

Plan for the Prevention of Corruption Risks and Related Offenses

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Given the context of increasing awareness of the impacts associated with the occurrence of corruption practices and related offenses, as well as the concern of organizations to implement effective mechanisms to prevent and mitigate the inherent risks of such irregularities, there has been a reinforcement of applicable regulations regarding the prevention and control of corruption risks and related offenses in various jurisdictions in recent years. In the Portuguese context, Decreto-Lei No. 109-E/2021 of December 9th was enacted, establishing the General Regime for Corruption Prevention ("RGPC"), which came into effect in June 2022.

This regime applies to all entities headquartered in Portugal and to subsidiaries of foreign companies with operations in national territory, provided they employ at least 50 workers. It establishes a set of rules for the prevention and combat of corruption and related offenses.

In order to comply with the provisions of the RGPC, covered entities must adopt and implement, among other instruments, a plan for the prevention of corruption risks and related offenses (hereinafter referred to as "PPR"). In particular, the mentioned Decree-Law describes a generic structure for the PPR that must include: (i) the identification of the entity's activity areas that present risks of corruption and related offenses; (ii) the probability of occurrence and the expected impact of each event (for the purpose of risk classification); (iii) the list of preventive and corrective measures to apply in mitigating the impacts and probabilities of occurrence of identified risks and situations; (iv) the identification of key priority measures in response to high-risk events; and (v) the appointment of a person responsible for the implementation, control, and review of the PPR.

The PPR presented takes into consideration the integrated management structure within the business unit, support and control departments, and operational jurisdiction of Alcobre, Conductores Eléctricos, S.A. (hereinafter referred to as "Alcobre"), the legal entity covered by the RGPC and responsible for implementing this PPR.

In this regard, with the aim of strengthening the mechanisms for preventing, detecting, and mitigating irregular actions and behaviors carried out against Alcobre or that occur in the course of its activities, Alcobre has developed the PPR presented here with the objective of complementing and improving internal regulations and mechanisms to meet applicable legal requirements and providing a strategy aligned with the existing challenges in fulfilling its mission.

The PPR presented here encompasses the entirety of Alcobre's activities and organizational structure and constitutes an opportunity to ensure that Alcobre's business, activity, and operational management workflows are reinforced against the risks of corruption and related infractions, leveraging the commitment to transparency.

This PPR begins with an introduction to Alcobre, specifically its activities (including its purpose and values), as well as its organizational and governance structure (a chapter that includes a brief description of the main social bodies and their responsibilities), followed by a detailed exposition of the actions and behaviors that can result in risks of corruption and related infractions, where the risk levels associated with each type of event are identified and described, and the existing controls and/or controls to be reinforced or implemented are outlined. Finally, the main responsibilities of Alcobre in terms of monitoring and overseeing the PPR are presented.

2. Characterization of Alcobre

2.1. Nature, Purpose and Values



Alcobre Condutores Eléctricos S.A., established in 1910 and currently headquartered in the Ovar Industrial Zone, Aveiro district, is one of the oldest companies in the electric cable manufacturing sector in Portugal, with around 128 employees. Alcobre holds a consolidated position in the national market, focusing on the production and commercialization of electric cables, specifically dedicated to the manufacture of low voltage metal cables in aluminum and copper. The external market plays a significant role in Alcobre's business volume, with France, Spain, the United Kingdom, Cyprus, Mozambique, and China being the main markets.

In 2016, Alcobre was acquired by the Hengtong Group CO Ltd. (hereinafter "Hengtong Group"), which boosted Alcobre's financial and technological growth. Headquartered in Jiangsu Province, China, Hengtong Group has about 70 fully-owned companies and holding companies (of which 5 are listed on the stock exchanges of Shanghai, Hong Kong, Shenzhen, and Indonesia) with 12 manufacturing bases in Europe, South America, Africa, South Asia, and Southeast Asia. The group operates globally, providing products for over 150 countries worldwide.

Alcobre's mission is to meet the needs and expectations of customers and other stakeholders, always focusing on "achieving success and ensuring the future."

Alcobre's organizational culture is based on three main values that guide the behaviors of all its employees and serve as guiding principles for the success of the operation: (i) Partnership, (ii) Dedication, and (iii) Improvement.

2. Characterization of Alcobre

2.1. Nature, Purpose and Values



In fulfilling its mission and ensuring that its operations comply with the laws, regulations, and best practices in its area of activity, Alcobre approved its Code of Ethics and Conduct on January 17, 2022 (subsequently republished in May 2024). This Code establishes a set of conduct standards, directly or indirectly related to corruption management and related infractions, to be applied during Alcobre's operations by its employees, regardless of their employment status or hierarchical position.

