



**SUSTAINABILITY
REPORT**

2019

Extract from the 2019 Management Report
(Chapter on Non-Financial Information)

SUSTAINABILITY REPORT

2019

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(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 509 234 526 at Cascais (Oeiras) Commercial Register 500 234 526

PRESENTATION OF THE SUSTAINABILITY REPORT 2019

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 2019 financial year in its 2019 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 2019 Management Report, as well as the chapter "The Teixeira Duarte Group in 2019 - 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 2019",



TEIXEIRA DUARTE GROUP IN 2019

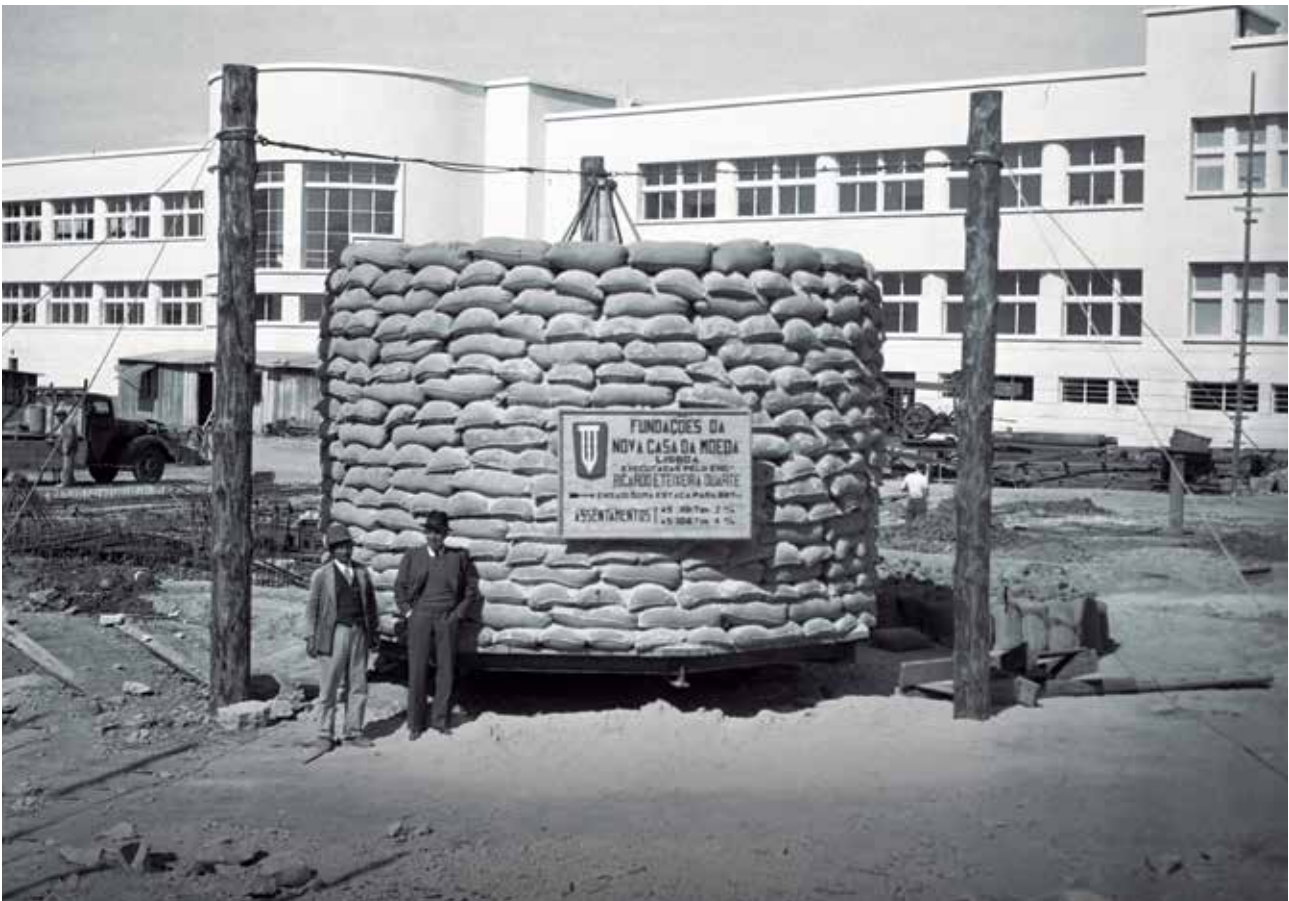
A PORTUGUESE GROUP FOUNDED IN AN ENGINEERING COMPANY

Teixeira Duarte is the identity of a business Group that presents itself through its brand image: a Portuguese Group originally founded as an engineering company. Its engineering roots came

from its founder who, with an entrepreneurial spirit and with support from its human resources and technical equipment, several decades ago expanded the company's activities to other sectors and markets, with a marked identity upheld by all involved over almost one hundred years of business.

The Engineer Ricardo Esquível Teixeira Duarte started the Teixeira Duarte Group's business in 1921. The company, now called "Teixeira Duarte - Engenharia e Construções, S.A.", was also incorporated by him in 1934 before later taking on the role of the Group's parent entity in 2010. It opened up its capital to employees and became a limited liability company in 1987, and was listed on what was then the 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.



PROFILE

**11.000
EMPLOYEES**

**OVER
175 COMPANIES**

ACTIVITY SECTORS

CONSTRUCTION
SINCE 1921

**CONCESSIONS
AND SERVICES**
SINCE 1984

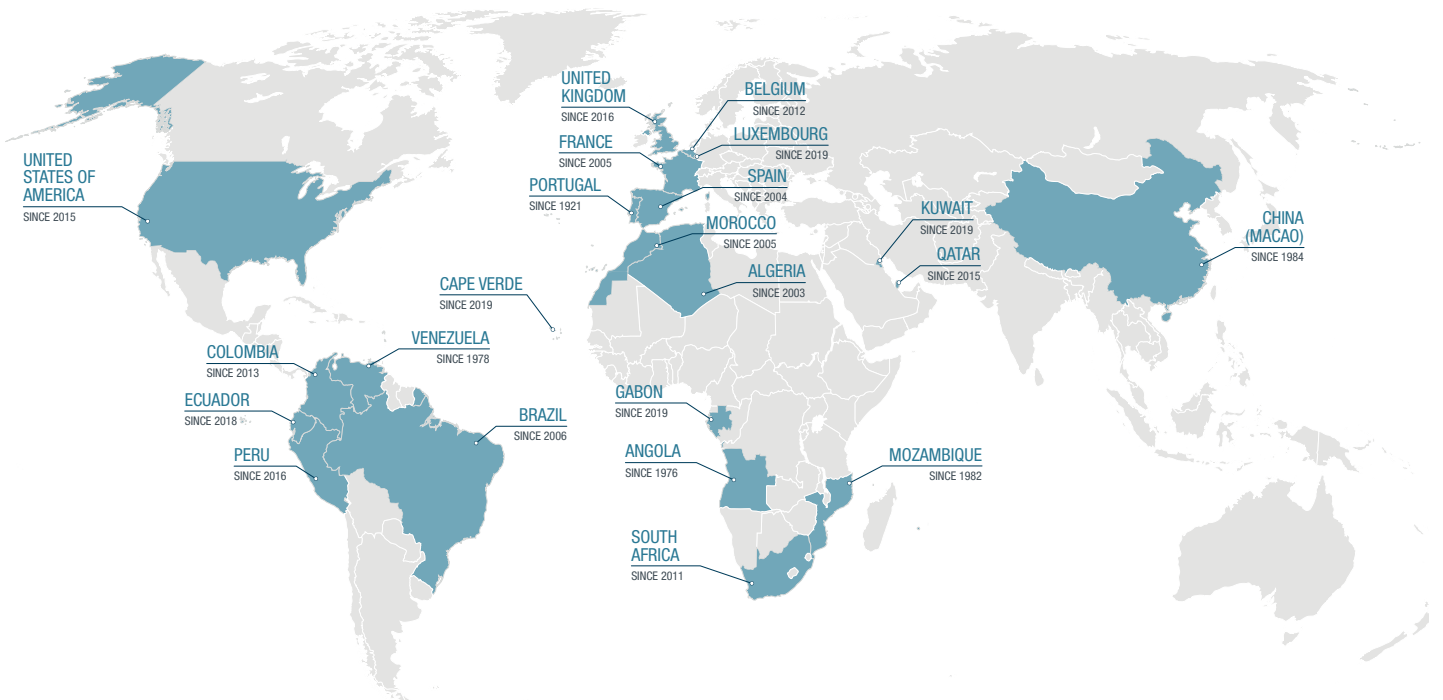
REAL ESTATE
SINCE 1973

HOSPITALITY
SINCE 1992

DISTRIBUTION
SINCE 1996

AUTOMOTIVE
SINCE 1991

**22 COUNTRIES
4 CONTINENTS**



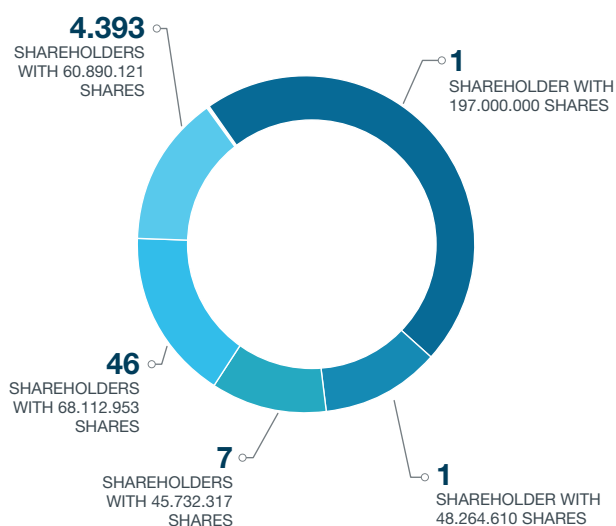


EDP - Carrapatelo Power Plant - Improvement of Navigation Lock Equipment
CARRAPATELO - PORTUGAL

SHAREHOLDERS

"Teixeira Duarte, S.A." has been listed on Euronext Lisbon since 2010 and, since then its majority shareholder has been the Teixeira Duarte family, specifically through "Teixeira Duarte – Sociedade Gestora de Participações Sociais, S.A.".

On December 31, 2019, the capital of "Teixeira Duarte, S.A." was distributed among 4,448 shareholders as follows:



Distribution of shares representing the share capital of TD,SA at the end of the 2019 financial year, distributed to a total of 4,448 shareholders.

CORPORATE MODEL

The top listed company of the Teixeira Duarte Group follows the corporate model commonly known as the one-tier model: it has a single management body (the Board of Directors), currently with five members and (since 2008) two supervisory 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
José Luciano Vaz Marcos
- Vice-Chairman
José Mário Ferreira de Almeida
- Secretary
José Pedro Poiares Cobra Ferreira

Board of Directors:

- Chairman:
Pedro Maria Calainho Teixeira Duarte
- Directors
Manuel Maria Calainho de Azevedo Teixeira Duarte
Carlos Gomes Baptista
Maria da Conceição Maia Teixeira Duarte
Diogo Bebiano Branco de Sá Viana Rebelo

Supervisory Board:

- Chairman:
Óscar Manuel Machado de Figueiredo
- Member
Ana Cristina Louro Ribeiro Doutor Simões
João Salvador dos Santos Matias
- Deputy:
Rui Pedro Ferreira de Almeida

Chartered Accountant:

