee skills. This is a strategic area for the sustainability of their businesses.

The diverse range of activities that currently exists within the Teixeira Duarte Group, and geographical distribution throughout several countries, have required an increasingly robust model for the effective transmission of values and practices that form part of the Teixeira Duarte Group's corporate vision for all business areas existing inside the group.

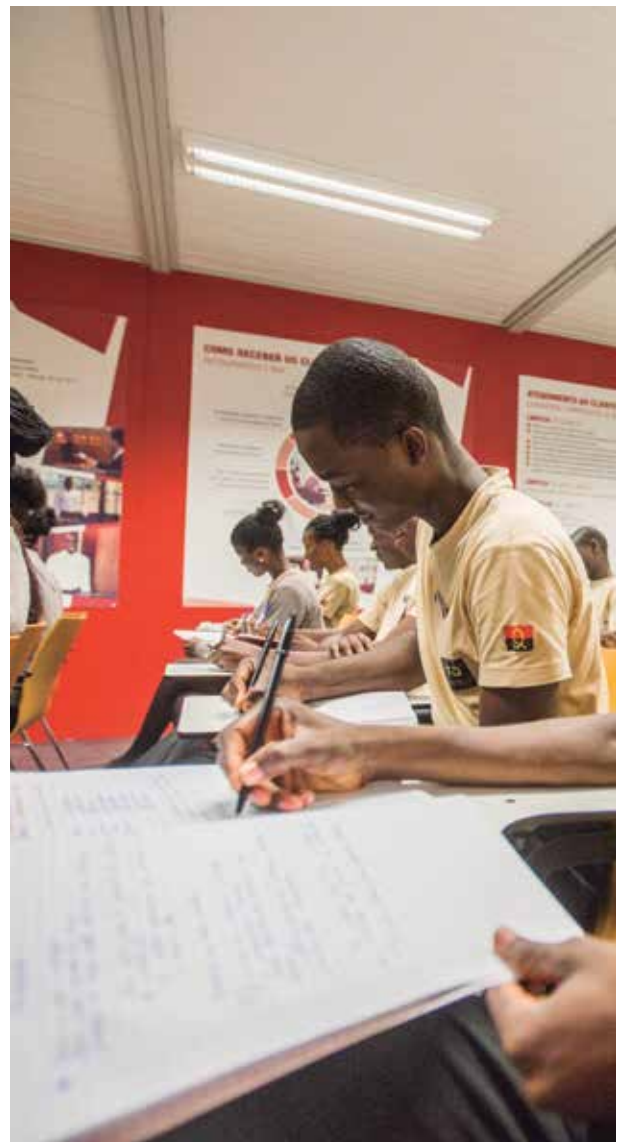
As a result, in 2018 a new matrix was implemented for the operation of the Teixeira Duarte Group's Skills Development Policy, with a view to re-establishing general universally applied and periodically reviewed guidelines, assisted by metrics that should be monitored by the business areas. The matrix includes a common/cross-company component for all business areas and a specific component. It can therefore be adapted to any sector, market and professional category in which the employee is located.

The business areas, in turn, define, implement and assess the Skills Development Plans (SDP) for their employees. These are continuous training programmes that allow each employee to be trained over time, specifically with a view to updating skills and career progression.

In order to strengthen support for the development of skills of employees of Group companies, by adjusting coordination models for better monitoring, in 2018 a Professional Qualification Coordination Committee was also set up, the mission of which is to continually support cross-company processes and to promote key projects in these areas, such as *e-learning* and *b-learning*, driving innovation in these areas. In 2018, the Committee included representatives from the business areas of markets in Portugal, Angola, Algeria and Brazil.

In line with the need for the personal and professional development of employees as a prioritised way of responding to the many, diverse, demanding and complex challenges they face in an economy that is increasingly global, competitive and technological, in 2018 the companies included in the consolidation perimeter of Teixeira Duarte, S.A. carried out qualifying activities (hereinafter activities) that included 42,385 trainees and totalled 155,117 hours of recorded training volume. When compared to 2017, this represents an 8% decrease, offset by the increase in the number of trainees, which stood at 2%.

The main indicators related to the Professional Qualification of employees, by market and activity sector, are presented below. It should be noted that, in order to account for these indicators in 2018, the Teixeira Duarte Group started to consider the market where the employee is located, regardless of the location of the company with which the employee is associated. This criteria was also reflected in the accounting for 2017.



TDHotels Employee Training  
ANGOLA

	Corporate		Concessions and Services				Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
	Area	Construction	FM and Environment	Education								
Portugal	147	4,860	471		66	191	32	23		5,790	7,921	
Angola	143	4,348	3,962	224	283	5,268	8,276	1,648		24,152	26,550	
Algeria	2	2,721								2,723	1,236	
Brazil	150	7,226	42		193					7,611	2,988	
Spain	33	40	572							645	829	
Mozambique	28	312	128			985				1,453	1,941	
Other Markets		11								11	7	
<b>Total</b>	<b>503</b>	<b>19,518</b>	<b>5,175</b>	<b>224</b>	<b>542</b>	<b>6,444</b>	<b>8,308</b>	<b>1,671</b>		<b>42,385</b>	<b>41,472</b>	

No. of trainees involved in qualification activities in 2018

	Corporate		Concessions and Services				Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
	Area	Construction	FM and Environment	Education								
Portugal	1,351	37,744	2,277		2,918	839	1,210	292		46,631	66,730	
Angola	555	9,513	8,092	1,021	1,536	15,639	27,969	9,809		74,134	68,678	
Algeria	10	3,429								3,439	3,195	
Brazil	343	17,438	89		357					18,226	10,093	
Spain	664	298	5,366							6,327	5,930	
Mozambique	73	474	328			5,367				6,241	13,314	
Other Markets		119								119	61	
<b>Total</b>	<b>2,994</b>	<b>69,015</b>	<b>16,151</b>	<b>1,021</b>	<b>4,811</b>	<b>21,845</b>	<b>29,179</b>	<b>10,101</b>		<b>155,117</b>	<b>168,000</b>	

Number of hours of training volume in 2018

	Corporate		Concessions and Services				Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
	Area	Construction	FM and Environment	Education								
Portugal	7,8	32,0	4,3		60,8	5,7	10,6	8,3		21,2	30,9	
Angola	6,9	9,8	28,0	6,7	14,6	22,7	22,1	27,4		19,1	16,7	
Algeria	0,4	2,7								2,6	4,0	
Brazil	5,0	11,3	0,5		14,9					10,0	5,8	
Spain	51,0	3,5	8,8							8,9	10,6	
Mozambique	1,8	1,7	2,6			23,9				9,2	20,9	
Other Markets										0,9	0,5	
<b>Total</b>										<b>14,4</b>	<b>16,4</b>	

Average number of hours of training by year, by employee

In 2018, subsidiary companies carried out a total of 14.4 hours of training for each employee. Particularly positive emphasis should be placed on the performance of activities in Portugal and Angola.

In **Portugal**, activities were run that included 5,790 trainees, totalling 46,631 hours of training volume. 76% of this training volume was the result of activities to acquire technical skills in engineering and civil construction, including in the *on-the-job* context, as well as occupational health, safety and hygiene.



The following should be emphasised regarding the Portuguese market:

- The continuity of activities relating to the acquisition of *Building Information Modelling* (BIM), skills. In May 2018, the 2nd edition of the Portuguese BIM Congress (PTBIM) was held at the Higher Technical Institute, where Teixeira Duarte - Engenharia e Construções, S.A. made its presence felt with the presentation of work done for Hospital da Luz - Oeiras Clinic;
- The course on activities relating to teaching and refreshing knowledge in the sphere of *compliance* with the new General Data Protection Regulation (GDPR) and current management systems, included 329 trainees and totalled 655 hours of training volume, contributing to meeting the inherent requirements and obligations;
- The maintenance of the certification of Teixeira Duarte - Engenharia e Construções, S.A. as a training entity, granted by DGERT - The Directorate General of Employment and Labour Relations.

In **Angola**, the qualifying activities carried out in Teixeira Duarte Group companies throughout 2018 included 24,152 trainees and totalled a training volume of 74,134 recorded hours, 61% of which fell within the perimeter of the technical areas of the businesses.

The Teixeira Duarte Professional Development Centre is still one of the Group's main cornerstones for building a lifelong learning ecosystem for employees in Angola. A majority of qualifying activities run by Group companies on this market are concentrated at this centre.