2. Characterization of Alcobre

2.2. Organizational Structure



Alcobre's organizational structure is based on five operational and corporate support directions, whose practical functions are divided into ten departments, providing global and transversal support to Alcobre's activities.

Structurally, the Commercial Direction (which includes the Commercial and Marketing, and Distribution and APA departments), the Technical Direction (which includes the Product Engineering and Quality Development, Hygiene, and Safety departments), and the Operations Direction (which includes the Manufacturing and Process, and Planning and Procurement Engineering departments) present an operational nature. Meanwhile, the Financial Direction (which includes the Finance, IT, and Legal departments) and the Back Platform Direction (which includes the Procurement and Human Resources departments) support operations.

The global coordination of the Directions is carried out by Alcobre's General Director ("CEO").

2. Characterization of Alcobre

2.2. Organizational Structure



In this context, the main responsibilities and assignments of the operational and corporate support directorates, inherent to the activities performed at Alcobre, are presented below.

Directorate	Main Responsibilities (non-exhaustive)
Commercial	Directorate responsible for coordinating and proposing to the general management the company's commercial strategy, as well as its advertising and marketing. It oversees logistics and client negotiations. Additionally, it is the directorate in charge of conducting market research and is responsible for all sales tenders.
Technical	Directorate responsible for coordinating the Engineering, Quality, and Health and Safety departments, for implementing investments, and for the research and development activities of the factory. Co-responsible (along with the Operations Directorate) for the development of new products and manufacturing processes. It is also responsible for ensuring the proper functioning of quality audits and product or system certifications.
Operations	Directorate responsible for all industrial/production activities and for ensuring compliance with Quality and certification standards, quantity, cost controls, and resource utilization. It oversees continuous improvement in the factory regarding investments, manufacturing processes, machinery, and human resources. It coordinates and organizes the Production, Planning, and Maintenance areas.

2. Characterization of Alcobre

2.2. Organizational Structure



Directorate	Main Responsibilities (non-exhaustive)
Financial	Direction responsible for the economic-financial and accounting areas of the company, collaborating with the Administration in planning and defining objectives, financial strategy, and investment management. It is also responsible for legal, tax, and commercial advisory, as well as all IT activities across all business areas.
<i>Back Platform</i>	Direction responsible for the purchasing strategy and negotiations with suppliers, supervising the acquisition processes from the identification of needs to the evaluation of suppliers and management of investments in capital goods. This direction also ensures all activities related to Human Resources, from strategy to budgeting.

2. Characterization of Alcobre

2.2. Organizational Structure



2. Characterization of Alcobre

2.3. Governance



Alcobre's governance is linked to the organizational structure presented, which, as described above, is coordinated by the General Director and is based on the various Directions with responsibilities allocated to the different activities inherent to Alcobre's business.

Regarding risk management, Alcobre's governance is coordinated by the Compliance Officer, a responsibility assumed by the Director of the Financial Direction. All actions leading to the execution and monitoring of procedures regarding the risk of corruption and related offenses are implemented transversally within the entire organization and entail a shared responsibility for all those who integrate it in the scope of their daily activities at Alcobre, aligned with the business strategy and internal regulatory framework. The General Director, in close cooperation with the Compliance Officer, is responsible for supervising and evaluating the efficiency and effectiveness of the internal control systems implemented in response to the risk of corruption and related offenses.

3. Assessment of Corruption Risks and Related Offenses

3.1. The Concept of Risk and the Risk of Corruption

In the scope of their activities, organizations encounter situations both at the external and internal levels that may threaten the achievement of their objectives, resulting in a scenario of uncertainty. The uncertainty effect generated by an event, situation, or future circumstance is defined as risk.

Due to the broad concept of corruption, it is extensively referenced by various national and international benchmarks (e.g., COSO Fraud Risk Management, Association of Certified Fraud Examiners, Transparency International, Portuguese Public Prosecutor's Office). For example, Transparency International defines corruption as the abuse of power to obtain private gains. The Portuguese Public Prosecutor's Office generally defines corruption as the deviation of power for purposes different from those for which it was granted, that is, the use (abuse) for private purposes of a power received by delegation.

The RGPC, in its article 3, defines corruption and related offenses as crimes of corruption, undue receipt and offer of advantage, embezzlement, economic participation in business, extortion, abuse of power, prevarication, influence peddling, money laundering, or fraud in obtaining or diverting subsidies, grants, or credit.

