

**Teixeira Duarte, S.A.**

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# Plan for Prevention of Risks of Corruption and Related Infractions

Interim Assessment Report  
October 2023



**TEIXEIRA DUARTE**



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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 €

Legal Person and Cascais - Oeiras Commercial Registry Number 509.234.526

## 1. LEGAL FRAMING

On December 9<sup>th</sup> 2021, it was published the Decree-law 109-E/2021, (Decree-law 109-E/2021), which created the National Anti-Corruption Mechanism (NACM) and established the General Regime for the Prevention of Corruption (GRPC), which came into force on June 7<sup>th</sup> 2022.

The GRPC established the Normative Compliance Program (NCP) which determines the Plan for Prevention of Risks of Corruption and Related Infractions (PPR) as one of the elements to be implemented and executed by the eligible entities, as set forth in article 5 of the appendix to Decree-law 109-E/2021.

The PPR is a risk management tool whose objective is the identification, assessment, mitigation, monitoring and control of risks of corruption and related infractions, in order to ensure the effectiveness of the preventive and corrective measures provided for in it, as well as their updating in accordance with the Company's needs.

In this context, on August 21<sup>st</sup> 2023, Teixeira Duarte, S.A. (TDSA) approved its Plan for Prevention of Risks of Corruption and Related Infractions (PPR), in a meeting of the Board of Directors, which covers the entire organisation and activity of the Teixeira Duarte Group (TDG).

## 2. INTRODUCTION

In order to comply with the provisions of article 6 (4) (a) of the appendix to Decree-law 109-E/2021, regarding the PPR execution, this Interim Assessment Report (Report) is presented.

This Report presents the monitoring of the preventive and corrective measures associated with risks classified as high or very high risk, taking into account the risk level methodology established in the PPR, as well as the current contextualisation of the company Teixeira Duarte – Engenharia e Construções, S.A. (TD-EC) in this regard.

## 3. TD-EC'S PLAN FOR PREVENTION OF RISKS OF CORRUPTION AND RELATED INFRACTIONS

TD-EC, as TDG's main company in the Construction sector, approved its PPR in meeting of its Board of Directors, on May 9<sup>th</sup> 2022.

This plan was duly publicised and executed in 2022, and its results were presented through the interim and annual reports, in accordance with the provisions of Decree-law 109-E/2021.

Meanwhile, for the purposes of article 6 (3) of the Annex to Decree-law 109-E/2021, on August 21<sup>st</sup> 2023, TDSA approved, in a meeting of its Board of Directors, a PPR which covers the entire organisation and activity of TDG.

In this context and taking into consideration the adoption of the TDSA's PPR by the eligible companies of the TDG, must be formally approved by the respective management bodies of each company, TD-EC deliberated, on October 13<sup>th</sup> 2023, in a meeting of its Board of Directors, to adopt TDSA's PPR and, consequently, to discontinue its PPR.

It should be noted that all risk scenarios, preventive and corrective measures that were part of TD-EC's PPR, and which were consistent with the new plan, were included in TDSA's PPR, although described differently.

## 4. MONITORING OF THE PREVENTIVE AND CORRECTIVE MEASURES - HIGH RISK / VERY HIGH RISK

For the purposes of provisions of Article 6 (4) (a) of the Decree-law 109-E/2021, it is presented the monitoring of the preventive and corrective measures, regarding the risks identified as **high** risk or **very high** risk in the PPR and their implementation status.

The period subject to this monitoring of the measures associated with, between August 21<sup>st</sup> 2023, the date on which the current PPR came into force, and October 30<sup>th</sup> 2023, the month in which this report was elaborated.

TDSA's PPR presents the following, as main situations identified as high or very high risk of the practice of corruption and related infractions:

Main activity areas with risk of practice of acts of corruption and related infractions.	Infraction Type	Risk Description	Risk Level
Procurement	Fraud	Tampering with or absence of accounting record of the stock of materials, machinery, equipment or goods, subtracted for own or third parties' benefit.	108
	Distortion of Competition	Agreement between companies to obtain advantages and / or benefits for themselves or for others, distorting free market competition.	108
	Distortion of Competition	Agreement to raise, increase or fix the price of goods or services between competitors to manipulate the market.	108
Internal Audit	Active Corruption	Use a position of authority (within TDG) or relationships with people in a position of authority to obtain favours or benefits for themselves or for third parties.	40
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	152
	Money Laundering	Involvement in money laundering schemes with the purpose of dissimulating the illicit provenance of capital, namely through the acceptance of payments in cash and / or transactions of large amounts or of goods of high unit value.	108
	Money Laundering	Lack of verification of cash payments provenance or receipt of investments and funds of significant amounts.	108
	Money Laundering	Exercise of a TDG company's activity in a territory with a high level of perceived corruption or risk of money laundering and terrorist financing, without prior due diligence.	42
	Fraud	Records tampering to obtain subsidies or credits from stakeholders and / or government entities.	36
	Fraud	Tampering with or absence of accounting record of the stock of materials, machinery, equipment or goods, subtracted for own or third parties' benefit.	54