As very favourable conditions were met for learning, both due to the scope that has been achieved and the educational quality, in 2018 the Angolan Professional Development Centre (PDC) had 7 new qualification courses certified by the National Institute for Employment and Professional Training (INEFOP), developed according to the new Skills Development matrix. With these new courses, in 2018 the PDC exceeded 30 training courses licensed by this entity.

2018 was also a year of consolidation of new learning methodologies in Angola, specifically through *e-learning* platforms, through which knowledge is assessed at the end of the sessions. *Assessment centre* initiatives were also run by different Group businesses, with the aim of assessing the knowledge, competences and skills of the candidates to be recruited, in order to enable more rigorous selection of future employees.

In the areas of employability, professional qualification and social responsibility of the Group in Angola, the **"Go Fishing" Project** was continued. This project provided activities that qualified 64 participants, meaning that 364 young people have graduated since this project began, 6 years ago. Emphasis should be placed on the diversity of subjects taught during this program, with the participation of 88 trainers from various specialities.

## THE TEIXEIRA DUARTE PROFESSIONAL DEVELOPMENT CENTRE



Approximately 1,500m<sup>2</sup> of constructed area.

6 rooms for theoretical training.

1 computer room.

2 laboratories (Electricity and Electronics and Civil Engineering).

2 workshops for practical training in the Automotive and Distribution areas.

1 auditorium and a cafeteria with capacity for over 100 people.

With an emphasis on:

7 businesses with training activities: Construction, *Facilities Management*, Education, Real Estate, Hospitality, Distribution and Automotive.

30 training courses certified by INEFOP.

1st Renault Certified centre in Sub-Saharan Africa.

800,000 potential hours of training per year.

HIGHLIGHTED INITIATIVE

# FAZER PESCAR



**Main Sustainable Development Goals**



**Scope**

- Employability
- Professional Qualification
- Social Responsibility

**Addressees**

Young people living in an underprivileged social situation.

**Challenge**

To take advantage of resources and instruments focused on the training and professional development of employees of different Teixeira Duarte Group subsidiaries, to train the recipients and to give them the opportunity to make a start in the jobs market.

**Description**

*"Teach a man to fish and you'll feed him for the rest of his life", Lao Tzu*

"Fazer Pescar (Go Fishing)" is an initiative that aims to create opportunities for young people, training them to autonomously become a fundamental part of the development of the community of which they form a part.

A 3.5-month educational programme that includes the components of social integration, corporate integration and integration into the workplace.

Attendance is free and trainees benefit from daily meals, a daily transport allowance, personal accident insurance, uniforms and clothing for individual use, school supplies and regular medical monitoring.

At the end of the course, trainees with positive assessments join companies Group companies in Angola.

**Sectors/Group companies involved**

All sectors operating in Angola.

**Impact**

- 26 editions since 2013 (6 editions in 2018);
- 364 young graduates joined Group companies since 2013;



Maxi Academy  
ANGOLA

In **Algeria** , activities were run in different geographical areas of the country, through internal trainers, which included 2,723 trainees, totalling 3,439 hours of recorded training volume recorded. Compared to the previous year, these results represent an increase of 120% and 8%.

With regard to the areas of activity, emphasis should be placed on the 1,995 hours of training volume on occupational health, safety, hygiene and the environment that was provided. These subjects also included processes for the integration of new employees, contributing to achieving a better reception process and to meeting requirements of various kinds.

In **Brazil**, activities were carried out that included 7,611 trainees, totalling 18,226 recorded hours of training volume, which represent increases of 155% and 81% respectively when compared to 2017.

As regards the areas of activity that were taught, a highlight is 15,596 hours of training volume focusing on the acquisition of skills in the field of occupational health, safety and hygiene, as well as skills related to carrying out professional activity, with *on-the-job* training.

In **Spain** , activities were carried out that included 645 trainees, totalling 6,327 hours of training volume, of which 5,048 were on the areas of occupational health, safety and hygiene, the environment, equipment, languages and IT systems.

Activities were run in **Mozambique** for 1,453 trainees, totaling 6,241 hours of training volume.

Out of this volume, 6,037 hours corresponded to activities in the fields of professionalisation (*on-the-job*), in the specific area of hospitality, as well as the areas of occupational health, safety and hygiene.

**SOCIO-ECONOMIC PERFORMANCE**

The activities of Teixeira Duarte Group's subsidiaries, regardless of the sector in which they are active, have an impact on the socio-economic development of the places where they operate.

In order to enhance these positive impacts and, on the other hand, to mitigate the negative ones, the Group promotes a culture of ethics and quality among its subsidiaries, of commitment to local hiring and the development of local subcontractors and suppliers, and of strengthening their technological capabilities and social responsibility, particularly in developing countries, which contributes to the sustainable development of communities.

**Combating corruption and bribery, money laundering and terrorism financing**

Corruption and bribery are inherent risks of all economic activities. The tool that guides the management of the Group's subsidiaries in this area is the *compliance* program. This aims to establish and implement a set of measures and procedures based on the *Compliance* Policy, the Code of Ethics and Conduct and the Mission and Values of Teixeira Duarte, with a view to more effectively ensuring and showing compliance with the law and internal regulations, contributing to a climate of integrity and ethical culture during the course of the activities of Teixeira Duarte Group companies.

The *compliance* system provides for risk assessment processes and financial and non-financial internal control procedures, which include preliminary investigations of third parties and staff members with high levels of responsibility, an Ethics Channel to which all employees and third parties must report any irreg-

**The Teixeira Duarte Ethics Channel can receive complaints through:**

- Correspondence addressed to the company at its respective addresses;
- E-mail message to the address [compliance@teixeiraduarte.pt](mailto:compliance@teixeiraduarte.pt)
- Message sent through the Teixeira Duarte website ([www.teixeiraduarte.com](http://www.teixeiraduarte.com));
- Message sent through the Teixeira Duarte Employee Portal.

ularities that are identified in relation to any external or internal regulations, among other measures.

In the socio-economic field, the performance of subsidiary companies has mainly allowed Teixeira Duarte to contribute to 3 SDGs:



The system also ensures the implementation and assessment of the effectiveness of the Code of Ethics and Conduct, according to which employees must act in order to assess and avoid possible conflict of interest situations, as well as to actively or passively prevent any corrupt behaviour, including facilitation payments or gifts, or the creation, maintenance or promise of irregular situations or favours.

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.

**Relations with people and organizations affected by the activities of Group companies**

One of the relevant measures in 2018 in terms of the management of relations with people and organisations was the implementation of Personal Data Protection Management Systems (PDMS) in the Group's subsidiaries, involving the development

of a set of procedures and practices aimed at defending privacy and the rights and freedoms of personal data subjects and demonstrating compliance with the provisions of the General Data Protection Regulation (GDPR). In 2019, the PDMSs will be subject to independent audits in order to assess their effectiveness, robustness, adequacy and compliance, based on the requirements of internationally accepted standards on privacy/data protection management systems and legal data protection requirements (GDPR).

**a) Clients**

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.

Markets in which Teixeira Duarte Group companies have, on 31 December 2018, implemented Quality Management Systems (ISO 9001):

- **Construction:** Portugal, Algeria, Brazil and Mozambique;
- **Concessions and services:** Portugal, Spain and Mozambique;
- **Real estate:** Portugal;
- **Distribution:** Angola.

**b) Partners, suppliers and subcontractors**

**CND - Companhia Nacional de Distribuição, Lda, in Angola, was the first food retail company in this country to implement a quality management system, certified according to ISO 9001.**

In Portugal, Teixeira Duarte - Engenharia e Construções, S.A., in compliance with the SA 8000 Standard, promotes respect for labour rights and safe and healthy working environments for all workers, and among suppliers and contractors, by demanding compliance with social responsibility requirements, with an emphasis on the following:

- Not using or supporting the use of child labour, or forced or compulsory labour;
- Providing a safe and healthy environment for doing work;
- Not hindering freedom of association and the right to collective bargaining;

- Not engaging in or supporting discriminatory acts in any form;
- Not practising or supporting the harsh or inhuman disciplinary practices;
- Acting in compliance with applicable laws and standards of the respective area of activity, in matters relating to working hours;
- Remuneration considered adequate for the work effectively performed, always with respect for legal stipulations.

Based on the geographical area in which the supplier operates, the type of activity it carries out and the Company's ability to influence it, the potential social risk of suppliers is assessed in relation to the expected risk, and the cases of greatest risk are monitored. 10 monitoring activities were carried out in Portugal between 2017 and 2018, among 450 companies with which Teixeira Duarte - Engenharia e Construções, S.A. maintains supply relationships.