It is also relevant to clarify the distinction between the concepts of active and passive corruption, both provided for in articles 373 and 374 of the Portuguese Penal Code. The former refers to the act of someone who, either personally or through an intermediary, with their consent or ratification, gives or promises to an official or a third party indicated or known to the official a material or non-material advantage for the practice of any act or omission contrary to the duties of the office. Passive corruption, on the other hand, is defined as the act of an official who, either personally or through an intermediary, with their consent or ratification, solicits or accepts for themselves or for a third party a material or non-material advantage or its promise for the practice of any act or omission contrary to the duties of the office, even if prior to such solicitation or acceptance.

3. Assessment of Corruption Risks and Related Offenses



3.1. The Concept of Risk and the Risk of Corruption

The Penal Code also provides for offenses related to corruption, defining them as acts that enable illicit gains and threaten the proper functioning of entities and markets. These include but are not limited to influence peddling, bribery, and embezzlement.

Therefore, the risk management process is fundamental for organizations to mitigate these and other risks, as it allows them to identify, analyze, and evaluate risks, thereby mitigating the negative impacts arising from their materialization. The identification, as well as the methodical and regular assessment of risks inherent to the activities they perform, make organizations better prepared to respond to risks effectively through the implementation of internal controls and mitigation measures that protect their operations from potential risks and consequent negative impacts.

The risk management process is thus a transversal process throughout the organization, being a shared responsibility for all those who integrate it. Thus, risk management must be integrated into the organization's culture, and risk management plans must cover all clusters.

Some factors can influence the exposure of organizations to the risk of corruption and related offenses, namely (i) the existence of a code of conduct and anti-corruption policies and procedures, (ii) the promotion of an ethical and integrity culture within the organization, and (iii) the quality of the governance system and internal control mechanisms and their level of effectiveness.

3. Assessment of Corruption Risks and Related Offenses



3.2. Corruption and Related Offenses Risks

The identification of the corruption and related offenses risks to which Alcobre is exposed is an integral part of the corruption risk management process designed by the organization. Its realization considered the various dimensions that corruption comprises in accordance with national and international regulatory provisions, national and international benchmarks, industry standards, and best practices, as well as technical expertise in this matter.

Additionally, the identification of Alcobre's corruption and related offenses risks took into account the organizational and operational context of the organization, the inputs from internally conducted workshops, as well as the analysis of Alcobre's regulatory framework and internal procedures.

In the context of understanding the pillars that support the macro risk of corruption and related offenses and in light of the regulation and benchmarks mentioned above, seventeen risks were identified, aggregated into six risk groups:

- i. Bribery – risk of corruption that results from obtaining a profit from an undue advantage resulting from the practice of influencing the representative of a private/public entity;
- ii. Relationships with third parties – risk of corruption that reflects the interactions with third parties established within the scope of the activities carried out by Alcobre;
- iii. Gratifications – risk of corruption that reflects the receipt or realization of additional payments, by a collaborator or third party, as a form of recognition, incentive or reward for some type of task performed, consistent with normal business practice in Alcobre;

3. Assessment of Corruption Risks and Related Offenses

3.2. Corruption and Related Offenses Risks



- iv. Economic extortion – risk of corruption that is linked to the practice of love or coercion of an individual or entity with the objective of obtaining financial advantages undevid;
- v. Relationships with the State – risk of corruption that reflects the interactions with individuals or public sector entities established in the scope of the activities carried out by Alcobre;
- vi. Human resources management – risk of corruption that runs through the set of management processes and procedures and/or endorsement of current and potential collaborators in Alcobre.

The identified risks are provided below and also in the Dictionary of corruption risks, listed by the respective risk identification number (see Annex 1):

3. Assessment of Corruption Risks and Related Offenses

3.2. Corruption and Related Offenses Risks

Bribery

- 1** Act of bribery by a collaborator of Alcobre or a third party in the representation of Alcobre to a representative of a public entity (kickbacks, economic participation in the business, receipt or unpaid offer of benefits, facilitation payment)
- 2** Act of bribery by a collaborator of Alcobre or a third party in the representation of Alcobre to a representative of a private entity (kickbacks, economic participation in the business, receipt or unpaid offer of benefits, facilitation payment)

3. Assessment of Corruption Risks and Related Offenses

3.2. Corruption and Related Offenses Risks

Relationships with third parties ¹

3 Analysis of integrity in the relationship with third parties (clients) for specific risks of non-existent or insufficient corruption

4 Integrity analysis in the relationship with third parties (not clients) for specific risks of non-existent or insufficient corruption

5 Intermediation of confidential corporate information between employees of Alcobre and third parties, obtained by illegal methods

6 Identification of situations of conclusion in negotiations (procurement processes, manipulation of tenders, lists and price fixing)

7 Existence of conflicts of interest by collaborator of Alcobre or third party in representation of Alcobre

¹ On the date of publication of this PPR, it is understood that one of the risks inherent to this risk group, the risk of money laundering, is not applicable to Alcobre.