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

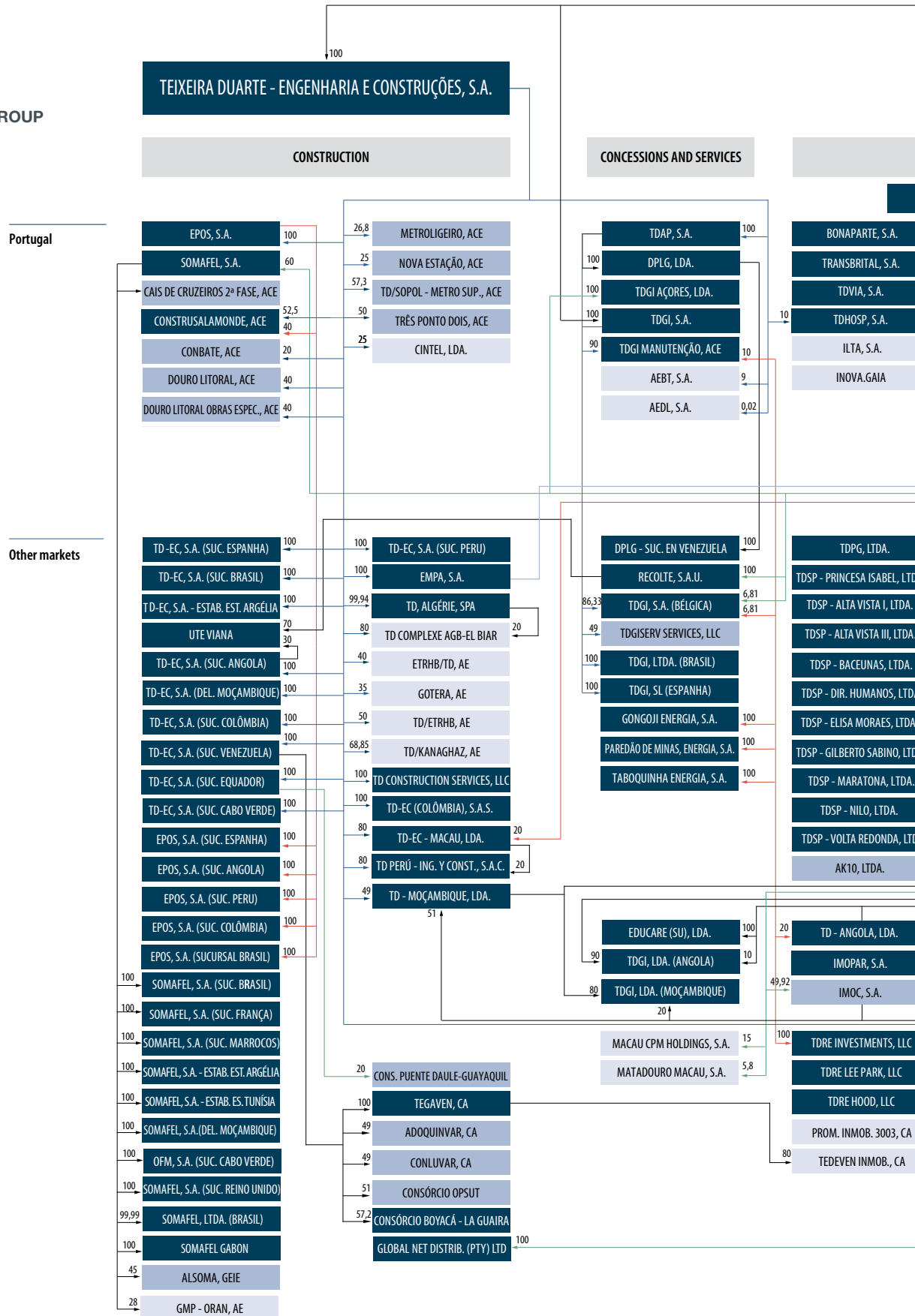
Secretary of the Company:

- Permanent
José Pedro Poiares Cobra Ferreira
- Alternate
Filipe Manuel Cavaco Bismarck

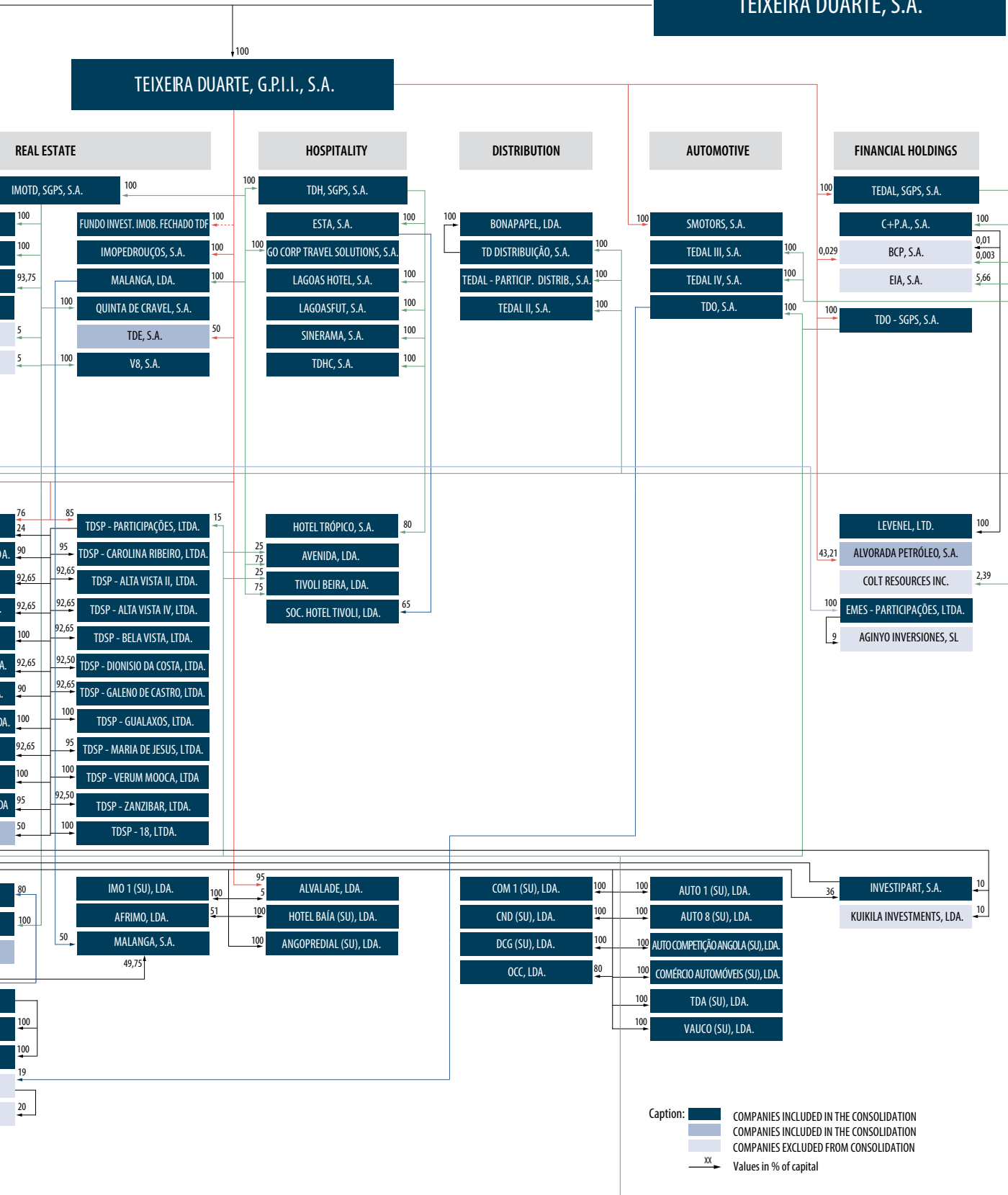
The Market Relations Representative:

José Pedro Poiares Cobra Ferreira

**TEIXEIRA DUARTE GROUP
2019**



TEIXEIRA DUARTE, S.A.



ORGANIZATIONAL MODEL

In addition to the corporate bodies of "Teixeira Duarte, S.A." emphasis should be placed on the Boards of Directors of "Teixeira Duarte - Engenharia e Construções, S.A." and "Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários, S.A.", the former operating in the construction sector and the latter in the Concessions and Services, Real Estate, Hospitality, Distribution and Automotive sectors.

Following on from these are the management bodies of the other entities that form part of the consolidation perimeter of "Teixeira Duarte, S.A." and the organizational structure of "Teixeira Duarte - Engenharia e Construções, S.A." which, as the first company integrated into the Group, carries out its activity in different business areas of the construction sector that all share production resources and are essential for management staff training and career monitoring. This subsidiary also has a group of construction sector specific support structures, particularly the areas of Formwork and Pre-Stressing, Equipment Management, Bid Logistics and a Materials Laboratory.

"Teixeira Duarte – Engenharia e Construções, S.A." 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 of the structures that are most directly linked to the Group's Sectors of Activity, there is a set of structures with special responsibilities for providing intra-group support for all of the actions that are carried out. These structures are known as the Corporate Area.

Thus, there are several outstanding 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, business area and other organizational structures, identified on the following organizational chart below:

TEIXEIRA DUARTE ORGANISATIONAL CHART

CORPORATE AREA

Internal Audit

Mário Faria

Accounting

Alexandre de Jesus
Sérgio Castro

Finance

Sérgio Pereira

Legal

Maria António Ambrósio

Human Resources

Isabel Amador

Corporate Affairs

José Pedro Cobra Ferreira

Sustainability

Erica Torres Silva

Information Technologies

Rui Pedroso
Rui Miranda

ACTIVITY SECTORS

Construction

Geotechnics and Rehabilitation

Marine Works

Hélder Matos
João Pedro Lopes
António Diniz
Pinto Guedes

Projects

Laura Esteves

Buildings

Carlos Timóteo
Fernando Martins
Luís Mendonça
Luís Santos
Carlos Guedes
Luís Carreira
Pedro Nunes
Pedro Ferreira

Teixeira Duarte - Engenharia e Construções, S.A.

Board of Directors

Manuel Maria Teixeira Duarte
Viana de Lemos
Pedro Costa
Sérgio Pereira
Paulo Serradas

Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.

Board of Directors

Manuel Maria Teixeira Duarte
Diogo Rebelo
Viana de Lemos
Luís Vicente
Sérgio Pereira
Rogério Fonseca

Infrastructures

Rosa Saraiva
Gustavo Lebreiro
Amílcar Teresinho

Metalworking

Henrique Nicolau

Underground Works

Dias de Carvalho
Carlos Russo

Railway Works

Rui Costa

Shuttering and Pre-Stressing

Caetano Machado

Supplies

Rosa Almeida

Equipment Management

Rodrigo Ouro

Management and Technology Systems

Innovation

Ivo Rosa
Rita Moura

Proposal's Logistics

Mário Baptista

Concessions and Services

Facilities Management

Rodolfo Valentim
Mariana Coimbra

Education

Diogo Rebelo

Real Estate

Alfredo Silva
Guilherme Silva

Hospitality

Luís Vicente
Cláudia Bazílio

Distribution

Diogo Rebelo
Hugo Santos

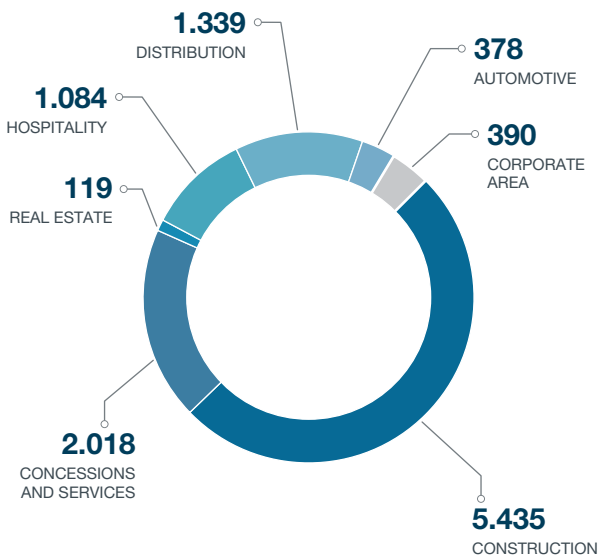
Automotive

Pedro Medo

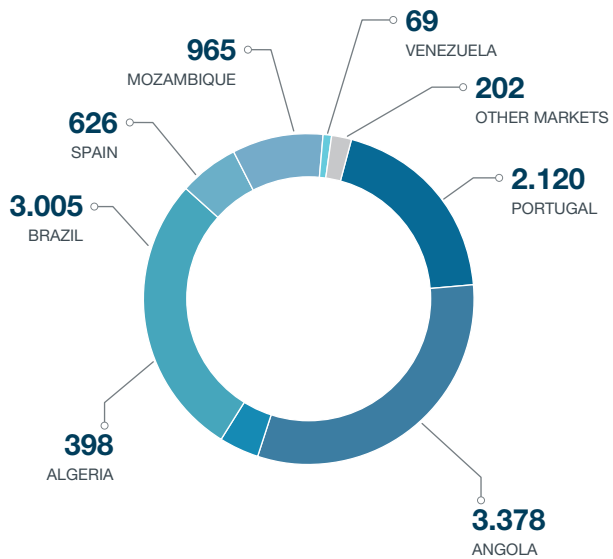
EMPLOYEES

Employees form the central core of activity of all Teixeira Duarte Group companies and are its greatest asset.

At December 31, 2019, the 10,763 employees were distributed among the following sectors and markets:



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 guided by ethics that are 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 fulfillment 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

"Teixeira Duarte, S.A." has implemented a "Teixeira Duarte Group Code of Ethics and Conduct", which has been adopted by the entities that form part of the Group and compliance with which is mandatory by all employees.

This document enshrines and sets out Teixeira Duarte's values and mission, defines the group's ethics and conduct, defines its scope of application and sets out the mandatory (I) General Rules of Conduct aimed at legal compliance, respect for fellow human beings and for the community, respect for the environment and compliance with internal standards; (II) rules of conduct that apply to the relationship between employees and the company; and (III) rules of contact between employees and third parties, specifically public authorities, customers and suppliers and the competition. Its final chapter covers subjects such as independence and cooperation with public authorities, and measures to prevent money laundering, terrorist financing, conflicts of interest and corruption.

In addition to the system for monitoring compliance with the aforementioned Code, there is a *compliance* system at the Group level aimed at safeguarding compliance with regulations that apply to the activity of Teixeira Duarte Group companies, including the aforementioned Code of Ethics.