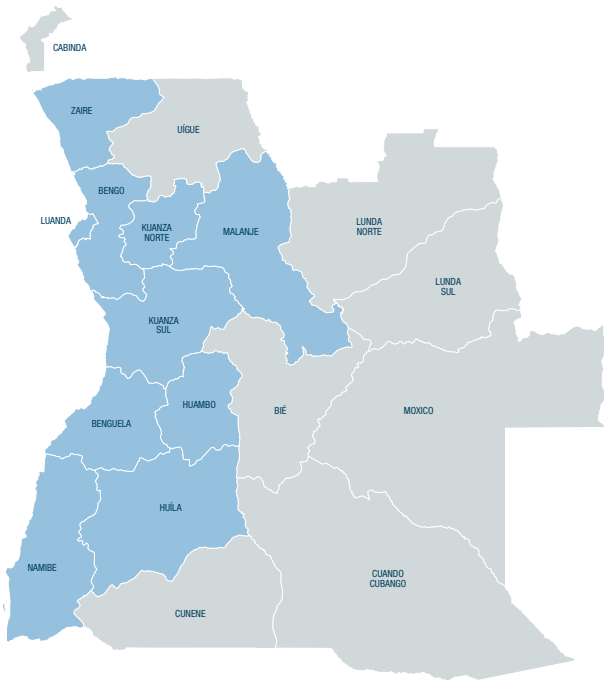
In the particular case of subcontractors, Group companies in the construction business have put specific mandatory contractual provisions in place, in addition to legal provisions, in the areas of occupational health, safety and hygiene, including occupational accident insurance, personal protective equipment, accident rates, training and information, and the prevention and control of alcoholism, among other areas.

Within the scope of the implementation of the Personal Data Management Systems, procedures were also defined to ensure the privacy and rights of personal data subjects in relationships with partners, suppliers and subcontractors, whenever these relationships could involve the processing of personal data.

In the Distribution sector in Angola, the subsidiary CND has, since 2012, had a programme - "Fazenda Maxi" (Maxi Farm) - aimed at supporting agricultural and livestock production activities, job creation and entrepreneurship, and encouraging the formalisation and growth of micro, small and medium-sized enterprises. Through "Fazenda Maxi", CND establishes partnerships with national producers, supports them and ensures that their production is purchased and distributed, which making safe and high quality produce available to the population in its stores.

In 2018, the Fazenda Maxi Program maintained a network of 35 associate producers in 10 provinces. Despite the adverse economic situation in the country, the quantity of products acquired by CND increased in comparison with the previous year.

The "Fazenda Maxi" program, which was originally agricultural in nature, is now an agricultural and cattle rearing program that



Geographical location of producers associated with "Fazenda Maxi" as of December 31, 2018

brings together a community of experienced and independent farmers, in which automation and mechanisation of production will be the next step.

Emphasis should also be placed on the fact that a project has been designed in the agro-industry area, with CND signing an investment contract with UTAIP (Technical Unit to Support Private Investment). With the agro-industry activity, producers associated with "Maxi Farm" will now include cereals and vegetables in their farms' production calendar, allowing for an increase in the production areas worked on and developed by the new area that forms part of the "Fazenda Maxi" program.

In coordination with the Governor of Kwanza Sul Province, the Administration of the Wako Kungo Municipality has already allocated a plot of land, with an area of 10 ha, for the installation of an Industrial Pole where 3 production units are planned for (1) drying and storing cereals and vegetables; (2) milling and (3) selection and packaging of dried cereals and vegetables.

The objectives of the agro-industry component of the "Maxi Farm" program are the same principles as those that led to the creation of this program in 2012:

- Increased national production;
- Reduced dependence on imports: at cruising speed, it is estimated that every 1 USD invested in the implementation of this project will save at least 4 USD on imports of products into Angola;
- Reduction and stabilization of prices in the food sector;
- Offering the population food safety and high quality products;
- Development of local economies;
- Job creation, contributing to the development of the rural micro-economy.

In a first stage, yellow corn grains, yellow cornmeal and bran will be produced for the livestock industry, and beans for the food retail industry.

The agro-industrial pole project foresees growth over 5 years of about 500 permanent jobs, this increase being related to the increases in production areas and production volume in tonnes.



HIGHLIGHTED INITIATIVE

# MAXI FARM



### Main Sustainable Development Goals



### Scope

- Employability
- Inclusive economy
- Quality and Food Safety
- Professional Qualification
- Responsible practices in the value chain

### Addressees

Agricultural producers, with an emphasis on small and medium sized producers.

Consumers in general.

### Challenge

Reduce the difficulties in obtaining high quality agricultural produce for CND's food retail business, at prices accessible to all, in a consistent and sustainable manner, taking advantage of its resources and instruments focused on the training and professional development of workers directly and indirectly related to

this activity.

### Description

Program created in 2012 and promoted by CND through its "Maxi" brand, which establishes partnerships with producers, with the aim of developing national production and making the best national agricultural products accessible to the entire population.

"Fazenda Maxi" gives producers the assurance that products are sent to Maxi stores, by collecting them and transporting them. It also provides technical advice throughout the production process, and specialised training activities with a view to improve the quality and regularity of their production.

The savings obtained by shortening the distribution chain are passed on to the end customer.

Within the scope of this program, CND ensures the technical monitoring of producers, supplies, logistics and quality and food safety of products, by allocating to the program a fleet of refrigerated vehicles with a capacity of 8 tonnes, specially developed transport boxes and the operational support of its central structure, including the company's modern distribution centre located in Morro Bento.

### Sectors/Group companies involved

Distribution Sector in Angola.

### Impact

- 14,700 tonnes purchased from producers in 5 years;
- 12% average annual growth rate in production;
- Represents 70% of the volume of the Fruit & Vegetables category in "Maxi" stores;
- Decrease in the rate of imports in the Fruit & Vegetables category of "Maxi" stores from 65% in 2011 to 15% in 2018;
- 42% of purchases are made from small and medium-sized producers;
- 5,550 permanent and seasonal jobs on average per year;
- 46 different products produced;
- Transfer of knowledge and know-how;
- Strengthening of the technical capacities of producers to make progress towards more sustainable production patterns;
- Professional development of small agricultural entrepreneurs;
- Job creation;
- Increased economic well-being of families and the resulting promotion of their settlement in rural areas;
- More diversified and high quality supply of national products.

Also in terms of support to local suppliers, in 2018 emphasis should be placed on the launch of another initiative by CND, a distribution sector company forming part of the Teixeira Duarte Group in Angola. Through the “Dakaza” retail brand specialising in furniture and decoration, CND established partnerships with

Angolan artists and craftsmen and promoted contact between them and individual customers, by exhibiting, promoting and enhancing their articles in the brand’s stores and other communication channels. 10 creators participated in this first year of the initiative, and around 1,700 articles have been sold.

**HIGHLIGHTED INITIATIVE**

**RAÍZES PROGRAM**



**Main Sustainable Development Goals**



**Scope**

- Strengthening national cultural identity
- Entrepreneurship
- Inclusive economy

**Addressees**

Artists and small and medium-sized national craftspeople.  
Consumers in general.

**Challenge**

To boost the unique factors of CND’s specialised retail business by including locally manufactured original articles, integrating national artists and craftspeople into organised retail.

**Description**

Program created in 2018 and promoted by the CND through its “Dakaza” brand, which establishes partnerships with Angolan artists and craftspeople, with the aim of promoting the creativity, innovation and entrepreneurship of national creators.

The “Raízes” Programme makes it possible for Dakaza’s customers to purchase national pieces of art and crafts.

Artisans and craftsmen are given spaces in the brand’s stores to exhibit articles and run demonstrations, and *workshops* with the participation of customers. “Dakaza” also promotes the reputation of creators in addition to selling their articles.

**Sectors/Group companies involved**

Distribution Sector in Angola.

**Impact:**

- 10 artists and their exhibitions in 2018;
- 1,700 items sold;
- 30,000 visitors affected;
- More diversified and high quality supply of national products.



d) Support for communities

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.

Within the scope of support for social projects and social charity organisations, it should be noted that Teixeira Duarte has intended to adopt an institutionalised position through initiatives that are neither exclusive nor centralised in decisions by the Board of Directors, but rather involve all employees in direct actions.

It was with this aim in mind that in 2015 the **TODOS DAMOS (We all Give) Program** was promoted for the first time. This project was designed for companies of this Group and aims to support people through the co-funding of social institutions directly supported by its own employees.