3. Assessment of Corruption Risks and Related Offenses

3.2. Corruption and Related Offenses Risks

Gratifications

- 8** Making donations (for political or community purposes) that are not aligned with internal procedures defined in regulations and/or not aligned with normal business practices
- 9** Receiving or making offers, trips, gifts, promotional expenses, sponsorships, and other items that are not aligned with internal procedure defined in regulations and/or not aligned with normal business practices

Economic extortion

- 10** Economic extortion of third parties (employees or third parties related to Alcobre)

3. Assessment of Corruption Risks and Related Offenses

3.2. Corruption and Related Offenses Risks

Relationships with the State

11

Existence of "revolving door" situations (movement of employees at the management level between positions at Alcobre and jobs in the public sector and vice versa)

12

Exposure of Alcobre to acts of embezzlement, malfeasance, influence peddling, extortion, economic participation in business, or abuse of power by a public agent

13

Fraud in obtaining or embezzling a subsidy, subsidy or credit

14

Act or practice that constitutes tax evasion or fraud in social contributions

3. Assessment of Corruption Risks and Related Offenses

3.2. Corruption and Related Offenses Risks

Human resources management

15

Favoritism granted to an employee, regardless of qualifications, merit or entitlement, for a job or benefit due to political affiliations or connections

16

Analysis of the integrity and suitability of an individual in the process of recruiting and hiring non-existent or insufficient personnel

3. Assessment of Corruption Risks and Related Offenses

3.3. Methodology for identifying and assessing risks of corruption and related offenses



Having identified the risks of corruption and related infractions to which Alcobre is exposed, it becomes important to evaluate and measure their impact on the organization. In this sense, the risk assessment is carried out at the level of detail of the risks identified by cluster. These clusters are made up of four Alcobre departments, given the similarity of processes and respective underlying activities between the departments that compose them in terms of their exposure to risk, and the departments included in the Back Platform Department, namely the Purchasing & Procurement and of Human Resources Management, given the disparity in the activities underlying them in relation to exposure to risk, thus forming the following clusters:

- Commercial Directorate;
- Technical Directorate;
- Operations Directorate;
- Financial Directorate;
- Purchasing & Procurement Department;
- Human Resources Department.

The assessment of each risk is characterized by two factors: (i) the probability of occurrence and (ii) impact. The combination of these two factors allows calculating the risk score of a given event occurring, which results from the probability of that event materializing and the impact/consequences it will have on Alcobre's activities.

3. Assessment of Corruption Risks and Related Offenses



3.3. Methodology for identifying and assessing risks of corruption and related offenses

In this way, Alcobre will be able to respond to risks and limit the potential damage caused by them by managing its exposure to the consequences (reducing the impact of the event) and creating prevention mechanisms that act to avoid incidents (reducing the probability of occurrence).

Specifically, with regard to the classification of each risk, based on the methodological approach mentioned above, the classification of the impact of each risk takes into account the dimensions of financial and reputational impact. The measurement of the level of impact is based on a qualitative analysis (between “Very low” and “Very high”) of each of the dimensions. Whenever the level of risk impact is assessed in more than one dimension, the considered aggregate impact of the risk corresponds to the maximum value of the various dimensions.

In relation to measuring the probability of a risk occurring, the frequency of occurrence of that risk, assessed qualitatively (between “Very low” and “Very high”), is considered as a variable. For more details, see Appendix 2, which contains a framework of the detailed methodological approach.

The inherent risk score of corruption and related offenses for each cluster, which by definition does not yet take into account the implemented controls, results from the aggregate impact level (average of the risk impact ratings) and the aggregate probability (average of the probability of occurrence of risks) of the risks to which this cluster is subject. Alcobre's global inherent risk score follows the same calculation logic mentioned above, for all of the organization's clusters. For further details, see Annex 2, which comprises the entire corruption risk assessment model.

3. Assessment of Corruption Risks and Related Offenses

3.3. Methodology for identifying and assessing risks of corruption and related offenses

In order to interpret the risk to which Alcobre's clusters are subject, a classification is carried out based on the inherent risk score according to the four-level scale of the corruption and related offenses risk scoring matrix. The risk score is classified in ascending order, according to the classification criteria presented in Annex 2, as shown below:

-  Observed
-  Important
-  Significant
-  Critical

By evaluating each risk taking into account the particularities of each Alcobre cluster, the risk of corruption and related infractions to which the organization is subject across the board materializes in a concrete and assertive way.