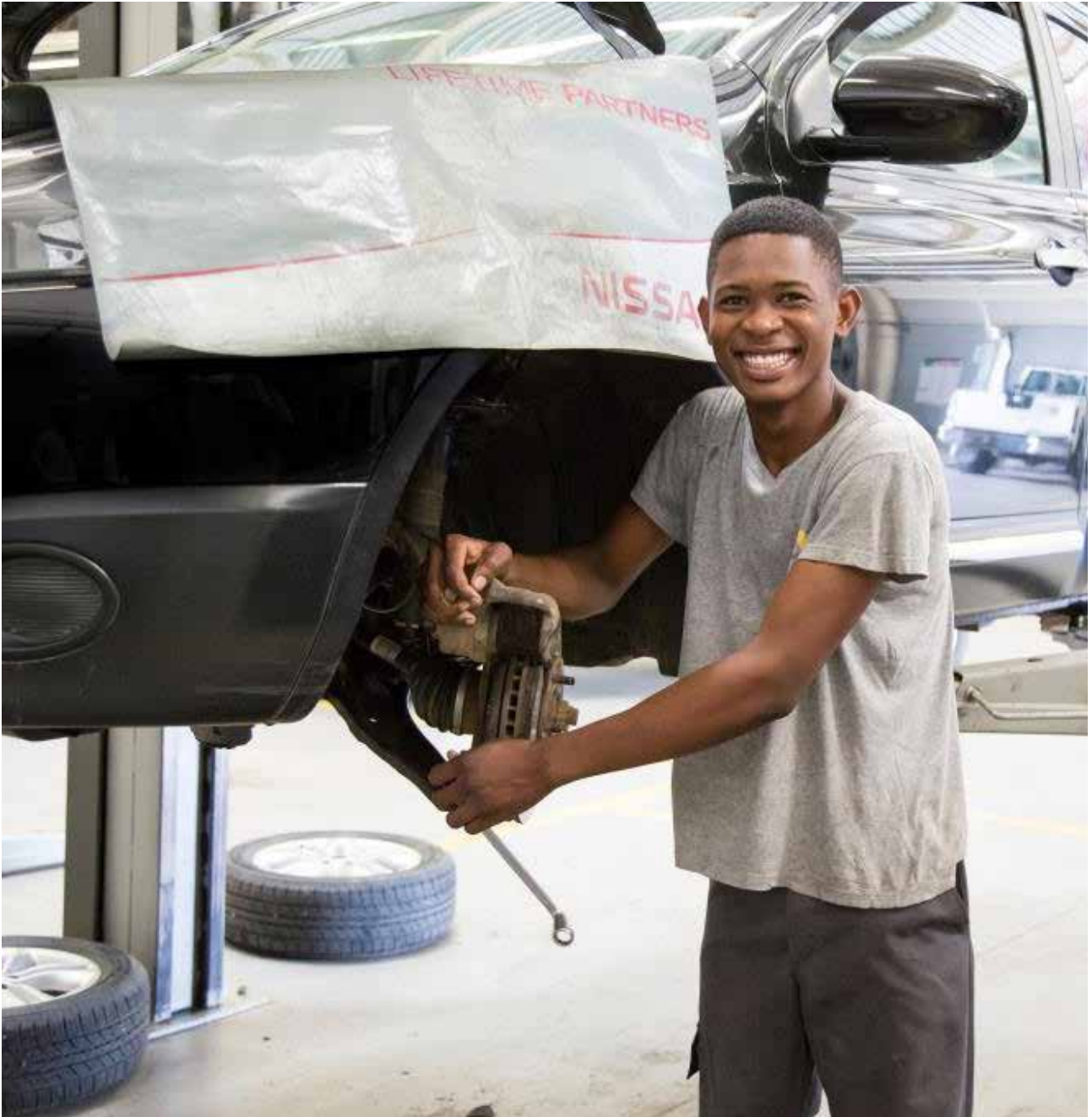


Construction of the New Headquarters of Gulf Bank Algeria
ALGIERS - ALGERIA

Teixeira Duarte

Extract from the 2019 Management Report
(Chapter on Non-Financial Information)

Sustainability Report 2019



The following text corresponds to the entire extract of the chapter on Non-Financial Information included in the 2019 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 2019".

NON-FINANCIAL INFORMATION

SUSTAINABILITY IN THE TEIXEIRA DUARTE GROUP

Sustainability is understood by the Teixeira Duarte Group companies as the result of a way of being and acting with a sense of responsibility. This attitude is reflected in the relationship of its employees with all stakeholders.

In fact, the Group's Mission - To do, contributing to the construction of a better world - and its structuring Values - Ingenuity, Truth and Commitment - reflect a deep-rooted way of acting over several generations, which makes an essential contribution to the effective global sustainability of the subsidiaries from an economic, social and environmental perspectives.

As there is a wide range of sectors of activity in this universe of Teixeira Duarte Group companies, which operate in several countries, the sustainable development of the businesses is ensured by each area of activity, given their proximity to operations and greater effectiveness of their actions.

Each subsidiary thus responds to the sustainable development challenges of its activities, and is guided by the Group with regard to general 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 LOCAL PRIORITIES



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 Organization for Economic Cooperation and Development (OECD), the International Labour Organization (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, in Portugal, is also voluntarily certified to the International Standard SA 8000, showing the organization's commitment to developing, maintaining and applying responsible practices to issues such as slave and child labor, occupational health and safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems.

ETHICS AND CONDUCT

Teixeira Duarte, S.A. has a Code of Ethics and Conduct adopted by each of the Group's entities, which enshrines the intra-group principles of action for all employees of Group companies and, therefore the involvement of Teixeira Duarte, S.A. with stakeholders. It serves to reinforce and develop the Group's mission and values.

The Code is aimed at all Directors, Workers and Other Company Representatives. Furthermore, not only is it the responsibility of all of these employees to know about and grasp the Code, and to implement it within the institution and defend it externally, but also to encourage the application of the respective rules by third parties in the sector, and during the course of relationships that these parties maintain with any Teixeira Duarte Group entities.

In short, according to this Code, all partners of Group companies undertake to comply, defend and ensure compliance - even among indirect subjects - with all legislation and regulations in force in the countries where they operate, including any global or sector agreements and ethical rules specific to each professionals, as well as any and all commitments entered into on a contractual basis.

Sent to all employees globally, the current Code of Ethics and Conduct is available on the website www.teixeiraduarte.com.

SUSTAINABLE DEVELOPMENT GOALS

In 2018, Teixeira Duarte commenced a process to adopt the United Nations Sustainable Development Goals as a global framework to shape, drive and report the Sustainable Development actions of its subsidiaries, as it identified great affinities between its corporate vision of Sustainability and these Goals.

The 17 Sustainable Development Goals (SDGs) were established at a UN Summit in 2015 and unanimously approved by 193 Member States with the aim of creating an ambitious agenda for poverty eradication and global economic, social and environmental development by 2030. Compliance with this plan, known as the 2030 Agenda for Sustainable Development, involves unprecedented joint efforts on a global scale, by all countries and public and private players.

In 2019, Teixeira Duarte Group conducted an evaluation of the impacts of the activities carried out by its subsidiaries on the global priorities and aspirations for 2030 defined in the 17 SDGs. The sectors/business areas operating in on the Angola, Brazil and Portugal markets, responsible for 74% of the Group's operating income, were surveyed and the risks and positive impacts that each one can have in their respective countries with regard to sustainable development topics proposed in the SDGs were analyzed.

Through this evaluation, the Group identified at a local level a number of SDGs that are most relevant. Thus, despite contributing to all SDGs, Teixeira Duarte took on 5 as priorities: SDG 3, SDG 4, SDG 8, SDG 9 and SDG 12.



In 2020, Teixeira Duarte aims to analyze the materiality of the SDGs on the Mozambique market, thus extending this assessment to subsidiaries responsible for 77% of operating income.

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 efficiently with these different groups:

Employees

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 Questions, 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

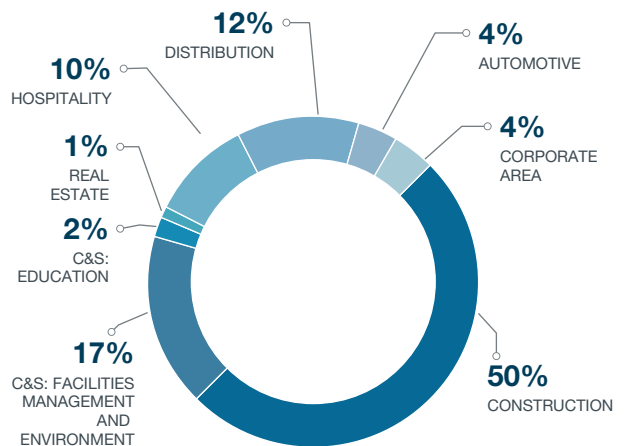
For companies forming part of the Teixeira Duarte Group, employees are the most important asset for carrying out the activities.

Aspects such as employee well-being, which includes the promotion of good hygiene and health and safety conditions, as well as the development of skills and retention of talent, are of great importance in their management and are duly based on a culture of dignified treatment and respect for human and labor rights.

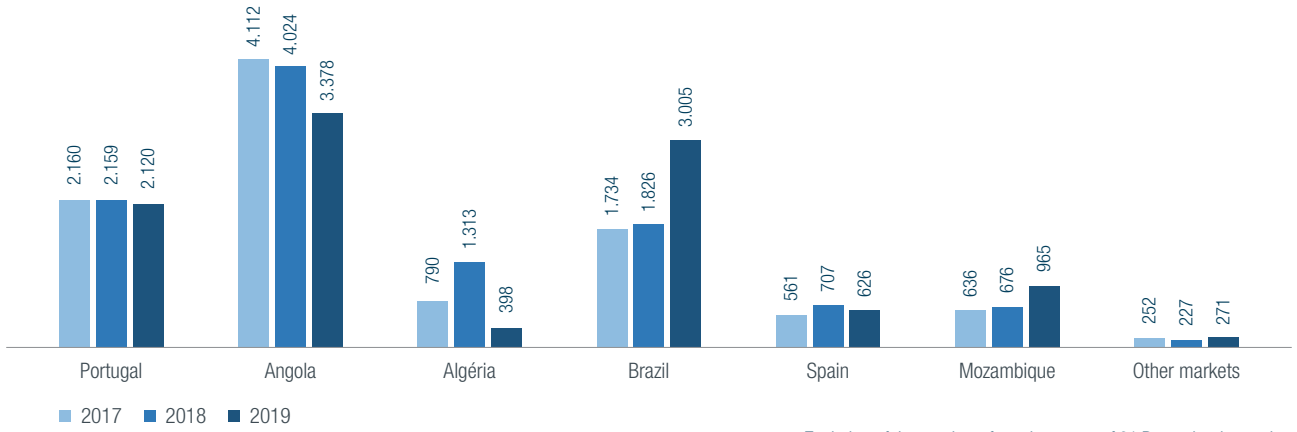
Human Resources in 2019

On 31 December 2019, the Group had 10,763 employees, a decrease of 169 employees (-2%) compared to 31 December 2018, in line with the reduction in activity on the Angolan and Algerian markets and an increase on the Brazilian market, where around 1200 more employees were hired (+65% when compared to 2018).

In fact, in 2019 and as in previous years, the performance of subsidiaries operating in the Construction sector continued to have the most influence on the number of Group employees, as they accounted for 50% of its global workforce.