Commercial	Active Corruption	Payments to public agents or public / private entities to obtain benefits or advantages.	52
	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	36
	Active Corruption	Donations of sponsorship of political parties or other entities (public or private) with the obvious or apparent objective pressure, influence peddling or illegitimate lobbying in favour of a company belonging to the TDG.	40
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	76
	Passive Corruption	Receiving unlawful advantage for the selection, hiring and / or to favour suppliers or service providers.	76
	Money Laundering	Exercise of a TDG company's activity in a territory with a high level of perceived corruption or risk of money laundering and terrorist financing, without prior due diligence	42
	Influence Peddling	Insinuation or use of the name Teixeira Duarte as tool to obtain advantages or benefits from public agents.	9
	Fraud	Misappropriation of cash funds or of public subsidies for the payment of fake expenses or payment / financing of licit or illicit activities.	108
	Fraud	Records tampering to obtain subsidies or credits from stakeholders and / or government entities.	54
	Distortion Of Competition	Agreement between companies to obtain advantages and / or benefits for themselves or for others, distorting free market competition.	252
Compliance	Distortion Of Competition	Agreement to raise, increase or fix the price of goods or services between competitors to manipulate the market.	252
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	120
	Money Laundering	Involvement in money laundering schemes with the purpose of dissimulating the illicit provenance of capital, namely through the acceptance of payments in cash and / or transactions of large amounts or of goods of high unit value.	54

Board of Directors	Money Laundering	Exercise of a TDG company's activity in a territory with a high level of perceived corruption or risk of money laundering and terrorist financing, without prior due diligence.	54
	Active Corruption	Payments to public agents or public / private entities to obtain benefits or advantages.	360
	Active Corruption	Entice a third party to engage in a corrupt behaviour in the country the company of the TDG is carrying out its activity.	360
	Active Corruption	Donations of sponsorship of political parties or other entities (public or private) with the obvious or apparent objective pressure, influence peddling or illegitimate lobbying in favour of a company belonging to the TDG.	312
	Active Corruption	Offer gifts, entertainment and / or hospitality services to public agents or public / private entities to obtain benefits or advantages.	88
	Active Corruption	Use a position of authority (within TDG) or relationships with people in a position of authority to obtain favours or benefits for themselves or for third parties.	120
	Passive corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	360
	Passive Corruption	Receiving unlawful advantage for the selection, hiring and / or to favour suppliers or service providers.	84
	Money Laundering	Involvement in money laundering schemes with the purpose of dissimulating the illicit provenance of capital, namely through the acceptance of payments in cash and / or transactions of large amounts or of goods of high unit value.	648
	Money Laundering	Lack of verification of cash payments provenance or receipt of investments and funds of significant amounts.	360
	Money Laundering	Exercise of a TDG company's activity in a territory with a high level of perceived corruption or risk of money laundering and terrorist financing, without prior due diligence.	168
	Influence Peddling	Insinuation or use of the name Teixeira Duarte as tool to obtain advantages or benefits before public agents.	216
	Fraud	Records tampering to obtain subsidies or credits from stakeholders and / or government entities.	504
	Fraud	Conscious modification of accounting records for tax evasion.	78
	Distortion of Competition	Agreement between companies to obtain advantages and / or benefits for themselves or for others, distorting free market competition.	504