Below are presented, for each Alcobre cluster and for the risks of corruption and related infractions applicable to each one, (i) the inherent risk score calculated based on the risk assessment model presented in Annex 2, (ii) a mapping of the main concrete risks identified, and (iii) the objective controls (implemented, under implementation or to be implemented/improved) established by Alcobre to respond to the risks identified in the respective cluster.

3. Assessment of Corruption Risks and Related Offenses

3.3. Methodology for identifying and assessing risks of corruption and related offenses






In this context, it is crucial to note that the risks described below are risks prior to the execution of controls to mitigate them (inherent risk). In addition, it is important to highlight that the established controls have the possibility of being implemented, when applicable, not only at the level of the cluster to which they refer, but comprehensively across Alcobre's entire organizational structure.

In terms of responsibility for regulatory compliance associated with the risk of corruption and related infractions being implemented at Alcobre, it is the responsibility of the RCN, which occupies a relevant position in the risk management approach, to monitor the cycle of control, management and monitoring of the risk of corruption and infractions. correlated, independently, objectively and with decision-making autonomy.

However, in terms of responsibility for implementing and monitoring the controls established to mitigate risks, the primary responsibility for this purpose lies with the Management to whom they are assigned. However, there is flexibility to assign secondary responsibility to another Department for some controls, and to change the assigned primary responsibility, depending on the concrete nature of some controls or changes that occur in Alcobre's organizational structure.



3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Commercial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
1 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a public entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation)	Risk of bribery or influence management in order to facilitate or unblock a particular process or project (for example, influencing the award of a contract)	<ul style="list-style-type: none"> • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. • Archive of main communications with public entities. 	
2 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a private entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation, hidden commissions)	Risk of bribery or influence management vis-à-vis the various third parties involved in the commercial network management process (for example, promising certain commercial conditions in exchange for a personal and undue benefit)	<ul style="list-style-type: none"> • Anti-corruption clauses, including acceptance of Alcobre's policies on this matter, in contracts signed with third parties. • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Commercial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
3 - Analysis of integrity in the relationship with third parties (clients) for concrete risks of non-existent or insufficient corruption	Establishment of a contractual relationship with an entity with adverse elements of integrity affecting Alcobre's reputation (for example, entering into a commercial contract with an entity judged for corruption)	<ul style="list-style-type: none"> Third party risk assessment procedure 	
4 - Analysis of integrity in relationships with third parties (other than customers) for concrete risks of non-existent or insufficient corruption	Risk arising from the establishment of a commercial relationship with third parties with an adverse level of suitability, due to failures in the application of advance risk assessment procedures (e.g., raw material suppliers)	<ul style="list-style-type: none"> Third party risk assessment procedure. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Commercial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
5 - Intermediation of confidential corporate information between Alcobre employees and third parties, obtained through illegal methods	Risk of improper exchange of confidential information (e.g., improper sharing of portfolio client list to third parties) with malicious intent	<ul style="list-style-type: none"> Procedures to prevent market manipulation and abuse of privileged information, including coding confidential information and restricting access to it. Carrying out regular communications regarding the prohibition of sharing or use for personal or third party benefits of confidential information and respective disciplinary and legal consequences. 	
6 - Identification of collusion situations in negotiations (procurement processes, bid manipulation, cartels and price fixing)	Risk of collusion in the procurement process when choosing third parties in the development of activities, contrary to Alcobre's interests (depending on the technical assessment at the price component level)	<ul style="list-style-type: none"> Application of the principle of segregation of procurement functions from suppliers and other business partners. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Commercial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
7 - Existence of conflicts of interest by an Alcobre employee or third party representing Alcobre	Risk of conflicts of interest between Alcobre employees and third parties involved in formulating final prices	<ul style="list-style-type: none"> Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest). Application of the principle of segregation of procurement functions from suppliers and other business partners. Development and execution of conflict of interest management policy. 	
9 - Receiving or making offers, trips, gifts, promotional expenses, sponsorships and other items not in line with internal procedures defined in regulations and/or not in line with normal business practice	Risk of improperly receiving or making offers, trips, gifts, promotional expenses, sponsorships and the like, with the intention of acting corruptly in order to facilitate or unblock a certain process (e.g., offers by potential customers to obtain commercial advantages)	<ul style="list-style-type: none"> Implementation of an Alcobre gift and hospitality policy for dissemination and guidance regarding the guidelines and procedures for offering and/or receiving travel, gifts, entertainment events and other hospitality. Integrity training plan (including matters of anti-corruption, conflicts of interest and third-party risk assessment) and carrying out regular training actions for all employees (with different levels of depth depending on their hierarchical position in the organization, as well as in activities carried out by them). 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Commercial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
10 - Economic extortion of third parties (Alcobre employees or third parties)	No relevant risks identified	<ul style="list-style-type: none"> Internal procedures and support systems to ensure that access to Alcobre systems and circulation within Alcobre facilities is controlled and identifiable. Accounting procedures for controlling inventoried assets (e.g., material stocks) with the respective accounting records. 	
12 - Exposure of Alcobre to acts of embezzlement, malfeasance, influence peddling, concussion, economic participation in business or abuse of power by a public agent	Risk of adverse involvement of an Alcobre employee in acts of embezzlement, malfeasance, influence peddling, concussion, economic participation in a business or abuse of power by a public agent (e.g., use of a public agent's dominant position to influence the department's investment decisions).	<ul style="list-style-type: none"> Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest). 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Technical Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
1 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a public entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation)	Risk of bribery or influence management in order to facilitate or unblock a certain process or project (for example, obtaining Product Certificates)	<ul style="list-style-type: none"> • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. • Archive of main communications with public entities. 	
2 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a private entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation, hidden commissions)	Risk of bribery or influence management vis-à-vis the various third parties involved in the development of engineering tests (e.g. suppliers of raw materials or other goods and services)	<ul style="list-style-type: none"> • Anti-corruption clauses, including acceptance of Alcobre's policies on this matter, in contracts signed with third parties. • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Technical Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
4 - Analysis of integrity in relationships with third parties (other than customers) for concrete risks of non-existent or insufficient corruption	Risk arising from the establishment of a commercial relationship with third parties with an adverse level of suitability, due to failures in the application of advance risk assessment procedures (e.g., engineering suppliers)	<ul style="list-style-type: none"> • Third-party risk assessment procedure. 	
5 - Intermediation of confidential corporate information between Alcobre employees and third parties, obtained through illegal methods	Risk of inappropriate exchange of confidential information with malicious intent (e.g. technical product specifications)	<ul style="list-style-type: none"> • Procedures to prevent market manipulation and abuse of privileged information, including coding confidential information and restricting access to it. • Carrying out regular communications regarding the prohibition of sharing or use for personal or third party benefits of confidential information and respective disciplinary and legal consequences. 	