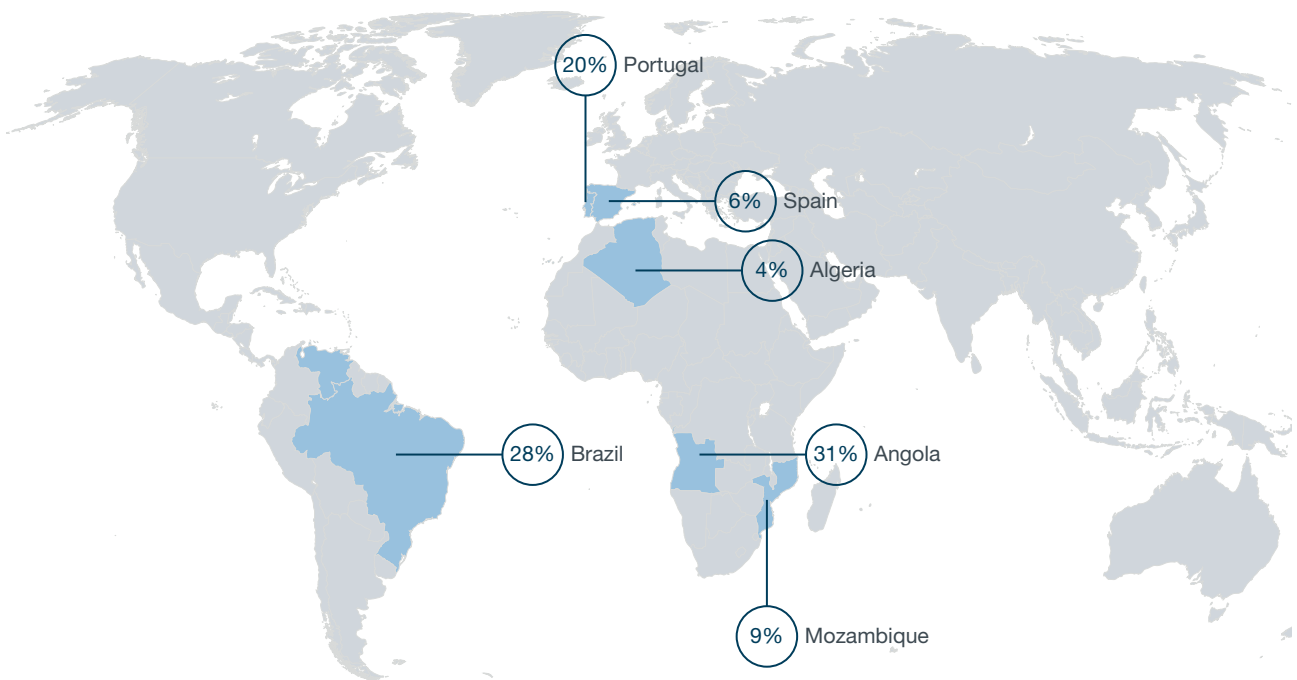


Employees by area of activity at 31 December 2019



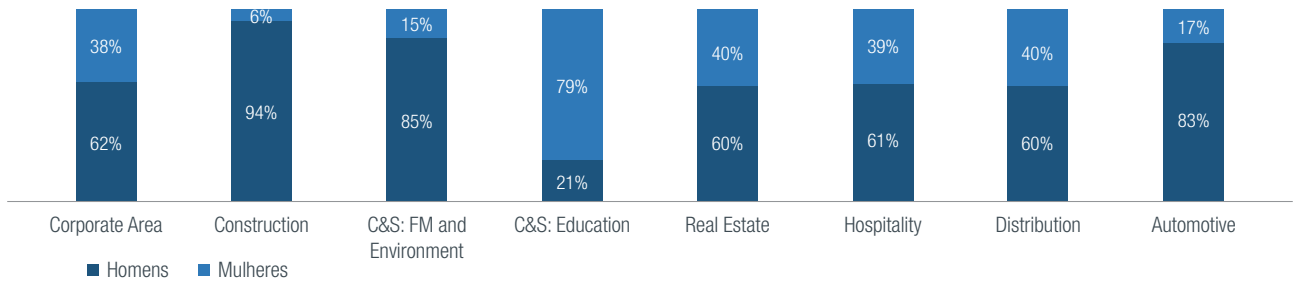
Evolution of the number of employees as of 31 December by market

Angola, Portugal and Brazil were the 3 markets with the largest number of employees, with 31%, 28% and 20% respectively, out of all of the 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 2019

In line with previous years, in 2019 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.



Employees by gender and area of activity as of 31 December 2019

Teixeira Duarte, S.A. has been adopting several measures in order to more efficiently achieve effective equality of treatment and opportunities between women and men. It promotes the elimination of discrimination based on gender and promotes a balance between professional, personal and family lives. In 2019, the company drafted an Equality Plan that presented a set of objectives and measures to be taken by its subsidiaries in a manner appropriate to the situations of their geographical locations and sectors.

At a Board of Directors meeting on 13 September 2019, Teixeira Duarte, S.A. approved an Equality Plan covering the following areas:

- a) Equal access to employment;
- b) Equal working conditions;
- c) Equal pay;
- d) Parenthood protection;
- e) Professional, family and personal life balance.

This Plan can be found at www.teixeiraduarte.com.

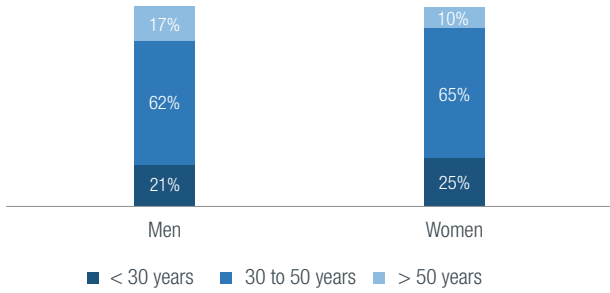
In 2019, as in previous years, the majority of Teixeira Duarte Group employees were in the age group between 30 and 50 years, and its predominance had even increased by 2 p.p in relation to 2018.

	Corporate Area	Construction	Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2019	Total 2018	Total 2017
			FM and Environment	Education							
<30 years	20%	18%	18%	22%	29%	24%	40%	26%	22%	24%	30%
30 to 50 years	62%	64%	62%	71%	65%	63%	56%	62%	63%	61%	56%
>50 years	18%	18%	20%	7%	6%	12%	4%	11%	15%	15%	14%

Annual evolution of the percentage of employees by Age Group

The Teixeira Duarte Group companies therefore consider the needs of the different generations present on their teams, by promoting the integration of new employees and simultaneously

ensuring that previous generations pass on their knowledge.



Employees by age group at 31 December 2019

At 31 December 2019, the most employees held permanent contracts, reversing the trend of recent years. This situation was the case in most markets where Group subsidiaries operate, particularly Portugal and Brazil.

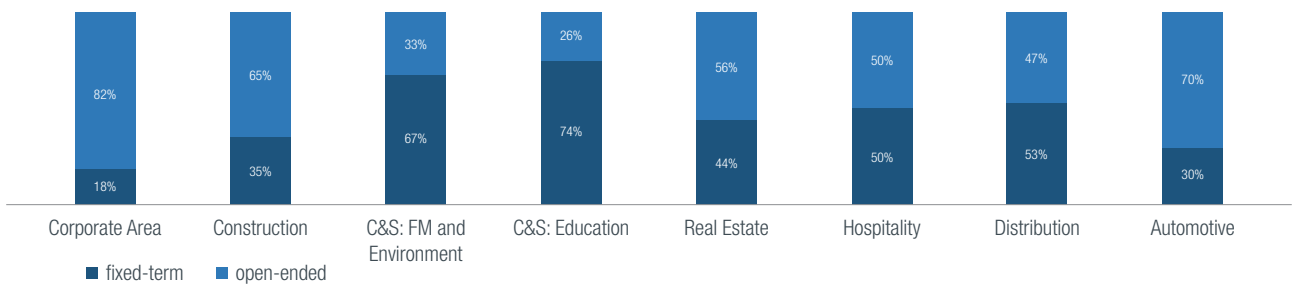
	Total 2019	Total 2018*	Total 2017
Temporary	56%	45%	36%
Men	56%	44%	63%
Women	52%	51%	70%
Permanent	44%	55%	64%
Men	44%	56%	37%
Women	48%	49%	30%
Total	10,763	10,932	10,250

Percentage of employees by contract type and gender
* Rectified values

In a characterization by Area of Activity, we have witnessed the general adoption of the permanent contract model, with the exception of activities carried out in the fields of Concessions and Services (*Facilities Management*, Environment and Education). In Hospitality and Distribution there is equality between the two types of employment relationships.



Christmas Lunch 2019, "ONE Living" Project in Cascais PORTUGAL

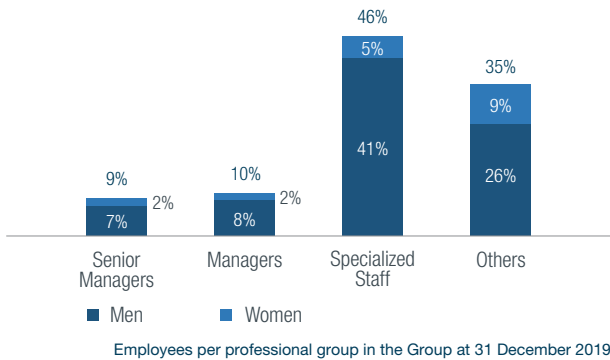


Percentage of employees by contractual status and area of activity at 31 December 2019



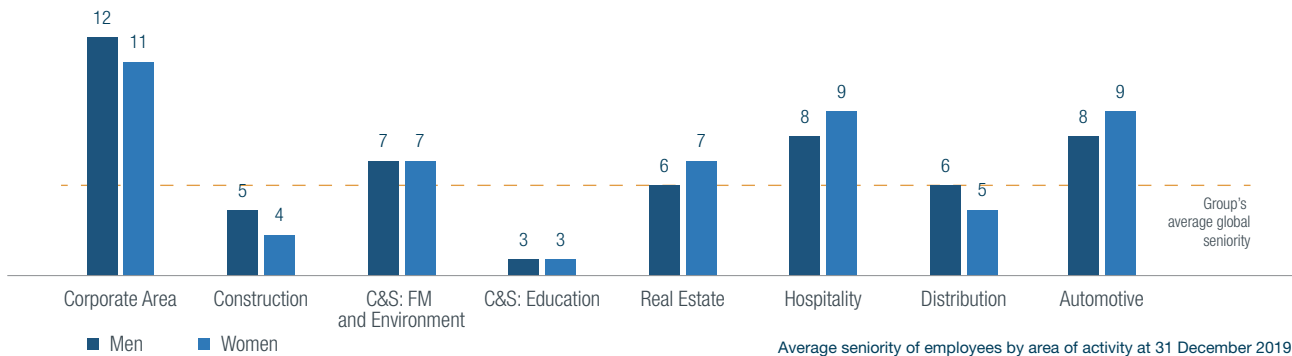
“Company Day” 2019: Members of the Board of Directors and Senior Management paid tribute to 42 employees who, in 2019, completed 30 years with the Teixeira Duarte Group.

Due to the wide range of business areas in which Teixeira Duarte Group subsidiaries operate, and in an attempt to characterise the distribution of their staff by professional groups that are as equivalent as possible, the Group classifies its employees into 4 major professional groups. This classification is based on the framework of professions and professional categories set out in the Collective Bargaining Agreement in force in Portugal for the Civil Construction and Public Works sector.



Most employees fall into the group of Specialized Personnel, as it includes most of the specialized roles related to Construction *Facilities Management* and the Environment, and Automotive activities. The “Others” group includes essentially operational roles related to *core* activities, and is of particular relevances in the areas of Construction, Hospitality and Distribution.

In terms of the average seniority of employees in each area of activity, some heterogeneity within the different Group subsidiaries was seen on 31 December 2019. On the one hand, the Corporate Area had a higher average seniority, but only represented 4% of employees. Construction and *Facilities Management* and the Environment (Concessions and Services sector), responsible for 67% of the Group's workforce, largely contributed to an overall average seniority of 6 years, which is similar to other areas such as Real Estate and Distribution.



Different cultures, habits and working methods tend to create greater openness and growth for companies seeking to ensure a working environment where mutual respect and equal opportunities are prevail. At 31 December 2019, employees of 33 different nationalities worked for the group, with greater diversity particularly seen in Portugal.



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.

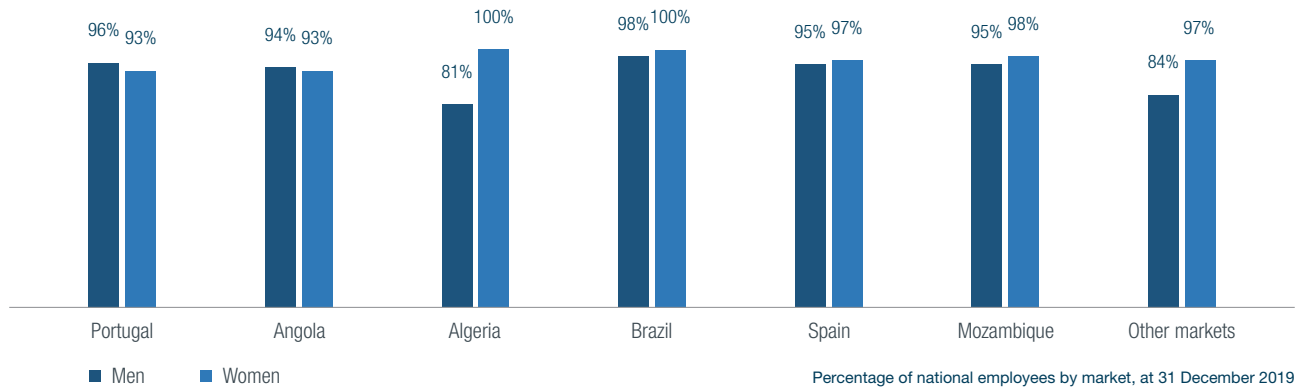
Many of the Group's subsidiary companies position themselves in their markets as recognized employers, particularly with a view to promoting the employment of youths with potential talent, since it offers this age group conditions and prospects for personal and professional development. They value this,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

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

One of the performance indicators of this policy that is used by many Group companies is the ability to hire and retain national employees in their operations. It should be emphasized that on the vast majority of markets the percentage of national employees is above 90%.



2019 Staff Meeting, Real Estate, Distribution and Automotive sectors, in Elvas PORTUGAL



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 national partner institutions.

In 2019, several Teixeira Duarte Group companies continued using the *Applicant Tracking System* implemented in 2018, allowing them to manage job offers and applicants more efficiently, using a wide search network integrated with job seeking websites.

Along these same lines, mention should also be made to the role of internal recruitment which, based on performance with recognized 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.