40 applications were accepted in 2018 (involving 37 employees from Portugal, Angola, Brazil and Mozambique). A total of around €37,449.00 was collected from employee donations and

In Portugal, Teixeira Duarte - Engenharia e Construções, S.A. is a **company certified in social responsibility** according to the SA 8000 benchmark.

donations from Teixeira Duarte Group companies, distributed to 35 institutions.

In Angola, Teixeira Duarte Group companies have set up and maintain various community support programmes, particularly in the areas of health promotion ("MaxiSaúde" program), national agro-industrial production ("Fazenda Maxi" program) and the promotion of local culture ("Raízes" program).

The "MaxiSaúde" Program, launched in 2016 by the company CND - Companhia Nacional de Distribuição, Lda, aims to promote the health of Angolans through awareness, prevention, screening and treatment activities in communities in the areas around the "Maxi" stores, with a particular emphasis on schools. In 2018, around 8,000 children were covered through by the program's activities, specifically in the areas of malaria and oral hygiene.



"MaxiHealth" Program - Oral Health Activity  
ANGOLA

HIGHLIGHTED INITIATIVE

# TODOS DAMOS



Main Sustainable Development Goals



Scope

- Social Responsibility

Addressees

Social institutions that support people in markets where Teixeira Duarte Group companies operate.

Challenge

Support social charity projects and institutions through initiatives that involve employees in direct action that is neither exclusive nor centralised in a decision by the Board of Directors.

Description

The TODOS DAMOS (We All Give) Program is a project designed for Teixeira Duarte Group companies that aims to support people through the co-funding of social institutions, directly supported by their own employees.

Applying to TODOS DAMOS gives employees the possibility to strengthen their support to institutions, by adding twice the

amount that they contribute directly to the value of their donations.

Any Group company employee may apply to the Program by indicating a social institution to which he or she wishes to contribute or has already contributed. If the application is accepted, the company with which the employee has his or her professional relationship gives a co-donation to the institutions that he or she decides to support, amounting to twice the amount that the employees intend to donate to them.

The amount that the employee wishes to donate to the institution may be donated directly by them, or the amount can be deducted from their next pay packet.

The TODOS DAMOS Programme for 2018 was run between 1 January and 31 December 2018.

Including employee donations and donations from Teixeira Duarte Group companies, the total budget donated by Teixeira Duarte Group companies to the program in 2018 was €100,000.00.

Sectors/Group companies involved

All companies included in the consolidation perimeter of Teixeira Duarte.

Impact

- 40 applications in 2018;
- 35 institutions supported in Portugal, Angola, Brazil and Mozambique in 2018;
- Including donations from employees and donations Teixeira Duarte Group companies, €37,449.00 was collected in 2018;

**HIGHLIGHTED INITIATIVE**

**MAXISAÚDE**



**Main Sustainable Development Goals**



**Scope**

- Public Health
- Information
- Social Responsibility

**Addressees**

Underprivileged Angolan communities.

Partners.

**Challenge**

To create a positive impact in communities by taking advantage of the human and logistical resources of "Maxi" and the technical capacity of the "Farmácia Popular" network of stores, both belonging to the subsidiary CND.

**Description**

A social responsibility programme created in 2016 and promoted by CND through its "Maxi" and "Farmácia Popular" brands, which operates in underprivileged communities in the areas of influence of these stores, carrying out preventive actions, counselling, screening and treatment of diseases, in addition to running information and awareness activities on eating habits and hygiene, seeking to contribute to improving the quality of life of the target populations.

The main areas of activity of "MaxiSaúde" are malaria - the largest cause of death in Angola -, diabetes, cardiovascular diseases, oral health and healthy eating.

This program is run with the support of voluntary employees of the CND company, with other entities as partners.

**Sectors/Group companies involved**

Distribution Sector in Angola.

**Impact**

- 8,000 people involved in the program in 2018;
- 16,000 people involved in more than 40 activities carried out since the beginning of the program;
- Closer relationships with schools, churches and local communities in general;
- Expansion of partnerships; in 2018, the Girassol Clinic joined for the first time;

## Investigation, Development and Innovation (IDI)

The Teixeira Duarte Group strongly promotes research and innovation, by working with subsidiary companies to create conditions for the adoption of a range of different instruments and infrastructure to enhance the results of this commitment.

In the particular case of companies operating in the construction sector, specifically in Portugal, emphasis should be placed on actions taken by the **Centre for Innovation and Technological Development (CITD)**, the mission of which is to boost RDI activities by identifying matters that could be integrated as RDI projects and that could have a useful effect on an area of activity.

These projects may be developed within the group of subsidiary companies and/or in partnership with national and international Universities and Research Laboratories.

8 RDI projects were submitted to CITD in 2018. Out of these, emphasis should be placed on the recovery of a 2015 project, which in the interim period was re-submitted and approved under the scope of Portugal 2020: **Project SHELTER - Structural Hyper-resisting Element for Life Threatening Earthquake Risk**.

Internally, the project involves the metalwork areas in the development of prototypes, and the Building area in the construction of partial models of masonry buildings of Teixeira Duarte - Engenharia e Construções, S.A. Externally, in addition to the co-sponsor the Higher Technical Institute (HTI), the National Laboratory of Civil Engineering (NLCE) will be involved to carry out tests on earthquake shaking tables, and IADE - European University will be involved in the *design* and architectural integration of the shelter.

The aim of the SHELTER project is to develop an earthquake shelter solution for parts of existing buildings (houses, offices, health centres, tourist apartments, etc.), which can be fully in-

In Portugal, the companies Teixeira Duarte - Engenharia e Construções, EPOS, SOMAFEL and TDGI use an **RDI management system according to the Portuguese Standard 4457**, allowing them to channel all of their knowledge and creativity into innovation in the most efficient way.

egrated individually and autonomously, not involving building structural reinforcement work, resulting in a fast low-cost installation.

### a) Intellectual Property

In order to guarantee the protection of all intellectual property rights generated by RDI activities, as well as to build up a *portfolio* of inventions, Teixeira Duarte - Engenharia e Construções, S.A. has been granted several patents in Portugal, among which the following stand out:

- An incrementally progressing bridge and/or viaduct deck assembly system, resting on the temporary support beams on the abutment and sliding on plastic material;
- A method for protecting the attachment of rubber gutters to the expansion joints of bridges/viaducts and their assembly;
- Scaffolding suspended by funicular cables of a suspended bridge, fitted with equipment to allow it to move between the brackets on the hanging cables of the aforementioned bridge;

No new invention patents were submitted for registration during the 2018 financial year.

With regard to brands, the Teixeira Duarte Group has a vast number of **protected trademarks** for exclusive use in several countries. Since 2017, these companies have amassed over 500 trademarks.

	Corporate Area	Construction	Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2018	Total 2017
			FM and Environment	Education						
Portugal	2	2	8		55	8	27	1	103	98
Angola	8	7	2	1	37	3	160	68	286	282
Algeria	1	1	1			1			4	4
Brazil		4	1		22	17	8		52	52
Spain									0	0
Mozambique	8	6	2		6	3	2		27	27
Other Markets	20	8	2		8	1	7		46	46
<b>Total</b>	<b>39</b>	<b>28</b>	<b>16</b>	<b>1</b>	<b>128</b>	<b>33</b>	<b>204</b>	<b>69</b>	<b>518</b>	<b>509</b>

Trademark registration processes completed and in progress on 31 December 2018

**b) Contribution to the regulatory activity of the Construction sector**

Standardisation is a means of setting the group apart competitively, favouring companies that carry out their activities in lines with sector rules and national and international standards, to the detriment of companies operating in other ways.

In the regulatory environment, emphasis should be placed on the participation of Teixeira Duarte - Engenharia e Construções, S.A. in the *European Federation of Foundation Contractors (EFFC)* and *CO2 Foundations - Geotechnical Carbon Calculator* working groups, aimed at calculating the carbon footprint of geotechnical works, as well as in the *Technical Working Group (TWG)*, aimed at cooperation and the development of guidelines and standards for the execution of geotechnical works.

Teixeira Duarte - Engenharia e Construções, S.A. also participates in the standardisation activities of the Portuguese Standardisation Technical Committee CT156 - Geotechnics in Civil Engineering, chairing the SC10 subcommittee, a technical body that aims to issue opinions on legislation and translate CEN European standards in the field of Testing of Geotechnical Structures and the Execution of Special Geotechnical Works. It also forms part of the WG3 work group of the ISO Technical Committee TC182, responsible for preparing the ISO 22477-5 standard Geotechnical investigation and testing - Testing of geotechnical structures - Part 5: Testing of grouted anchors, the final text of which was published in August 2018.