3. Assessment of Corruption Risks and Related Offenses



3.4. Identification and classification of corruption risks and related offenses

Technical Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
6 - Identification of collusion situations in negotiations (procurement processes, bid manipulation, cartels and price fixing)	Risk of collusion in the procurement process when choosing third parties for the development of engineering tests, contrary to Alcobre's interests	<ul style="list-style-type: none"> • Application of the principle of segregation of procurement functions from suppliers and other business partners. • Procedures to prevent market manipulation and abuse of privileged information, including segregation of duties in approving third parties and restricted access to confidential information components. 	
7 - Existence of conflicts of interest by an Alcobre employee or third party representing Alcobre	Risk of conflicts of interest between Alcobre employees and third parties involved in formulating final prices for the purchase or sale of products or services	<ul style="list-style-type: none"> • Application of the principle of segregation of procurement functions from suppliers and other business partners. • Development and execution of conflict of interest management policy. • Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest). 	

3. Assessment of Corruption Risks and Related Offenses






3.4. Identification and classification of corruption risks and related offenses

Technical Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
<p>9 - Receiving or making offers, trips, gifts, promotional expenses, sponsorships and other items not in line with internal procedures defined in regulations and/or not in line with normal business practice</p>	<p>Risk of improperly receiving or making offers, trips, gifts, promotional expenses, sponsorships and the like, with the intention of acting corruptly in order to facilitate or unblock a certain process (e.g., offers by a supplier to obtain a business advantage in the analysis process Of Quality)</p>	<ul style="list-style-type: none"> • Implementation of an Alcobre gift and hospitality policy for dissemination and guidance regarding the guidelines and procedures for offering and/or receiving travel, gifts, entertainment events and other hospitality. • Integrity training plan (including matters of anti-corruption, conflicts of interest and third-party risk assessment) and carrying out regular training actions for all employees (with different levels of depth depending on their hierarchical position in the organization, as well as in activities carried out by them). 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Technical Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
10 - Economic extortion of third parties (Alcobre employees or third parties)	Risk of misappropriation of assets (e.g., cash or equivalents, stocks of materials) by employees or third parties inherent to the development of Alcobre's activities	<ul style="list-style-type: none"> Internal procedures and support systems to ensure that access to Alcobre systems and circulation within Alcobre facilities is controlled and identifiable. Accounting procedures for controlling inventoried assets (e.g., material stocks) with the respective accounting records. 	
12 - Exposure of Alcobre to acts of embezzlement, malfeasance, influence peddling, concussion, economic participation in business or abuse of power by a public agent	Risk of adverse involvement of an Alcobre employee in acts of embezzlement, malfeasance, influence peddling, concussion, economic participation in a business or abuse of power by a public agent (e.g., use of a public agent's dominant position to influence the department's investment decisions).	<ul style="list-style-type: none"> Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest). 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Operations Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
1 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a public entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation)	Risk of bribery or influence management in order to facilitate or unblock a particular process or project (e.g. obtaining licenses)	<ul style="list-style-type: none"> • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. • Archive of main communications with public entities. 	
2 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a private entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation, hidden commissions)	Risk of bribery or influence management vis-à-vis the various third parties involved in production activities (e.g. auditors)	<ul style="list-style-type: none"> • Anti-corruption clauses, including acceptance of Alcobre's policies on this matter, in contracts signed with third parties. • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. 	