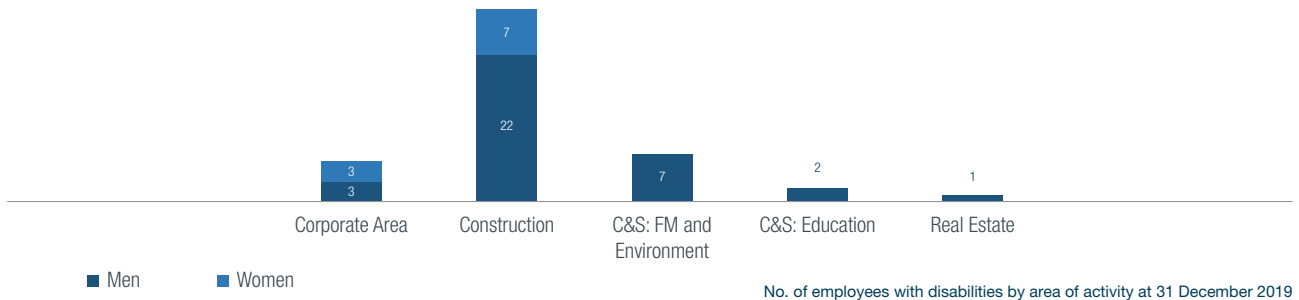
New São Paulo Branch office BRAZIL

	Corporate Area	Construction	Concessions and Services				Real estate	Hospitality	Distribution	Automotive	Total 2019	Total 2018
			FM and Environment	Education								
Portugal	2.0%	2.9%	4.5%		1.8%	6.0%	0.1%	2.3%		3.4%	2.5%	
Angola	0.5%	1.5%	1.0%	5.9%	0.8%	2.4%	3.2%	2.4%		2.5%	2.6%	
Algeria	1.5%	7.1%	1.8%							6.9%	3.2%	
Brazil	5.0%	6.5%	5.3%		3.3%					6.3%	3.6%	
Spain		6.2%	6.9%							6.8%	8.2%	
Mozambique	2.9%	1.2%	1.5%		1.7%	1.5%				1.4%	0.5%	
Other Markets		1.2%								1.2%	0.0%	
Total 2019	1.4%	4.8%	6.0%	5.9%	1.8%	2.7%	3.1%	2.4%		4.1%	2.1%	
Total 2018	2.1%	2.7%	3.3%	5.8%	1.0%	0.5%	0.3%	3.1%				

Absenteeism rate as at 31 December 2019 (Coverage = 99%)

Overall absenteeism in 2019 was 4.1%, up 2 p.p. on 2018, mainly explained by the increase in 3 markets: Algeria, Brazil and Spain.

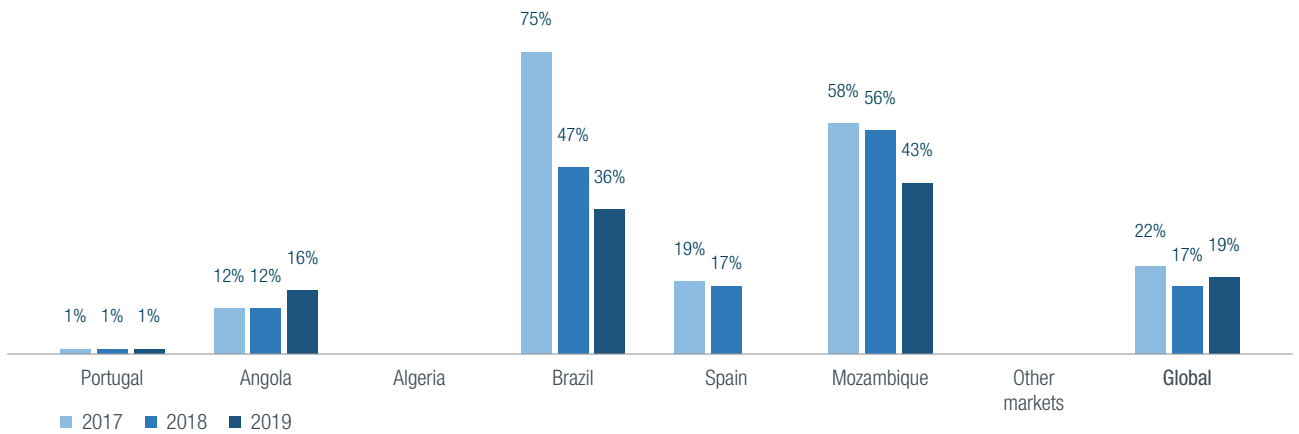
At 31 December 2019, 45 people with handicaps or disabilities were employed by Teixeira Duarte. In Portugal and Brazil, these employees represent 1% of the workforce.



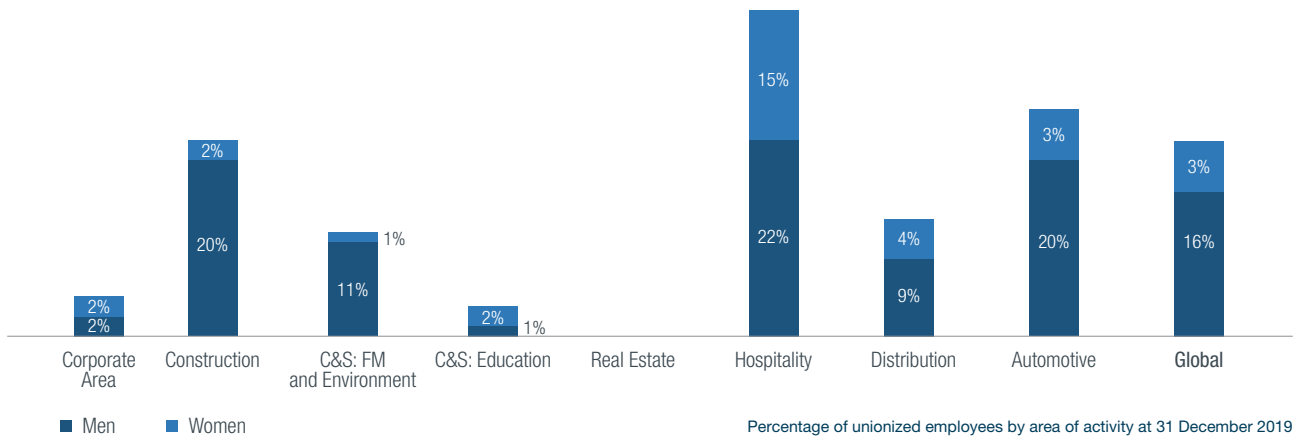
Compliance with International Labour Organization (ILO) Conventions

The promotion of the fundamental conventions of the International Labour Organization (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 bargaining. 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 the union contribution was mandatory until 2017 and ceased to be so in 2018.



The activities in which the Group has the largest number of employees covered by these collective bargaining agreements are Construction, Hospitality and Automotive.

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 optimize the balance between work and personal and family life 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. In 2019, and in comparison with the previous year, the number of employees covered by examinations performed by the companies improved in general, but particularly in Angola, Algeria and Mozambique.



Medical examination of employee, Teixeira Duarte Medical Center, Luanda ANGOLA

	Corporate Area	Construction	Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2019	Total 2018	Total 2017
			FM and Environment	Education							
Portugal	100%	100%	100%		100%	100%	100%	100%	100%	99%	99%
Angola	94%	85%	95%	93%	100%	99%	98%	95%	96%	85%	54%
Algeria	74%	70%							70%	51%	52%
Brazil	100%	98%	71%		77%				97%	98%	98%
Spain			32%						32%	67%	100%
Mozambique	100%	100%	100%		100%	100%			100%	94%	92%
Other Markets		59%	100%						65%	50%	18%

Coverage rate of medical examinations performed on Group company employees as at 31 December 2019

Curative medicine support mechanisms are made available on different markets, either directly (internal services) or indirectly (agreements with private clinics and/or health insurance companies).

The existence of an internal curative medicine service allows the most problematic health situations to be monitored more effectively and, in parallel, to improve the ability to act in emergency and extremely serious situations.

Employees are offered access to medical services and medicines which, given the situations of some of the countries where the Group companies operate, are fundamental for clinical monitoring and for access to primary health care by employees. This access is, in some situations, provided through private clinics with which partnerships are established, seeking the most effective and cost-efficient health care.

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

Awareness actions for breast cancer prevention ("Pink October")

In October 2019, several subsidiaries joined the movement known as "Pink October" seeking to raise employee awareness of the importance of breast cancer prevention and early diagnosis.

In Angola and Brazil, 200 male and female employees were involved in clarification and awareness raising activities, in some cases run in partnership with local health authorities.



Flu vaccination campaign

In 2019, the Group's subsidiary companies operating in the Construction sector in Brazil ran a flu vaccination campaign with their partners in several parts of the country. Over 130 workers were vaccinated as part of the activity, ensuring that companies give their employees better protection against the dangers of this infectious disease.

In 2019 in Portugal, Group companies provided employees with:

- 1,798 medical consultations in the field of occupational medicine;
- 1,793 occupational nursing consultations;
- 452 curative medicine consultations;
- 10,380 complementary diagnostic tests.

As its *core business* originated in the Construction sector, the Teixeira Duarte Group and its subsidiaries have a deeply rooted corporate culture of constant investment in safety and fighting against risks. This commitment includes strict prevention policies, which aim to ensure that the lives of all employees and service providers at all facilities are safeguarded.

During 2019 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 over the last 3 years 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	Frequency rate	Severity rate
Corporate Area			
2019	0	0	0
2018	0	0	0
2017	1	3	0
Construction			
2019	49	19	526
2018	58	21	408
2017	45	27	603
Concessions and Services			
Facilities Management			
2019	33	39	565
2018	38	50	1,033
2017	26	33	1,275
Real estate			
2019	0	0	0
2018	1	15	328
2017	0	0	0
Hospitality			
2019	6	27	383
2018	8	37	173
2017	8	36	483
Distribution			
2019	0	0	0
2018	0	0	0
2017	0	0	0
Automotive			
2019	2	32	614
2018	1	17	702
2017	0	0	0

Accident rate in Portugal as of 31 December 2019

ANGOLA	Nb. of Work accidents	Frequency rate	Severity rate
Corporate Area			
2019	1	5	0
2018	1	7	0
2017	1	6	0
Construction			
2019	14	10	68
2018	30	13	76
2017	23	10	66
Concessions and Services			
Facilities Management			
2019	3	4	0
2018	6	11	5
2017	11	18	90
Education			
2019	0	0	0
2018	0	0	0
2017	0	0	0
Real estate			
2019	2	9	19
2018	2	6	74
2017	3	34	0
Hospitality			
2019	10	6	28
2018	4	3	32
2017	8	6	8
Distribution			
2019	35	12	60
2018	19	6	26
2017	19	6	43
Automotive			
2019	1	1	0
2018	10	12	65
2017	11	11	39

Accident rate in Angola as of 31 December 2019

ALGERIA	Nb. of Work accidents	Frequency rate	Severity rate
Construction			
2019	38	25	953
2018	42	18	608
2017	27	18	393

Accident rate in Algeria as of 31 December 2019

BRAZIL	Nb. of Work accidents	Frequency rate	Severity rate
Construction			
2019	23	6	245
2018	17	8	242
2017	10	7	206
Concessions and Services			
Facilities Management			
2019	3	7	180
2018	3	9	9
2017	n/a	n/a	n/a

Accident rate in Brazil as of 31 December 2019
(Coverage = 53%)

SPAIN	Nb. of Work accidents	Frequency rate	Severity rate
Concessions and Services			
Facilities Management			
2019	0	0	0
2018	2	38	0
2017	n/a	n/a	n/a

Accident rate in Spain as of 31 December 2019

MOZAMBIQUE	Nb. of Work accidents	Frequency rate	Severity rate
Construction			
2019	3	5	191
2018	1	2	150
2017	3	8	122
Hospitality			
2019	1	2	4
2018	3	5	24
2017	2	3	17

Accident rate in Mozambique as of 31 December 2019 (Coverage = 86%)

In the cases of Portugal, Algeria, Brazil, and Mozambique, the good practices of subsidiary companies in the Construction sector, 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.

Disease prevention and health promotion activities in 2019 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 behavior, noise in the workplace, working conditions and emergency procedures, among other aspects.

Employees covered by occupational health and- management systems (OHSAS 18001 Standard) at 31 December 2019:

- Portugal: 1,702 employees
- Algeria: 501 employees
- Brazil: 1,759 employees
- Mozambique: 563 employees

In accordance with the legislative provisions in countries where Group companies operate, all employees have the right to protection during parenthood. In the case of Portugal, there is a range of maternity/paternity leave options available to employees, in accordance with the provisions of the Labour Code.