**c) Partnerships with scientific and technological system entities in the Construction sector**

In awareness of its active role in the innovation and technological development of its own sector, Teixeira Duarte - Engenharia e Construções, S.A. carries out RDI activities in partnership with scientific and technological system institutions and with other similar companies.

Main partnerships in Portugal:

**PTPC - Portuguese Technological Platform for Construction**

PTPC brings together companies, designers, universities and other entities of the National Scientific and Technological System (NSTS) and public entities, with the mission of promoting reflection on the Construction sector, implementing Research, Development and Innovation initiatives and projects, contributing to increasing competitiveness in the general framework of

**Teixeira Duarte - Engenharia e Construções, S.A. has held the Presidency of PTPC since the date that it was set up (2011).**

the economy and promoting cooperation between companies, NSTS entities, associations, federations, confederations and public or private entities, from the construction and public works sector or related to it.

In 2016, PTPC was recognised by the Government of Portugal as the managing entity of the AEC Cluster - Architecture, Engineering and Construction.

PTPC has ongoing financed projects that totalled 583 thousand euros in 2018.

**AEC Cluster - Architecture, Engineering and Construction**

The objectives of the AEC Cluster are to act in the economic sector of Architecture, Engineering and Construction and within its effective ranks or value chain, promoting the achievement of high levels of innovation, technological development and competitive capacity, cooperation and networking, and the promotion of the internationalisation of the cluster, specifically through participation in international networks.

**The Portuguese Structures Engineering Association (PSEA), which is the Portuguese group of the International Association for Bridge & Structural Engineering (IABSE)**

Teixeira Duarte - Engenharia e Construções, S.A., through PTPC, participates in this association that aims to develop and promote structural engineering at an international level. It is in charge of the organization of major international congresses and conferences.

Teixeira Duarte - Engenharia e Construções, S.A. has also established protocols with the following entities in the national scientific and technological system: Faculty of Engineering of the University of Porto (FEUP), Higher Technical Institute (IST), the National Civil Engineering Laboratory (LNEC) and Minho University (UM).

Main international partnerships:

**ENCORD - European Network of Construction for Research and Development**

Teixeira Duarte - Engenharia e Construções, S.A. was accepted into ENCORD in 2014. However, due to a change in its statutes, it is considered as a founding member of ENCORD, an association founded in 1989.

ENCORD is the European Commission's (*High Level Group*) for construction innovation and supervises the activity of the *ECTP - European Construction Technology Platform*. Its role includes Technological Foresight, the exchange of experience and best

**Teixeira Duarte - Engenharia e Construções, S.A. is a member of the Strategic Council of ENCORD and participates in the "Foresight" group, among others.**

practices, the definition of European priorities for RDI in construction, justifying the economic return of investments in construction RDI (promoting innovation and European fund-raising).

The largest construction companies in Europe in terms of the promotion of innovation and competitiveness participate in this association.

**ECTP – European Construction Technology Platform**

As Chairman of the PTPC, Teixeira Duarte - Engenharia e Construções, S.A. participates in the *Steering Committee* of the ECTP, in the *Vision Group* and the *Heritage and Regeneration Working Group*. The ECTP is a similar association to the PTPC at a European level.

**ENVIRONMENTAL MANAGEMENT**

The management of environmental aspects within the Teixeira Duarte Group is directly related to the environmental impacts of the activities of its subsidiaries and to the environmental performance of the buildings and infrastructures they construct and often maintain for their customers, specifically in the Construction sector.

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.

Within the scope of the Code of Ethics and Conduct, which extends to all entities within its consolidation perimeter and the scope of management, the Group states environmental preservation and friendliness must be essential principles in the work of employees of subsidiaries. These principles must also be transmitted to the indirect recipients of this instrument.

Given the wide range of activities of these companies, as well as the fact that their best known activity - construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indica-

tors and an appropriate reporting approach to reflect the performance of Group's various activities is partial impaired.

The management of the environmental performance of subsidiary companies has allowed Teixeira Duarte to mainly contribute to 3 SDGs:



**Environmental Management Systems**

The cross-company principles of environmental actions taken by employees of subsidiary companies, enshrined in the Code of Ethics and Conduct, can be seen in several of these companies, through the adoption of environmental management systems that allow the effective management of environmental risks and contribute to the objectives of the areas of activity.

**ISO 14001** is a world benchmark for environmental management systems, and several Teixeira Duarte Group companies use it to support their practices with a view to continuously improving their environmental performance, by incorporating specific processes to identify and manage the main environmental risks.

In 2018, companies in the construction, *Facilities Management* and *Environment (Concessions and Services)* sector had environment management systems certified in accordance with the ISO 14001 benchmark, in the following countries:

- **Construction:** Portugal, Algeria and Brazil; currently being expanded to Angola;
- **Concessions and services:** Portugal and Spain.

In the other Group companies' 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.

**Provisions and financial guarantees for environmental risks**

In the normal course of their activities, Group companies operating in the construction sector and in supplementary areas

are exposed to environmental risks. In this regard, it should be noted that in order to meet 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 totalling a value of €114,300.00.

In Spain, only one company is covered by this legislation, and has taken out a civil liability insurance policy to cover environmental damage.

It is therefore considered that the risk of the occurrence of any environmental damage caused by the activities of these companies is duly covered.

### Energy

With operational efficiency as a focus, particularly within environmentally certified companies, in which efficiency is added to the continuous quest for improved environmental performance, the Teixeira Duarte Group's subsidiary companies have taken action with a view to minimising energy consumption and, consequently, the emission of greenhouse gases.

In this sense, energy rationalisation measures have been implemented to reduce the specific consumption per user inside the permanent facilities of the companies, specifically in offices and operational centres, including raising awareness among employees of the regulated use of energy and best practices to take into account.

In addition, increasingly efficient energy solutions are chosen for projects under development within the scope of real estate activities of Group companies, in order to optimise consumption during the operating phases of the developments.

### Water resources

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

During the course of construction activities carried out by subsidiary companies, water resources can be consumed from various sources - public supply network, groundwater collection, rain collection, tanks supplied from outside and packaged - and this consumption is subject to significant fluctuations depending on the type, quantity and phase of each project.

In construction activities, it is common practice to reuse water for parallel activities such as irrigation/sprinkling dusty surfac-

es, 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. Even so, the majority of the water consumed comes from the supply network.

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.

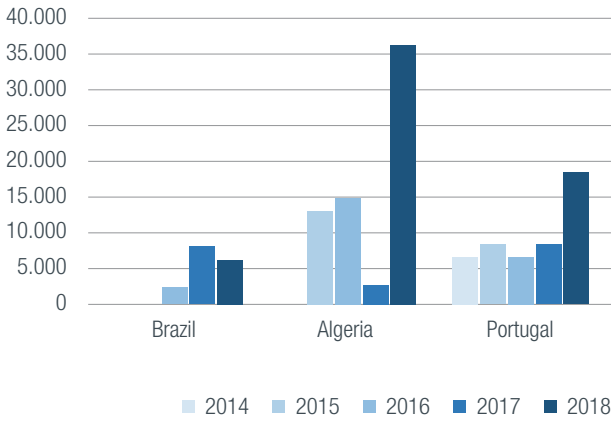
The implementation of best practices and the quest to constantly improve the reduction and reuse of water has led to the implementation of best practices, which include measures for the reuse of water, optimisation of consumption times and actions to raise awareness among employees.

In the projects under development by Group companies in the real estate sector, there is increasingly deep concern for selecting equipment that allow for a reduction in water consumption (e.g. controlled flush toilets, aerators in taps) that provide more efficient consumption during the course of their life cycles.

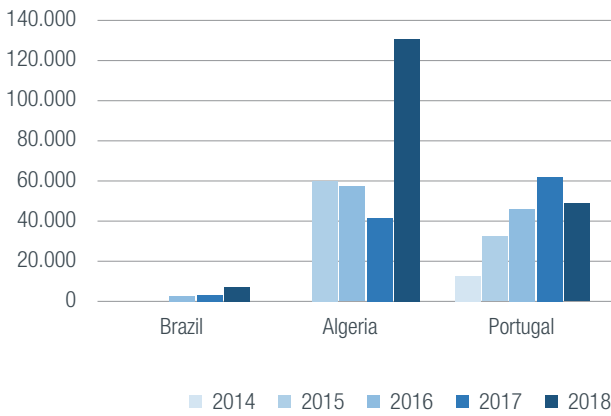
### Consumption of Materials

The consumption of materials in the construction sector is also directly related to the quantity, size and type of projects that are carried out.