Accounting, Finances and Shared Processes	Distortion of Competition	Agreement to raise, increase or fix the price of goods or services between competitors to manipulate the market.	504
	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	60
	Active Corruption	Donations of sponsorship of political parties or other entities (public or private) with the obvious or apparent objective pressure, influence peddling or illegitimate lobbying in favour of a company belonging to the TDG.	40
	Active Corruption	Use a position of authority (within TDG) or relationships with people in a position of authority to obtain favours or benefits for themselves or for third parties.	44
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	108
	Passive Corruption	Receiving unlawful advantage for the selection, hiring and / or to favour suppliers or service providers.	108
	Money Laundering	Involvement in money laundering schemes with the purpose of dissimulating the illicit provenance of capital, namely through the acceptance of payments in cash and / or transactions of large amounts or of goods of high unit value.	504
	Money Laundering	Lack of verification of cash payments provenance or receipt of investments and funds of significant amounts.	216
	Money Laundering	Exercise of a TDG company's activity in a territory with a high level of perceived corruption or risk of money laundering and terrorist financing, without prior due diligence.	54
	Fraud	Misappropriation of cash funds or of public subsidies for the payment of fake expenses or payment / financing of licit or illicit activities.	120
	Fraud	Records tampering to obtain subsidies or credits from stakeholders and / or government entities.	120
	Fraud	Conscious modification of accounting records for tax evasion.	216
	Active Corruption	Payments to public agents or public / private entities to obtain benefits or advantages.	52
Equipment Management	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	36
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	36



Innovation	Passive Corruption	Receiving unlawful advantage for the selection, hiring and / or to favour suppliers or service providers.	36
	Influence Peddling	Insinuation or use of the name Teixeira Duarte as tool to obtain advantages or benefits before public agents.	48
	Fraud	Tampering with or absence of accounting record of the stock of materials, machinery, equipment or goods, subtracted for own or third parties' benefit.	216
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	80
	Influence Peddling	Insinuation or use of the name Teixeira Duarte as tool to obtain advantages or benefits before public agents.	36
	Fraud	Misappropriation of cash funds or of public subsidies for the payment of fake expenses or payment / financing of licit or illicit activities.	108
	Distortion of Competition	Agreement between companies to obtain advantages and / or benefits for themselves or for others, distorting free market competition.	252
	Active Corruption	Payments to public agents or public / private entities to obtain benefits or advantages.	40
	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	52
	Active Corruption	Offer gifts, entertainment and / or hospitality services to public agents or public / private entities to obtain benefits or advantages.	40
Legal	Active corruption	Use a position of authority (within TDG) or relationships with people in a position of authority to obtain favours or benefits for themselves or for third parties.	52
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	60
	Money Laundering	Exercise of a TDG company's activity in a territory with a high level of perceived corruption or risk of money laundering and terrorist financing, without prior due diligence.	54
	Influence Peddling	Insinuation or use of the name Teixeira Duarte as tool to obtain advantages or benefits before public agents.	36

Proposals' Logistics	Distortion of Competition	Agreement between companies to obtain advantages and / or benefits for themselves or for others, distorting free market competition.	252
	Distortion of Competition	Agreement to raise, increase or fix the price of goods or services between competitors to manipulate the market.	252
	Active Corruption	Payments to public agents or public / private entities to obtain benefits or advantages.	52
	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	36
	Distortion of Competition	Agreement between companies to obtain advantages and / or benefits for themselves or for others, distorting free market competition.	180
	Distortion of Competition	Agreement to raise, increase or fix the price of goods or services between competitors to manipulate the market.	180
	Active Corruption	Payments to public agents or public / private entities to obtain benefits or advantages.	120
	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	120
	Active Corruption	Use a position of authority (within TDG) or relationships with people in a position of authority to obtain favours or benefits for themselves or for third parties.	84
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	108
Operation	Passive Corruption	Receiving unlawful advantage for the selection, hiring and / or to favour suppliers or service providers.	104
	Fraud	Produce a purchase order for a service that has not been provided or has been partially provided, invoiced by service providers or suppliers, in exchange for an unlawful benefit.	56
	Fraud	Practice of overpricing or over-invoicing of contracts and / or services provision to obtain benefits or advantages for oneself or third parties.	56
	Fraud	Tampering with or absence of accounting record of the stock of materials, machinery, equipment or goods, subtracted for own or third parties' benefit.	168
	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	36
Human Resources	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	36