Maxi Employees ANGOLA

	Corporate Area	Construction	Concessions and Services				Real estate	Hospitality	Distribution	Automotive	Total 2019	Total 2018	Total 2017
			FM and Environment	Education									
Portugal											57	109	90
Women			4				4		1		9	21	19
Men		35	7				6				48	88	71
Angola											130	104	113
Women	3	2	2	16			23	73	7		126	96	111
Men		3	1								4	8	2
Algeria											28	36	22
Women		2									2	4	6
Men		26									26	32	16
Brazil											11	18	15
Women		7									7	14	15
Men	1	3									4	4	
Spain											7	25	20
Women												4	6
Men		4	3								7	21	14
Mozambique											7	8	4
Women	2		1				3				6	7	4
Men		1									1	1	
Other Markets											7	1	1
Women		2	1								3	1	1
Men		4									4		
Total	6	89	19	16	0		36	73	8		247	301	265

Number of employees who took parental leave in 2019

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.

c) Benefits program with more advantageous conditions

b.flex benefícios à sua medida

In 2019, the Teixeira Duarte Group launched the pilot edition of the "b.flex" Program aimed at the permanent staff of 7 of its subsidiaries in Portugal.

Employees voluntarily join "b.flex" for an individual grant, which they can use to gain access to a set of benefits for themselves and their families, according to their preferences.

These benefits included the reimbursement of Health Expenses, Child Allowance, Professional Training, Acquisition of Technology and Vehicle Acquisition.

In 2020, the Program will be extended to the entire universe of Group companies in Portugal.

d) Family Monitoring Policy

The Teixeira Duarte Group has a Family Monitoring Policy in place which includes administrative, logistical and financial support with a view to the legalization, travel and accommodation of family members of employees who are subject to certain criteria and are moved outside their country.

Qualification for the expression of talent: development and training

In the universe of Teixeira Duarte Group companies, and over almost one century of history, a strong culture of ethics, work and merit has always been promoted, widely recognized and systematically applied at all levels.

In a world of constant change, characterized by rapid technological advances, increased globalization and complex demographic characteristics, it is increasingly critical for organizations to adapt and keep pace with the evolution of both the contexts and expectations of internal and external *stakeholders*.

Guided by the values of Ingenuity, Truth and Commitment and the Mission "To do. contributing to the construction of a better world", the Group companies are aware of these transformation



"TDGI Academy" (Facilities Management) ANGOLA

and of the need to direct people towards new growth models and the acquisition of new skills to allow them to overcome future challenges.

As a strategy for the sustainability of its business in the face of this new reality, the Group has worked with its subsidiaries to stimulate the following objectives:

- To enhance talent within the organization, attract the most qualified people, develop them and promote their evolution by merit and performance;
- To foster strong leadership by improving the ability to promote People's performance and alignment with the business strategy;
- To communicate their organizational identities effectively, creating strong value propositions both internally and externally;
- To build leaning cultures with a strong impact, with growth opportunities for all, separated into different areas of knowledge (technical and non-technical), at different levels (operational, tactical and strategic) and in different learning formats (day-to-day, observing and interacting with others, formal learning through classroom courses and *online* platforms).

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.

In 2019, the Teixeira Duarte Group's Skills Development Policy was continued according to the model defined in 2018. It is based on a matrix that 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 programs that allow each employee to be trained over time, specifically with a view to updating skills and career progression.

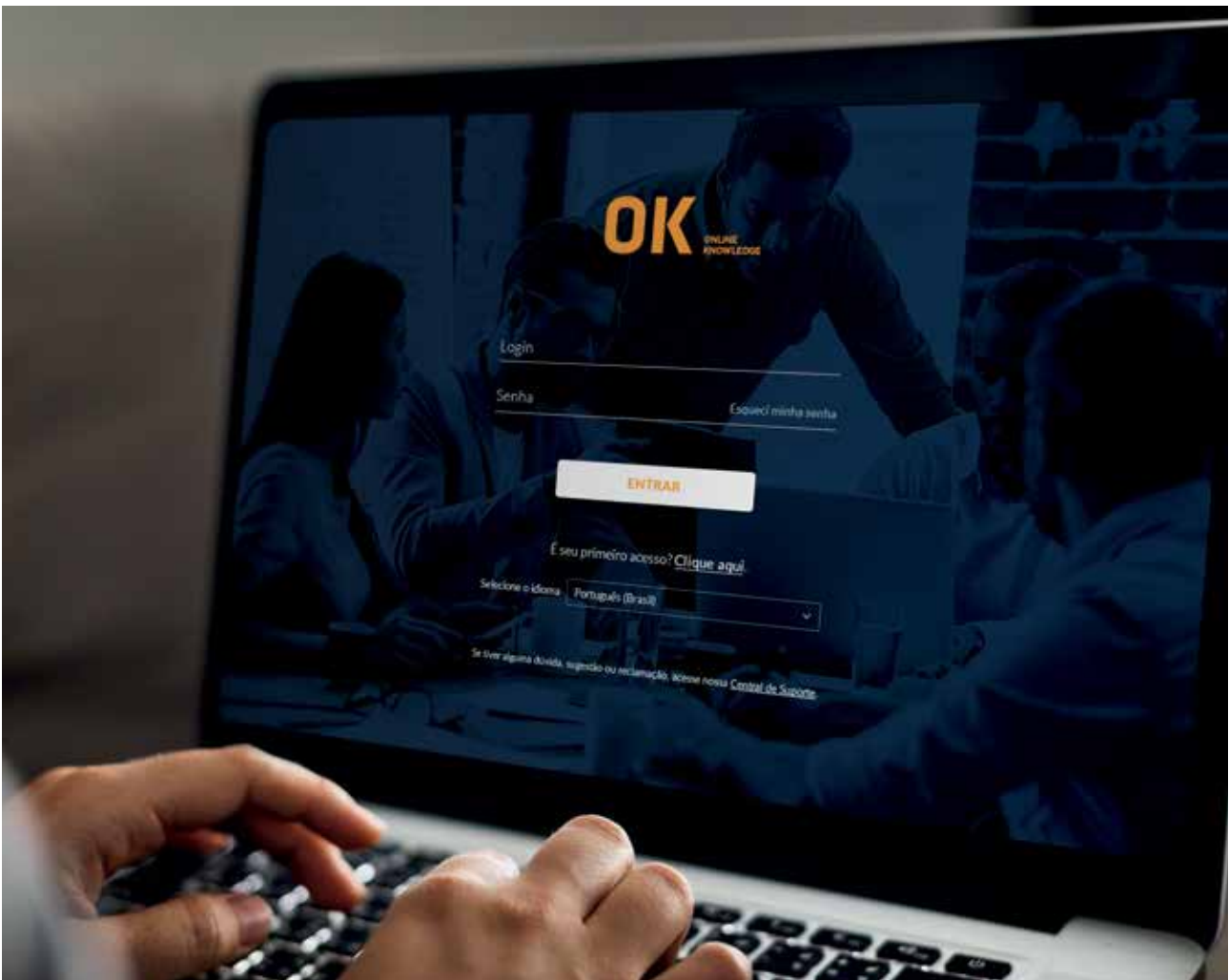
In 2019, the Professional Qualification Coordination Committee continued its work to continuously support intra-group processes and to promote key projects in these areas, including adoption of a new *e-learning* tool. Brazil is a pilot market for its implementation, which will be progressively extended to

other key markets. With the implementation of this tool in the Group, it became possible to access training and information *online* through the sharing of content developed externally and internally by each Group company. Access to personal and professional development becomes global and independent of the location of people and operations.

Furthermore, the development of internal technical or general content promotes everybody's commitment to the organization and the people who work in it.

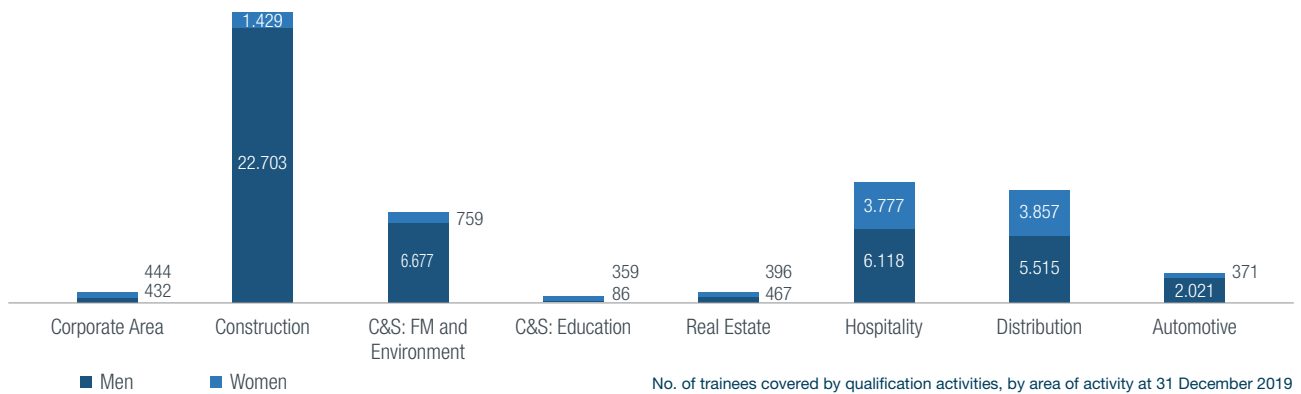
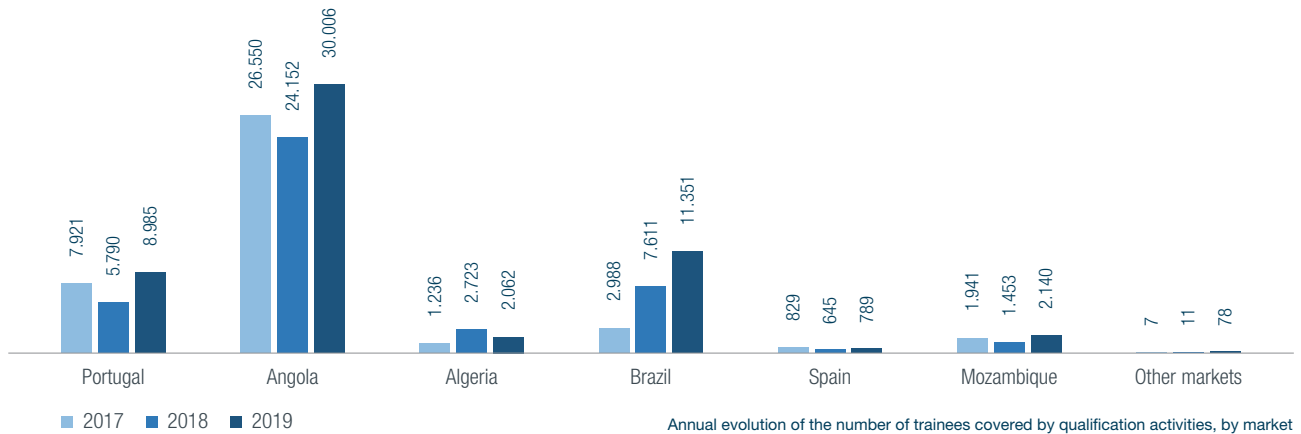
In line with the need for personal and professional development of employees as a prioritized way of meeting the different demanding and complex challenges they face, in 2019 the companies included in the consolidation perimeter of Teixeira Duarte, S.A. carried out qualifying activities (hereinafter, activities) which covered 55,411 trainees and totaled a recorded training volume

of 196,285 hours, which, when compared to 2018, represent increases of 31% and 27% respectively.



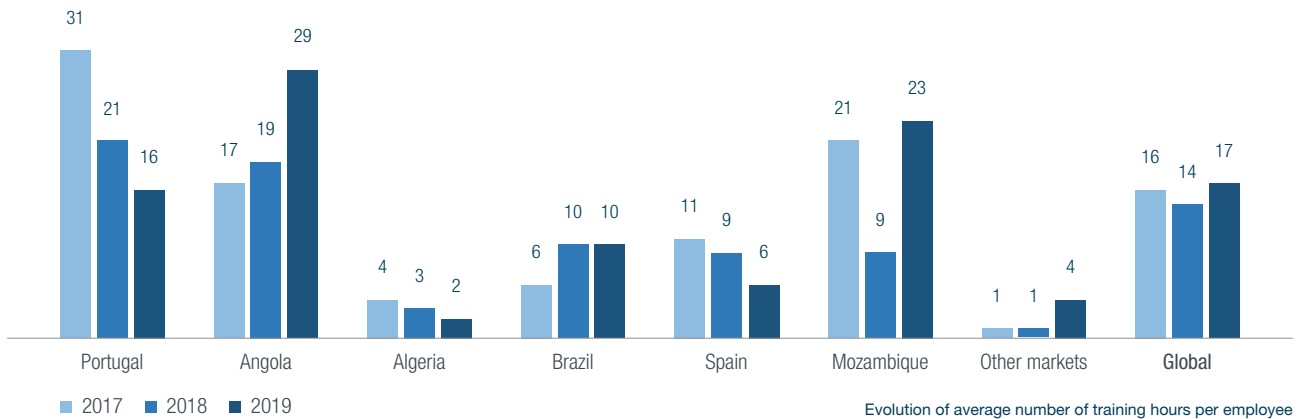
OK Platform - Online Knowledge

The main indicators related to the Professional Qualification of employees, by market and activity sector, are presented below. To account for these indicators, the Teixeira Duarte Group considers the market where the employee is located, regardless of the location of the company that the employee works for.