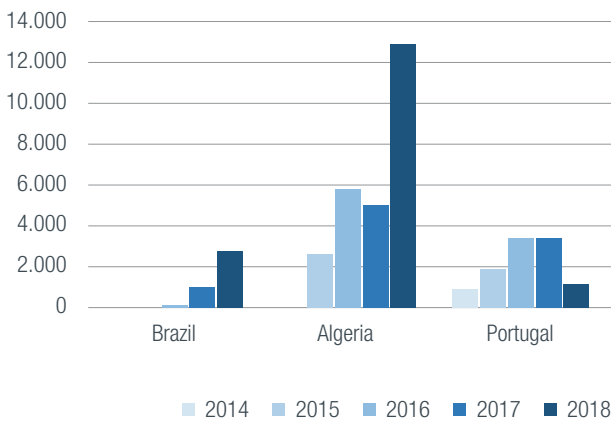
Within the scope of its environmental management systems, Teixeira Duarte - Engenharia e Construções, S.A. has monitored the evolution of the consumption of materials on three markets - Portugal, Algeria and Brazil - showing how changes in activity influence the consumption of raw materials.



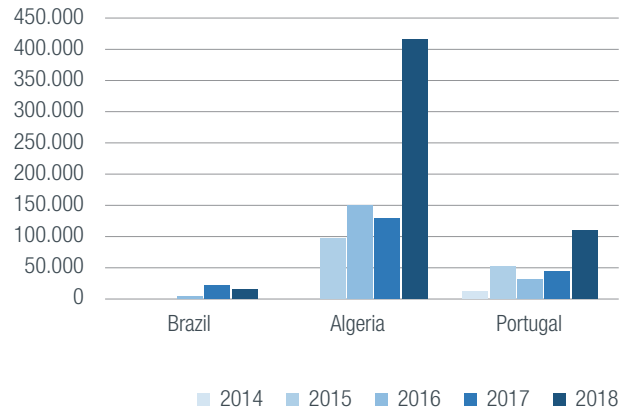
Steel consumption (t), by country, by Teixeira Duarte - Engenharia e Construções, S.A.



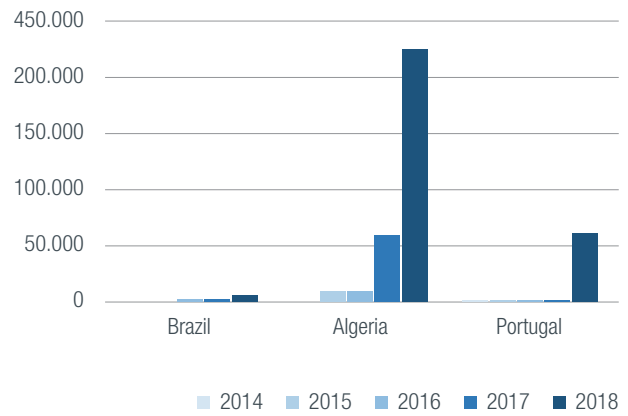
Concrete consumption (m³), by country, by Teixeira Duarte - Engenharia e Construções, S.A.



Cement consumption (t), by country, by Teixeira Duarte - Engenharia e Construções, S.A.



Aggregates consumption (t), by country, by Teixeira Duarte - Engenharia e Construções, S.A.

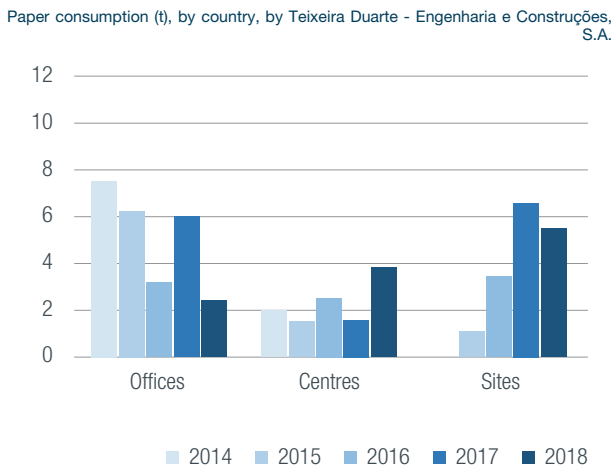
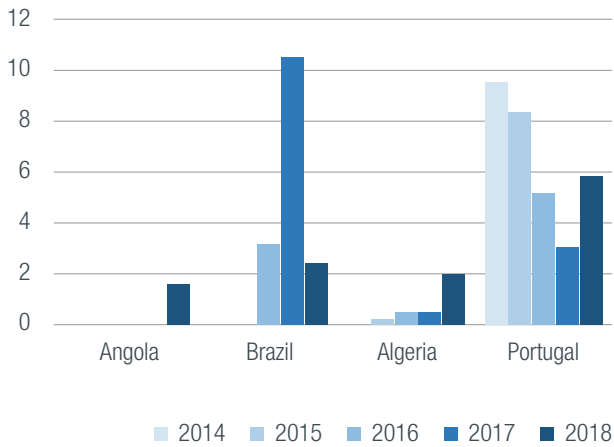


Wood consumption (t), by country, by Teixeira Duarte - Engenharia e Construções, S.A.

In the year under review, emphasis should be placed on the increased consumption of various materials in Algeria, due to the resumption of the company's activities on this market.

Within the overall scope of Teixeira Duarte - Engenharia e Construções, S.A., there was a reduction in paper consumption at its offices and construction sites. This reduction was achieved despite the inclusion of data from Angola, where the implementation of the environmental management system is in expansion this year.





As regards paper consumption, Group companies have continued with a series of measures aimed at reducing paper consumption.

**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.

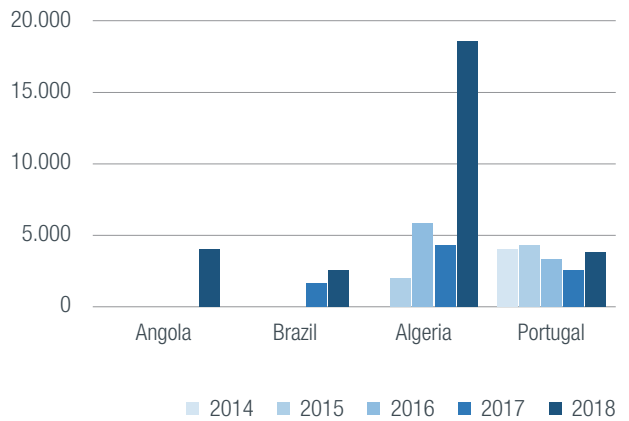
If this is not all possible, a special noise license is requested to carry them out.

Within the scope of real estate activity, there is 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.

**Emissions**

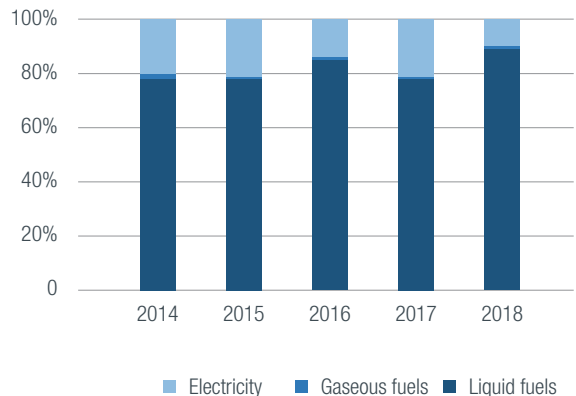
Both at offices and operational facilities, Teixeira Duarte Group companies work to reduce their ecological footprint by reducing CO2 emissions inherent to their activities.

Within the scope of the environmental management systems of Teixeira Duarte - Engenharia e Construções, S.A., the collection of CO2e emissions data from two major sources began in 2018: travel while working for the Company (plane, train and car) and energy consumption (electricity, gas and liquid fuels).



Total emissions by country of companies included in the certification perimeter of Teixeira Duarte - Engenharia e Construções, S.A.

The energy source with the greatest weight in emissions produced by Teixeira Duarte - Engenharia e Construções, S.A. is liquid fossil fuel, used to carry out the projects.



Total emissions by energy source type by companies included in the certification perimeter of Teixeira Duarte - Engenharia e Construções, S.A.