Management Systems	Active Corruption	Use a position of authority (within TDG) or relationships with people in a position of authority to obtain favours or benefits for themselves or for third parties.	36
	Money Laundering	Hiring of candidates classified as politically exposed persons without due diligence.	104
	Influence Peddling	Hiring candidates related to public agents in return for obtain unlawful advantage or influence peddling.	104
	Fraud	Records tampering to obtain subsidies or credits from stakeholders and / or government entities.	168
	Fraud	Conscious modification of accounting records for tax evasion.	84
	Active Corruption	Payments to public agents or public / private entities to obtain benefits or advantages.	38
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	54
	Active Corruption	Payments to public agents or public / private entities to obtain benefits or advantages.	52
	Active Corruption	Entice a third party to engage in corrupt behaviour taking into account the country in which the TDG company is operating.	60
	Active Corruption	Use a position of authority (within TDG) or relationships with people in a position of authority to obtain favours or benefits for themselves or for third parties.	216
Corporate	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	216
	Money Laundering	Involvement in money laundering schemes with the purpose of dissimulating the illicit provenance of capital, namely through the acceptance of payments in cash and / or transactions of large amounts or of goods of high unit value.	54
	Money Laundering	Lack of verification of cash payments provenance or receipt of investments and funds of significant amounts.	36
	Money Laundering	Exercise of a TDG company's activity in a territory with a high level of perceived corruption or risk of money laundering and terrorist financing, without prior due diligence	54
	Influence Peddling	Insinuation or use of the name Teixeira Duarte as tool to obtain advantages or benefits before public agents.	36

Sustainability	Distortion of Competition	Agreement between companies to obtain advantages and / or benefits for themselves or for others, distorting free market competition.	360
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	90
	Fraud	Records tampering to obtain subsidies or credits from stakeholders and / or government entities.	90
Information Technology	Active Corruption	Use a position of authority (within TDG) or relationships with people in a position of authority to obtain favours or benefits for themselves or for third parties.	88
	Passive Corruption	Receipt of a benefit or advantages, or the promise thereof, from a public or private agent, in breach of the duties of the position held in the TDG.	360
	Passive Corruption	Receiving unlawful advantage for the selection, hiring and / or to favour suppliers or service providers.	60
	Fraud	Tampering with or absence of accounting record of the stock of materials, machinery, equipment or goods, subtracted for own or third parties' benefit.	108

With regard to the risks identified above, the following measures were set, presented in a consolidated manner being that they are applicable to most of the risk areas:

Mitigation Measure	Status	Applicable Domains
Periodical internal audit of the risk activities, to monitor and search for improvement opportunities.	Not implemented	Procurement Commercial Accounting, Finances and Shared Processes Operation
Revision of the Code of Ethics and Conduct taking into consideration the new legislation in force.	Implemented (partially)	Procurement Internal audit Commercial Compliance Board of Directors Accounting, Finances and Shared Processes Equipment management Innovation

		<div>Legal</div> <div>Proposals' Logistics</div> <div>Operation</div> <div>Human Resources</div> <div>Management systems</div> <div>Corporate</div> <div>Sustainability</div> <div>Information technology</div>
Elaboration and / or updating of normative documents regarding Corruption and Related Infractions	Not implemented	<div>Procurement</div> <div>Internal audit</div> <div>Commercial</div> <div>Compliance</div> <div>Board of Directors</div> <div>Accounting, Finances and Shared Processes</div> <div>Equipment management</div> <div>Innovation</div> <div>Legal</div> <div>Proposals' Logistics</div> <div>Operation</div> <div>Human Resources</div> <div>Management systems</div> <div>Corporate</div> <div>Sustainability</div> <div>Information technology</div>
Implementation of training regarding the Ethics Channel within the scope of the PPR Training Program	Fully implemented	<div>Procurement</div> <div>Internal audit</div> <div>Commercial</div> <div>Compliance</div> <div>Board of Directors</div> <div>Accounting, Finances and Shared Processes</div>

		Equipment management
		Innovation
		Legal
		Proposals' Logistics
		Operation
		Human Resources
		Management systems
		Corporate
		Sustainability
		Information technology
Develop communication / training campaigns regarding <i>compliance</i> issues in connection with the PPR.	Implemented (partially)	<i>Compliance</i>

## 5. RECOMMENDATIONS

Taking into consideration the analysis and the assessment of the implementation and effectiveness of the Mitigating Measures proposed in the PPR, are proposed the following recommendations:

1. Carry out the mapping and identification of other measures implemented in the areas of risk and of new measures to implement, through the auditing program planned to 2023-2024;
2. Proceed with the development of the Mitigation Measures which are partially implemented; and
3. Initiate the development of the Mitigation Measures whose status is "Not Implemented".

Porto Salvo,

Person Responsible for the Corruption and Related Infractions Risk Prevention Plan

*Carlos Jorge Cavaca Ferraz*