	Corporate Area	Construction	Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2019	Total 2018
			FM and Environment	Education						
Portugal	2,362	19,396	8,152		470	726	588	159	31,853	46,630
Angola	845	7,691	8,164	3,182	1,409	42,041	29,256	13,773	106,360	74,133
Algeria	83	1,804							1,887	3,439
Brazil	473	30,266	2,232		816				33,786	18,226
Spain	17	1,201	2,718						3,936	6,327
Mozambique	85	1,284	393			16,020			17,781	6,241
Other Markets	0	683							683	119
Total 2019	3,865	62,325	21,658	3,182	2,694	58,786	29,844	13,932	196,285	155,115

No. of hours of training volume at 31 December 2019



In 2019, subsidiary companies as a whole carried out an average of 17 hours of training per employee. Positive emphasis should be placed on the performance of activities in Angola and Mozambique in particular.

In Angola, the qualifying activities carried out in Teixeira Duarte Group companies during 2019 covered 30,006 trainees and totaled a training volume of 106,360 registered hours, representing an increase of 24% and 43% respectively.



In 2019, in partnership with the Nova SBE University, Teixeira Duarte started an Executive Training Program, which is continuing in 2020 and involves around 125 participants in Portugal and Angola. The objective is to give people with key Group development roles Leadership, Management and *Governance* skills.

The Teixeira Duarte Professional Development Center 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 center.

In 2019, the Angola Center for Professional Development continued to promote a wide range of training activities aimed at all professional levels of the Group’s different businesses on this market. 3326 people participated in the “Operational” and “Middle Managers” Continuous Training Programs, and 112 in the “Senior Managers” Program.

In Portugal, Teixeira Duarte - Engenharia e Construções maintained its training entity certification, granted by DGERT - The Directorate General of Employment and Labor Relations.

Among the numerous training activities, emphasis should be placed on the Program for Executives developed in partnership with Nova SBE University for “Senior Managers”, and an intensive program designed for “Middle Managers” in the distribution sector (as part of the “Maxi Academy”), with over 300 hours of theory and practical training and an integrated internship, giving recently hired young people guidance for the management and leadership of activities in this sector.

Also with regard to the Portuguese market, the participation of Empresa Portuguesa de Obras Subterrâneas, Lda. (EPOS) should be highlighted due to its pioneering project among Teixeira Duarte Group subsidiaries in the area of Professional and School Qualifications, Employability and Social Responsibility. Ten employees of the aforementioned company successfully underwent a Skills Recognition, Validation and Certification process, developed by the Almodôvar Qualifica Center, which allowed them to gain the professional and school qualifications necessary to form part of EPOS’ teams in Brazil, where the company was carrying out excavation and reinforcement work at the Cuiabá Mine, and thus to make professional progress.

The “Fazer Pescar” (Go Fishing) project was continued in the areas of employability, professional qualification and social responsibility of the Group in Angola, with 6 editions in which 75 participants were qualified, in the Construction, *Facilities Management*, Real Estate, Distribution and Automotive areas. Since the beginning of this project, in 2013, about 450 young people have graduated from “Fazer Pescar”.

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

- 32 editions since 2013 (6 editions in 2019);
- 450 young graduates joined Group companies since 2013;

THE TEIXEIRA DUARTE PROFESSIONAL DEVELOPMENT CENTRE



Approximately 1,500m² 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.

33 training courses certified by INEFOP.

1st Renault Certified centre in Sub-Saharan Africa.

In Brazil, activities were carried out that included 11,351 trainees, totalling 33,786 recorded hours of training volume, which represent increases of 49% and 85% respectively when compared to 2018.

On this market, the year 2019 was strongly marked by major changes to the Professional Qualification process as a consequence of the implementation of the *e-learning* platform in all areas of the company. An improvement in procedures and access to information by employees was seen by the end of the financial year, along with legal compliance with obligations in terms of training on internal rules and regulations.



"Teixeira Duarte Academy" (Real Estate)
ANGOLA

In Brazil, emphasis should also be placed on two programs in the fields of professional qualification and youth employment. Teixeira Duarte - Engenharia e Construções has for several years been running a training program for newly graduated professionals, with a minimum duration of 12 months. Its objective is to develop young people through "on the job" training to allow them to join the company in the future. 14 "trainees" were given jobs in 2019 - the highest number in recent years. The "Young Apprentice" is another important program, aimed at young people in secondary education. A record number of young people also joined the company in 2019: 18. This initiative lasts for 16 months and aims to provide young people with experience in working environments.

Space for Reading at the Itabiruçu Dam Raising Project, in Brazil

In May 2019, to mark the Internal Accident Prevention Week, the Itabiruçu Dam Raising project being run by the subsidiary EMPA in Brazil created a space on-site to allow its employees to read for a few moments during breaks and lunch hour. The space was built by the staff themselves and the books were also donated by employees. At the time, this project had about 500 employees.

Mozambique also performed well in terms of professional qualification. Activities were carried out covering 2,140 trainees, totalling 17,780 hours of training volume, i.e., 45% and 185% more when compared to 2018.

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 its 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.

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

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 a *compliance* program that establishes and implements a set of measures and procedures based on the *Compliance* Policy, on the Code of Ethics and Conduct and on Teixeira Duarte's Mission and Values. With greater effectiveness and more evidence, its aim is to ensure compliance with the law and internal rules, thereby contributing to a climate of integrity and ethical culture during 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 irregularities that are identified in relation to any external or internal regulations, among other measures.

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
- Message sent through the Teixeira Duarte website (www.teixeiraduarte.com);
- Message sent through the Teixeira Duarte Employee Portal.

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 such a way as to actively combat any attempts at money laundering by refusing to participate in any act that may be defined as such under current legislation and regulations, as well as refusing to participate in any attempt, collusion, facilitation or advice to commit this crime.

They must also take actions to prevent any Teixeira Duarte Group company 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

In 2019, and as planned, the Teixeira Duarte Group's subsidiary companies began independent auditing processes of their Data Protection Management Systems (DPMS) developed in 2018, in order to comply with the provisions of the General Data Protection Regulations (GDPR). These audits will extend into 2020 and aim to assess the effectiveness, robustness, suitability and compliance of the DPMS, 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 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 2019, 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

In Portugal, Teixeira Duarte - Engenharia e Construções, in compliance with the SA 8000 Standard, promotes respect for labor 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 done, always respecting 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. In 2019, 11 monitoring visits were made to the facilities of suppliers in Portugal, out of a group of 360 companies with which Teixeira Duarte - Engenharia e Construções maintained 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.

In the Distribution sector in Angola, the subsidiary CND has, since 2012, had a program - "Fazenda Maxi" (Maxi Farm) - for supplies, aimed at supporting agricultural and livestock production activities, job creation and entrepreneurship, and encouraging the formalization 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 2019, the Fazenda Maxi Program maintained a network of 35 associate producers in 10 provinces. Despite the adverse economic situation in the country, the amount of products acquired by CND from this network of producers has increased by 14% between 2018 and 2019.

The "Fazenda Maxi" (Maxi Farm) program, which was originally agricultural in nature, is now an agricultural and cattle rearing program that brings together a community of experienced and independent farmers, in which automation and mechanization of production will be the next step.

HIGHLIGHTED INITIATIVE

FAZENDA MAXI



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 profes-

sional 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

- 18,300 tonnes purchased from producers in 5 years;
- 12% average annual growth rate in production;
- In 2019 it represented 82% of the Fruits and Vegetables category in "Maxi" stores, reducing the rate of imports in the category;
- 4,800 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, CND in Angola maintained the "Roots" Program, created in 2018. Through the "Dakaza" retail brand specializing in furniture and decoration, the company 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. In the second year of the initiative, 18 new exhibitions were held and around 1,200 items were sold.

HIGHLIGHTED INITIATIVE

RAÍZES



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 "Roots" 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:

- 28 artists and/or exhibitions in two years;
- 2,900 items sold in two years;
- 28,500 visitors impacted per year;
- 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 organizations, it should be noted that Teixeira Duarte has intended to adopt an institutionalized position through initiatives that are neither exclusive nor centralized 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.

48 applications were accepted in 2019 (involving employees from Portugal, Angola, Brazil and Mozambique).

A total of €107,415.00 was collected from employee donations and donations from Teixeira Duarte Group companies, distributed to 40 institutions.

The TODOS DAMOS program was also used to increase support from around 230 employees in different markets who joined forces to make a donation to employee colleagues in Mozambique, whose lives were affected by Cyclone Idai during the 1st half of 2019. Overall, over €28,000.00 euros were donated to 53 employees in Beira to help them rebuild their houses.

Lagoas Park restaurants fight food waste

In 2019, most of the restaurants in Lagoas Park, a venture managed by Teixeira Duarte Group companies, contributed daily to the "Re-food" Social Support Organization in Oeiras. Re-food" is a 100% voluntary project, run by citizens, for citizens at the micro-local level. It aims to end hunger in urban neighborhoods while seeking to end the waste of prepared food.

In Angola, the "MaxiSaúde" Program, launched in 2016 by the company CND - Companhia Nacional de Distribuição, Lda,

continued working 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 2019, close to 10,000 children took part in 21 activities, specifically on the subjects of malaria and oral hygiene.

Also in Angola, the Teixeira Duarte Group launched another social responsibility program in the field of health in 2019. The "Dar Vida" (Give Life) Program was created by the Group's Construction area in this country and aims to encourage employees to voluntarily give blood on a regular basis, to increase blood reserves held by associated health institutions. In December 2019, a lecture was held for employees aimed at raising awareness and providing information on blood donation, run in partnership with the National Blood Institute and the Sagrada Esperança Clinic. The first two blood collection activities were carried out during the same month, with contributions from around 40 employees. In 2020, the Program is expected to be extended to other sectors of the Group's activity in Angola.

Charity March in Memory of Road Accident Victims

In 2019, TDA, a Teixeira Duarte Group subsidiary that operates in the automotive sector in Angola, joined the National Roads and Traffic Department to support a Charity March in Memory of Road Accident Victims, held on 17 November in Luanda. As road accidents are the 2nd largest cause of death in Angola, one of the main parts of TDA's corporate responsibility is road safety.



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 2019 was run between 1 January and 31 December 2019.

The total budget made available to the program by Teixeira Duarte Group companies in 2019 was €100,000.00.

Sectors/Group companies involved

All companies included in the consolidation perimeter of Teixeira Duarte.

Impact

- 48 applications in 2019 (40 in 2018);
- 40 institutions supported in Portugal, Angola, Brazil and Mozambique in 2019 (35 in 2018);
- €107,415.00 were donated in 2019, including donations from employees and Teixeira Duarte Group companies (€37,449.00 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 larg-

est 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

- 10.000 people impacted by the program and 21 activities carried out in 2019;
- 25,000 people involved in more than 60 activities carried out since the beginning of the program;
- Closer relations with schools, churches and local communities in general;
- Expansion of partnerships in 2019 with a total of 8 partners.

HIGHLIGHTED INITIATIVE

DAR VIDA (GIVE LIFE)



Main Sustainable Development Goals



Scope

- Public Health
- Information
- Social Responsibility

Addressees

Employees

Challenge

To contribute to the improvement of the voluntary blood donation system in Angola that allows universal access to timely supplies of safe, quality assured blood and blood components. As only 10% of blood donations in Angola are voluntary, many employees either directly or indirectly face this potential blood shortage at some point in their lives.

Description

A social responsibility program created in 2019 and promoted by Teixeira Duarte - Engenharia e Construções. It aims to encourage employees to donate blood voluntarily on a regular basis to contribute to increasing blood reserves in the health system.

By making its employees aware of the importance of voluntary blood donation and providing conditions for donations to be made, through technical partnerships, the company aims

to contribute to reducing the current shortage of blood stocks in health institutions and stimulate a greater sense of solidarity with employees and their personal lives.

This program is run with technical support from the Sagrada Esperança Clinic.

Sectors/Group companies involved

The construction sector in Angola, expected to expand to other sectors in 2020.

Impact

- 2 collection activities arranged during the first year, in 2019, bringing together about 40 voluntary donors;
- On average, 450ml of blood are collected from each donation;
- Closer relationships with health institutions.

Investigation, Development and Innovation (IDI)

In 2019, a prospective study was conducted within the Teixeira Duarte Group for areas of Engineering and Construction, *Facilities Management* and Real Estate that allowed the definition of a Strategic Innovation Plan for the 2019-2020 two year period. This study identified speed of construction and modular construction as strategic guidelines.

Emphasis should be placed on the following projects that are being developed as part of this plan:

SHELTER Project - Structural Hyper-resisting Element for Life Threatening Earthquake Risk

An innovative product that is unique in the world that can be installed in a central location of any apartment and will save the lives of the occupants in the event of a strong earthquake at very low cost.

It is a 1.1 million euro project co-developed by Instituto Superior Técnico (Higher Technical Institute - IST), financed by the Portugal 2020 Program, with a total duration of 3 years. 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. External participants are the National Civil Engineering Laboratory (LNEC), for seismic table testing, IADE - European University, for the *design* and architectural integration of the shelter, and SPI, for provision of services.

NEXT Project

This project aims to explore the potential of digitalization in construction and innovative technology in real estate development, with the objective of reducing construction times and costs and implementing innovative solutions for construction and the end user.