To address CO2e emissions from transport used by the occupants of its developments, the main commitments by companies in the Teixeira Duarte Group's real estate sector are innovative mobility solutions and dialogue with local authorities.

For example, at Lagoas Park, a business centre built and currently managed by Group companies, several measures were taken in 2018 to promote the adoption of more sustainable mobility solutions by its 6,000 users, including employees of Teixeira Duarte Group companies based in the same *office park*.

These new options include:

- *Car-sharing*: "DriveNow"; in 2017, the "24/7 City by HERTZ" was installed in the park in 2017;
- *Carpooling*: Mobile App "Be Lagoas";
- Shared buses: BusUp;
- Public transport: access to the Lisbon Metropolitan Area multimodal information system through the "Be Lagoas" Mobile App;

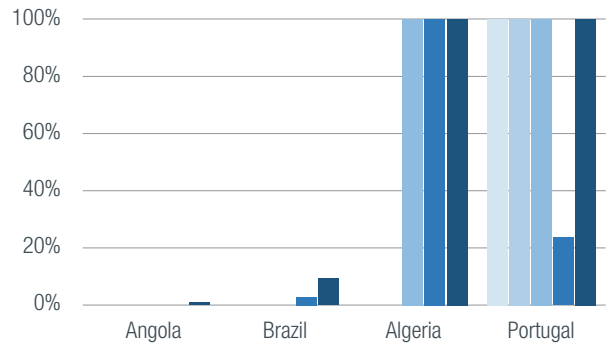


**Waste**

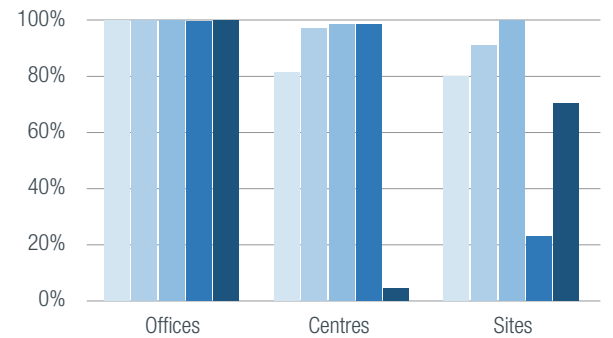
Waste production is one of the most significant environmental aspects in the Construction sector. The companies of the Teixeira Duarte Group has run awareness and training campaigns in recent years, with the aim of promoting waste segregation and its consequential recovery. These campaigns are not only 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.

Within the certified perimeter of Teixeira Duarte - Engenharia e Construções, S.A., the evolution of the percentage of recycled waste is shown on the following graphs.



Percentage of recycled waste, by country, by companies included in the certification perimeter of Teixeira Duarte - Engenharia e Construções, S.A.



Percentage of recycled waste by type of establishment, by the companies included in the certification perimeter of Teixeira Duarte - Engenharia e Construções, S.A.

It should be noted that the significant decrease in the rate of waste recycling in Portugal and on construction sites, in 2017, was mainly due to a major project, where, in accordance with

the legislation, it was not possible to recover a significant part of the soil. Excluding this work, waste recycling would have stood at 83%.

Similarly, the significant decrease in the waste recycling rate in 2018 at Teixeira Duarte - Engenharia e Construções, S.A. centres and sites, was caused by starting to include data from Angola, where waste recycling solution are currently in their development phase.

**Sustainable cities**

More than half of the world's population now lives in urban areas, so it is essential to find strategies to enable them to continue to grow by providing greater social progress, while at the same time ensuring a reduction in pollution and the sustainable use of natural resources.

In awareness of this global challenge, the Teixeira Duarte Group's subsidiaries, particularly companies involved in construction, *Facilities Management* and Real Estate, cooperate with local communities, local authorities and other *stakeholders* to identify ways of managing the social and environmental challenges of cities.

**Environmental research partnerships**

As a member of the *European Federation of Foundation Contractors* (EFFC), Teixeira Duarte - Engenharia e Construções, S.A. participated in this association’s working groups to create a tool to calculate the CO2 emissions from foundations and geotechnical work. The *CO2 Foundations - Geotechnical Carbon Calculator* is the first standardised tool to calculate CO2 emissions from these types of works. The calculator allows a comparison of different technical approaches to the same project, predicting their respective CO2 emissions. In addition, it can be used throughout the development of a project to compare actual and planned performance.

## PORTUGAL

### Head Offices

Lagoas Park, Edifício 2  
2740-265 Porto Salvo  
Phone.: (+351) 217 912 300  
Fax: (+351) 217 941 120  
Email: geral@teixeiraduarte.pt  
Site: www.teixeiraduarte.com

Polo Operacional Teixeira Duarte  
Av. da Indústria, 540  
2870-635 Alto do Estanqueiro - Jardim - Montijo  
Phone: (+351) 219 948 000  
Fax: (+351) 210 096 888

Rua das Pretas, 4 - 4º Dto.  
9000-049 Funchal - Madeira  
Phone: (+351) 291 206 930

Edifício Tower Plaza  
Rotunda Engº Edgar Cardoso, nº 23 - Piso 8  
4400-676 Vila Nova de Gaia  
Phone: (+351) 226 166 180  
Fax: (+351) 226 104 297

## SOUTH AFRICA

GLOBAL NET DISTRIBUTORS (PTY) LTD  
Office 08-09 15th Floor Sandton The Forum, Sandton  
Maude Street - Sandton 2196 - Johannesburg  
(+27) 711615033  
(+27) 823760615

## ANGOLA

Avenida Pedro de Castro Van-Dúnem Loy  
Baixo Morro Bento (Maxipark)  
Edifício Teixeira Duarte, 387 - Luanda  
Phone: (+244) 222 641 500  
Fax: (+244) 222 641 560

Polo Operacional Teixeira Duarte  
Rua S/N, Zona Industrial Polo Operacional  
de Viana - Edifício Central  
Viana - Luanda

## ALGERIA

08 Route Ben Aknoun - El Biar  
16030 Alger  
Phone: +213 (0) 21 92 74 33  
Fax: +213 (0) 21 92 74 36

## BELGIUM

TDGI, S.A.  
Avenue Jean Monnet, 1  
1348 LOUVAIN-LA-NEUVE  
Phone: (+32) 2 318 38 04  
Fax: (+32) 2 318 38 03

## BRAZIL

Rua Iguatemi, 448 - 10º Andar  
CEP 01451 - 010  
Itaim Bibi - São Paulo  
Phone: (+55) 112 144 57 00  
Fax: (+55) 112 144 57 04

Rua Vieira de Moraes, 1111 - 6º andar  
Campo Belo - Conj. 601  
CEP 04617-014 São Paulo  
Phone: (+55) 113 073 13 03

EMPA - Serviços de Engenharia, S.A.  
Rua Paraíba, 1000 - 12º Andar-Parte  
Bairro Savassi, CEP 30130-145  
Belo Horizonte - MG  
Phone: (+55) 313 311 47 88  
Fax: (+55) 313 221 42 56

## CHINA (MACAO)

Avenida Dr. Mário Soares, nº 25  
Edifício Montepio, Ap. 26-28, 3º Andar - Macau  
Phone: (+853) 28 780 288  
Fax: (+853) 28 780 188

## COLOMBIA

Carrera 11, 94-02 - Oficina 201  
Edifício Centro de Negócios Manhattan  
Bogotá  
Phone: (+57) 1 6754530

## ECUADOR

Avenida 12 de Octubre, nº 24-660  
Calle Francisco Salazar, Edifício Concorde, Piso 11  
Quito - Equador