3. Assessment of Corruption Risks and Related Offenses



3.4. Identification and classification of corruption risks and related offenses

Operations Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
4 - Analysis of integrity in relationships with third parties (other than customers) for concrete risks of non-existent or insufficient corruption	Risk arising from the establishment of a commercial relationship with third parties with an adverse level of suitability, due to failures in the application of advance risk assessment procedures (e.g., equipment suppliers)	<ul style="list-style-type: none"> • Third-party risk assessment procedure. 	
5 - Intermediation of confidential corporate information between Alcobre employees and third parties, obtained through illegal methods	Risk of improper exchange of confidential information with malicious intent (for example, technical information from the production process)	<ul style="list-style-type: none"> • Procedures to prevent market manipulation and abuse of privileged information, including coding confidential information and restricting access to it. • Carrying out regular communications regarding the prohibition of sharing or use for personal or third party benefits of confidential information and respective disciplinary and legal consequences. 	

3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses



Operations Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
6 - Identification of collusion situations in negotiations (procurement processes, bid manipulation, cartels and price fixing)	Risk of collusion in the procurement process when choosing third parties in the development of activities, contrary to Alcobre's interests (e.g., favoring one supplier over another, through price fixing for the acquisition of components for production)	<ul style="list-style-type: none"> Application of the principle of segregation of procurement functions from suppliers and other business partners. 	

3. Assessment of Corruption Risks and Related Offenses



3.4. Identification and classification of corruption risks and related offenses

Operations Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
7 - Existence of conflicts of interest by an Alcobre employee or third party representing Alcobre	Risk of conflicts of interest between Alcobre employees and third parties involved in formulating final purchase or sale prices	<ul style="list-style-type: none"> • Application of the principle of segregation of procurement functions from suppliers and other business partners. • Development and execution of conflict of interest management policy. • Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest). • Integrity training plan (including matters of anti-corruption, conflicts of interest and third-party risk assessment) and carrying out regular training actions for all employees (with different levels of depth depending on their hierarchical position in the organization, as well as in activities carried out by them). 	

3. Assessment of Corruption Risks and Related Offenses





3.4. Identification and classification of corruption risks and related offenses

Operations Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
<p>9 - Receiving or making offers, trips, gifts, promotional expenses, sponsorships and other items not in line with internal procedures defined in regulations and/or not in line with normal business practice</p>	<p>Risk of improperly receiving or making offers, trips, gifts, promotional expenses, sponsorships and the like, with the intention of acting corruptly in order to facilitate or unblock a certain process (e.g., offering trips or hotel stays in exchange for favorable commercial decisions for a given supplier)</p>	<ul style="list-style-type: none"> • Implementation of an Alcobre gift and hospitality policy for dissemination and guidance regarding the guidelines and procedures for offering and/or receiving travel, gifts, entertainment events and other hospitality. • Integrity training plan (including matters of anti-corruption, conflicts of interest and third-party risk assessment) and carrying out regular training actions for all employees (with different levels of depth depending on their hierarchical position in the organization, as well as in activities carried out by them). 	

3. Assessment of Corruption Risks and Related Offenses




3.4. Identification and classification of corruption risks and related offenses



Operations Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
10 - Economic extortion of third parties (Alcobre employees or third parties)	Risk of misappropriation of assets (e.g., cash or equivalents, stocks of materials) by employees or third parties inherent to the development of Alcobre's activities	<ul style="list-style-type: none"> Internal procedures and support systems to ensure that access to Alcobre systems and circulation within Alcobre facilities is controlled and identifiable. Accounting procedures for controlling inventoried assets (e.g., material stocks) with the respective accounting records. 	