This project, coordinated internally by the Group's Real Estate area, preceded the designs for a development and has influenced the adoption of innovative solutions that meet the set objectives.

NEST Project

Project that aims to enable the construction of social housing with costs of up to \$10,000.00, involving the design of social housing with a "DIY" (*Do It Yourself*) model for populations with a low purchasing power (guided construction).

Internal development is being coordinated by the Group's Real Estate area, with the involvement of the Buildings area and

with the external involvement of Designers, Universities and Non-Governmental Organizations. Its total period is 1 year and 4 months. It has been decided to develop the first prototype in Angola, as soon as this is permitted by the country's economic situation.

In Portugal, the companies Teixeira Duarte - Engenharia e Construções, EPOS and SOMAFEL 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.

a) Intellectual Property

In order to guarantee the protection of all intellectual property rights generated through Research, Development and Innovation activities, Teixeira Duarte - Engenharia e Construções has been granted several patents in Portugal, with an emphasis on the following pioneering systems and methods:

- 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 2019 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.

b) Contribution to the regulatory activity of the Construction sector

For the companies, contributing to the standardization of sectors of activity constitutes a way of setting them apart from the competition, as it prioritizes the development of activities in accordance with sector rules and with national and international standards.

In this context, it should be highlighted that, in 2019, Teixeira Duarte - Engenharia e Construções continued participating in work groups of the *European Federation of Foundation Contrac-*

	Corporate Area	Construction	Concessions and Services		Real estate	Hospitality	Distribution	Automotive	Total 2019	Total 2018	Total 2017
			FM and Environment	Education							
Portugal	2	2	8		55	8	29	1	105	103	98
Angola	8	7	2	1	38	3	154	68	281	286	282
Algeria	1	1	1			1			4	4	4
Brazil		10	1		22	17	8		58	52	52
Spain									0	0	0
Mozambique	8	6	2		7	3	2		28	27	27
Other Markets	17	7	2		9	1	7		43	46	46
Total 2019	36	33	16	1	131	33	200	69	519	518	509

Trademark registration processes completed and in progress on 31 December 2019

tors (EFFC) and CO2 Foundations – Geotechnical Carbon Calculator aimed at calculating the carbon footprint of geotechnical work, as well as the Technical Working Group (TWG), which is aimed at cooperation and the development of guidelines and standards for the execution of geotechnical works.

Teixeira Duarte - Engenharia e Construções also participates in the standardization activities of the Portuguese Standardization 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 WG11 work group of the ISO Technical Committee TC182, responsible for preparing the ISO 22477-2 standard Geotechnical investigation and testing - Testing of geotechnical structures - Part 2: Testing of piles: Static tension load testing.

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

In the sector in which it operates, Teixeira Duarte - Engenharia e Construções also promotes technological innovation and development by carrying out RDI activities in partnership with institutions from the scientific and technological system and with other similar companies.



Main partnerships in Portugal:

PTPC - Portuguese Technological Platform for Construction

PTPC brings together companies, designers, universities, public entities and other entities of the National Scientific and Technological System (SCTN), with the mission of encouraging reflection on the Construction sector, implementing Research,

Teixeira Duarte - Engenharia e Construções has held the Chair of PTPC since the date that it was set up (2011).

Development and Innovation initiatives and projects, contributing to boosting their respective competitiveness in the general framework of the economy and promoting cooperation between stakeholders in the Construction and Public works sector, and related sectors.

In 2019, Teixeira Duarte - Engenharia e Construções was the leading promoter of a 10 million Euro Mobilizing Project application, involving 24 entities from the Architecture and Engineering sector, which aims to develop a digital platform for Construction with a unified and interoperable model, with tools for capturing data and providing services, the development of digital twins related to the main construction processes, making use of the most promising technological areas, such as augmented reality, sensors, Big Data and IoT, among other areas.

During the 2019 financial year, PTPC promoted an application to the "Built CoLAB" Collaborative Laboratory, a non-profit association with highly qualified human resources that aims to provide services that promote the development of cooperative or internal business skills. The overall value of the 5-year non-repayable grant is 3.4 million euros.

The following business skills development areas are eligible, under the scope of this Collaborative Laboratory:

- Productivity and Competitiveness;
- Digital Transformation;
- Smart Buildings and Infrastructure;
- Sustainable and Resilient Buildings and Infrastructure.

If the application is approved, Teixeira Duarte - Engenharia e Construções will chair the Board of Directors of "Built CoLAB".



AEC Cluster - Architecture, Engineering and Construction

Established in 2016, the AEC Cluster is managed by PTPC. Its objectives 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 internationalization 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, 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 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:



ENCORDER - European Network of Construction for Research and Development

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

ENCORDER is the contact association with the European Commission for innovation in construction, and oversees the activity of the *ECTP - European Construction Technology Platform*. The largest Construction companies in Europe that promote innovation and competitiveness all participate in ENCORDER.

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



ECTP - European Construction Technology Platform

ECTP is an association similar to PTPC but with more of a European scope. As Chairman of the PTPC, Teixeira Duarte - Engenharia e Construções sits on the *Steering Committee* of the ECTP, in the *Vision Group* and the *Heritage and Regeneration Working Group*.

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 field, emphasis should be placed on the obligation to meet all applicable legal requirements and other requirements associated with identified environmental aspects, as well as on the obligation to minimize the environmental impacts resulting

from the activities of the different business areas, to ensure that the Company's activities can be developed in a sustainable manner.

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

#readytochange

Through its Internal Television system, for 9 weeks Lagoas Park has been running a European Commission campaign which warns of the urgent need for change in the way we design, produce, use and dispose of single-use plastic products.

This campaign's videos were broadcast to 80,000 people, including those who work at and visit the *office park*.

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 2019, 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 and Brazil.
- **Concessions and services:** Portugal and Spain.

In the Construction sector it should also be noted that in 2019 the Angolan market was included in the scope of expansion of this management system.

In the situations of the Group's other companies, 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

Certified production of metal structures

The production of metal structures by Teixeira Duarte - Engenharia e Construções is certified to the EN 1090-1 standard, and the necessary control audits of the process have been maintained during the year under review.

Compliance with this standard thus allows the company to supply structures whose quality is in line with European standards.

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 totaling a value of €109,162.00 at 31 December 2019.

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 minimizing energy consumption and, consequently, the emission of greenhouse gases.

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

In addition, increasingly energy efficient solutions are chosen for projects under development within the scope of real estate activities of Group companies, in order to optimize 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 surfaces, washing wheels at the construction site exit, and washing cement mixers, among other uses. This subject is widely publicized during training and awareness activities, with the aim of eliminating waste and maximizing the resources available on site. 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, optimization of consumption times and actions to raise awareness among employees.

Concern for selecting equipment that allows for a reduction in water consumption, and with more efficient consumption throughout its life cycle, is becoming increasingly rooted in projects under development by companies in the Group's real estate sector.

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.

Concrete, cement and aggregates stand out among the most-used raw materials in this sector.

As regards paper consumption at the different permanent and temporary facilities of the companies, it should be noted that in the last quarter of 2019 the group embarked upon a digital transformation project that should allow the faster digitalization of numerous processes, among other improvements.



Concrete and aggregates laboratory in Portugal

Teixeira Duarte - Engenharia e Construções runs a Materials Laboratory in Portugal with the aim of providing support for the manufacturing and control of concrete to be used for its projects. Accredited by IPQ - Portuguese Institute of Quality since 1996, and as one of the first laboratories in the country to obtain this accreditation in the field of concrete and aggregates, in 2019 the Materials Laboratory maintained its accreditation under the NP EN ISO/IEC17025 Standard.

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.

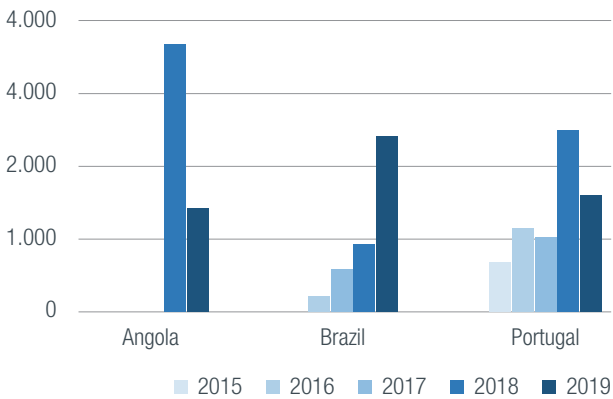
Within the scope of real estate activity, there is great concern for noise in projects where there are high noise sources close by. In these cases, designs are drawn up to ensure that the lowest amount of noise is transmitted to the interior of the buildings.

Emissions

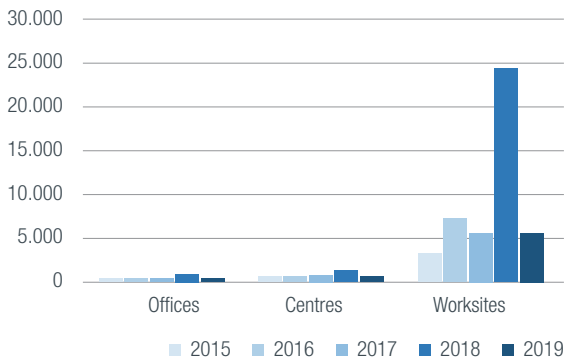
Both at offices and operational facilities, Teixeira Duarte Group companies work to reduce their ecological footprint by reducing CO2 emissions inherent to their activities.

As part of the scope of its environmental management certification, Teixeira Duarte - Engenharia e Construções collects data on CO2e emissions in Portugal, Brazil and Angola. It is possible

to extrapolate the results obtained to the rest of its operations. Emissions are calculated based on two major sources: business travel in the Company (plane, train and car) and energy consumption (electricity, gaseous and liquid fuels).

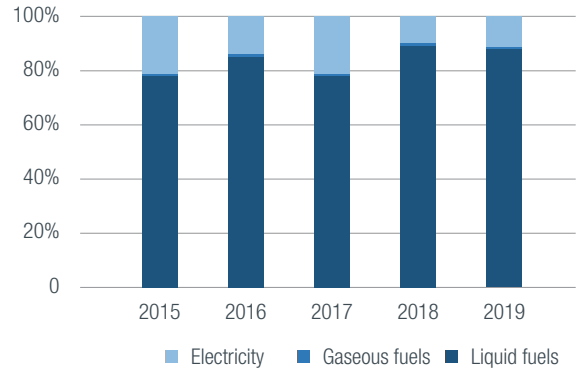


Total emissions by country of companies included in the certification perimeter of Teixeira Duarte - Engenharia e Construções, S.A.



Total emissions by type of establishment 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 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.

As regards CO2e emissions from travel related to the operation of real estate developments, the Teixeira Duarte Group companies are committed to innovative mobility solutions, specifically through the use of networks of partners and dialogs with local authorities.

For example, at Lagoas Park, a business center built and currently managed by Group companies, several measures have been taken in recent years 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 *Carsharing* services (“DriveNow” and “24/7 City by HERTZ”), *Carpooling* (“Be Lagoas” mobile app), and shared buses (“BusUp”), in addition to access to the multi-modal public transport information system of the Lisbon Metropolitan Area (through the “Be Lagoas” mobile app).

Also as part of the new mobility solutions, in 2019 Lagoas Park entered into an agreement with the “Empresas à Boleia” service that facilitates *carpooling* among workers of companies based at the Park.



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.

Sustainable cities

More than half of the world's population now lives in urban areas, and it is estimated that this will reach two thirds by 2050. It is therefore imperative to find strategies that will enable cities to continue to grow while ensuring their resilience, sustainability, security and inclusion of their inhabitants.

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 and implement ways of managing the social and environmental challenges of cities.

Environmental research partnerships

In 2019, Teixeira Duarte - Engenharia e Construções continued to participate in the working groups of the *European Federation of Foundation Contractors* (EFFC) for the creation of a tool that calculates CO2 emissions from foundation and geotechnical work: the "CO2 Foundations - Geotechnical Carbon Calculator". This is the first standardized tool for calculating CO2 emissions for these types of projects, allowing the comparison of different technical approaches to the same project and their respective CO2 emissions. In addition, it can be used throughout the development of a project to compare actual and planned performance.

Reuse of parts removed during the restoration of the Hercílio Luz Bridge



Teixeira Duarte - Engenharia e Construções won the tender to reuse the parts removed during the restoration process of the Hercílio Luz Bridge, in Florianópolis, Brazil.

This reuse allows the revitalization of around 530 small bridges in the State of Santa Catarina; the parts have to be adapted to local projects by Teixeira Duarte itself and supplied to the respective local governments so that they can proceed with the necessary refurbishment work.

Collaborating in the reuse of these materials, including their processing and recycling, is important not only because of the

economic and social benefits it brings to the local areas, but also because it is a model with major environmental advantages.

It should be noted that during the bridge refurbishment and restoration process, executed with great success by Teixeira Duarte, a total of around 380 tons of steel parts were removed from the bridge and the temporary support structure, in addition to over 1,000 tons from the trusses and towers assembled below the central span, made to support the bridge during the replacement of the eyebolt bars.