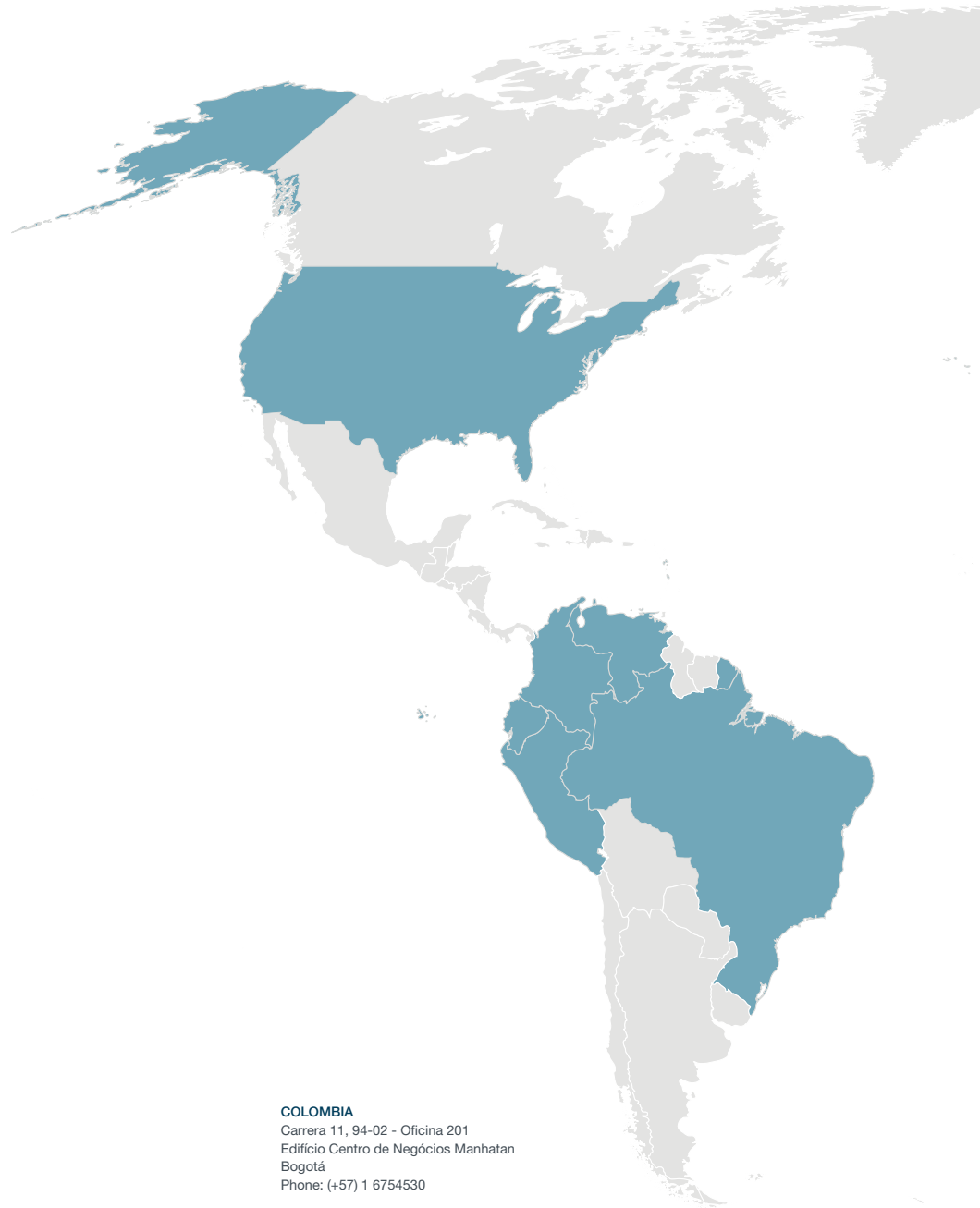
## SPAIN

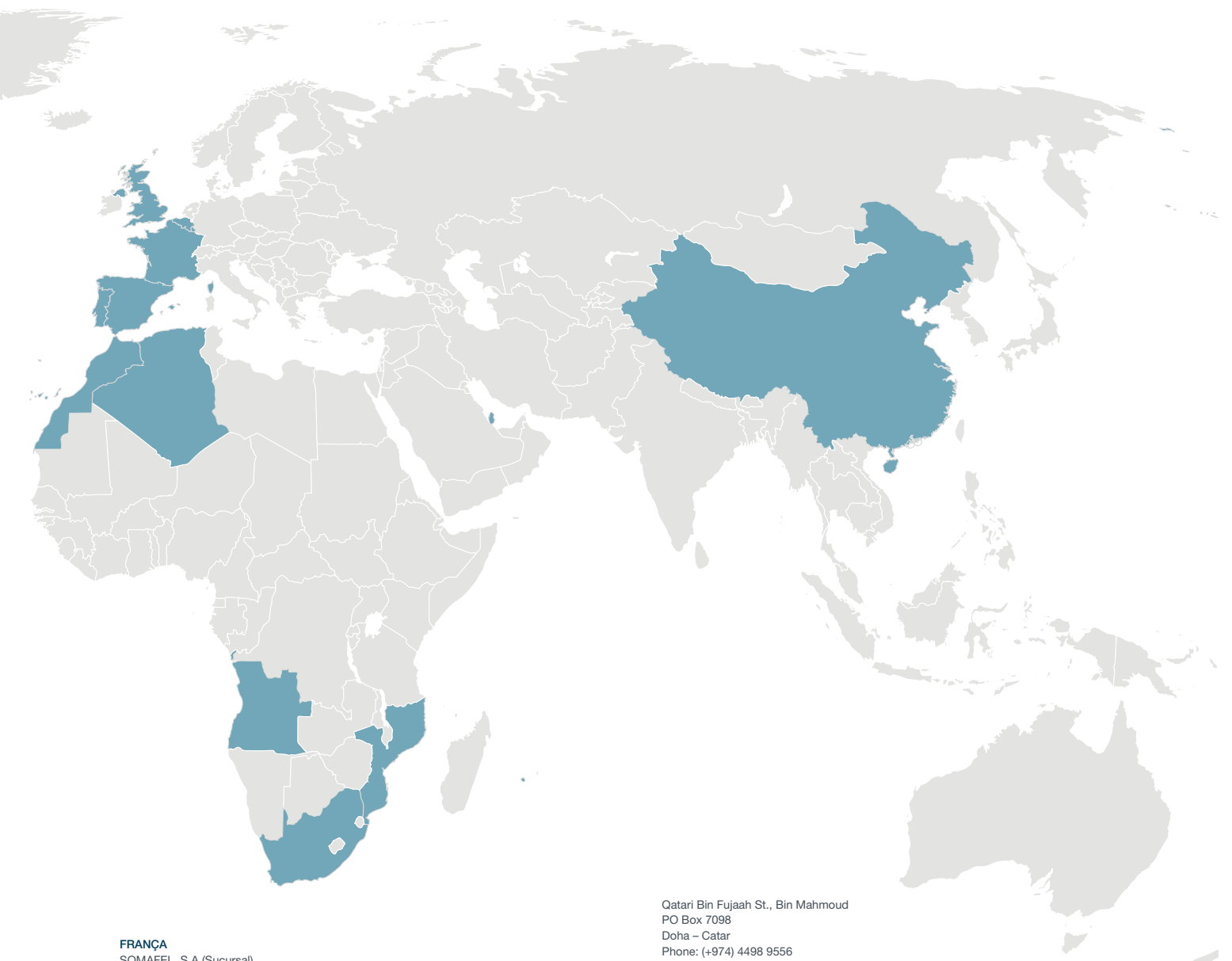
Avenida Alberto Alcocer, nº 24 - 7º C  
28036 Madrid  
Phone: (+34) 915 550 903  
Fax: (+34) 915 972 834

## UNITED STATES OF AMERICA

1030 Salem Road  
Union, NJ 07083

TDRE Investments, LLC  
4100 Spring Valley Rd - Suite 310  
Dallas - TX 75244  
Phone: (+1) 214 253 2553





**FRANÇA**

SOMAFEL, S.A (Sucursal)  
11, Bis, Passage Dartois Bidot  
94100 Saint-Maur des Fosses

**MARROCOS**

SOMAFEL, S.A (Sucursal)  
Angle BD Anfa et Rue Clos de Province,  
N° 2, 6ème Étage, N° 6B  
20040 Casablanca  
Phone: (+212) 223 62 890  
Fax: (+212) 223 62 647

**MOZAMBIQUE**

Avenida Julius Nyerere, 4 - R/C  
Maputo  
Phone: (+258) 214 914 01  
Fax: (+258) 214 914 00

**PERU**

Avenida Javier Prado Este N° 560  
Int.1601  
San Isidro - Lima

**QATAR**

TDGISERV Services WLL  
Al Mana Plaza, 1st Floor, Office 101

Qatari Bin Fujaah St., Bin Mahmoud  
PO Box 7098  
Doha – Catar  
Phone: (+974) 4498 9556

**UNITED KINGDOM**

SOMAFEL - Railway Construction, S.A.  
Davidson House, Forbury Square  
Reading, RG1 3EU  
Phone - (+44) 1189 001440

**VENEZUELA**

Av. Venezuela del Rosal, con Calle Mohedano,  
Torre JWM, frente al BOD, piso 5, El Rosal  
1060 Caracas  
Phone: (+58) 212 951 2012  
Fax: (+58) 212 953 7409