3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Financial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
1 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a public entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation)	Risk of bribery or influence management in order to facilitate or unblock a particular process or project (e.g. financing approval)	<ul style="list-style-type: none"> Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. Archive of main communications with public entities. 	
2 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a private entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation, hidden commissions)	Risk of bribery or influence management vis-à-vis the various third parties involved in production activities (e.g. advantages in negotiations)	<ul style="list-style-type: none"> Anti-corruption clauses, including acceptance of Alcobre's policies on this matter, in contracts signed with third parties. Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Financial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
3 - Analysis of integrity in the relationship with third parties (clients) for concrete risks of non-existent or insufficient corruption	Establishment of a contractual relationship with an entity with adverse elements of integrity affecting Alcobre's reputation (for example, entering into a commercial contract with an entity judged for corruption)	<ul style="list-style-type: none"> Third party risk assessment procedure. 	
4 - Analysis of integrity in relationships with third parties (other than customers) for concrete risks of non-existent or insufficient corruption	Risk arising from the establishment of a commercial relationship with third parties with an adverse level of suitability, due to failures in the application of advance risk assessment procedures (e.g., suppliers of raw materials or other goods and services)	<ul style="list-style-type: none"> Third party risk assessment procedure. 	

3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Financial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
5 - Intermediation of confidential corporate information between Alcobre employees and third parties, obtained through illegal methods	Risk of improper exchange of confidential banking information with malicious intent	<ul style="list-style-type: none"> • Procedures to prevent market manipulation and abuse of privileged information, including coding confidential information and restricting access to it. • Carrying out regular communications regarding the prohibition of sharing or use for personal or third party benefits of confidential information and respective disciplinary and legal consequences. • Implementation of an audit plan for communications maintained with third parties. 	
6 - Identification of collusion situations in negotiations (procurement processes, bid manipulation, cartels and price fixing)	Risk of collusion in the procurement process in the choice of third parties within the scope of the development of activities, contrary to Alcobre's interests (e.g., procurement process for insurance companies, misrepresentation of values reported for debt renegotiation)	<ul style="list-style-type: none"> • Internal system for approving bank transfers, with defined limits for approval (depending on the hierarchical position held in the organization). • Application of the principle of segregation of procurement functions from suppliers and other business partners. • Implementation of an audit plan for communications maintained with suppliers. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Financial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
7 - Existence of conflicts of interest by an Alcobre employee or third party representing Alcobre	Risk of conflicts of interest between Alcobre employees and third parties involved in formulating final purchase or sale prices	<ul style="list-style-type: none">• Application of the principle of segregation of procurement functions from suppliers and other business partners.• Development and execution of conflict of interest management policy.• Implementation of an audit plan for the existence of effective situations of conflicts of interest.• Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest).	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Financial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
8 - Making donations (for political or community purposes) not in line with internal procedures defined in regulations and/or not in line with normal business practice	Approval of donations that are out of line with normal business practice in the sector and without analytical robustness prior to the respective grant	<ul style="list-style-type: none"> • Procedure for granting donations and other social responsibility support, including prior analysis of the beneficiary's integrity. 	
9 - Receiving or making offers, trips, gifts, promotional expenses, sponsorships and other items not in line with internal procedures defined in regulations and/or not in line with normal business practice	Risk of improperly receiving or making offers, trips, gifts, promotional expenses, sponsorships and the like, with the intention of acting corruptly in order to facilitate or unblock a certain process (e.g., approval of payment for travel to a supplier without prior rational analysis, approval of sponsorships to associations without prior integrity risk analysis)	<ul style="list-style-type: none"> • Implementation of an Alcobre gift and hospitality policy for dissemination and guidance regarding the guidelines and procedures for offering and/or receiving travel, gifts, entertainment events and other hospitality. • Integrity training plan (including matters of anti-corruption, conflicts of interest and third-party risk assessment) and carrying out regular training actions for all employees (with different levels of depth depending on their hierarchical position in the organization, as well as in activities carried out by them). 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Financial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
10 - Economic extortion of third parties (Alcobre employees or third parties)	Risk of misappropriation of assets (e.g., cash or equivalents, stocks of materials) by employees or third parties inherent to the development of Alcobre's activities	<ul style="list-style-type: none"> Internal procedures and support systems to ensure that access to Alcobre systems and circulation within Alcobre facilities is controlled and identifiable. Accounting procedures for controlling inventoried assets (e.g., cash or equivalents, stocks of materials) with the respective accounting records. 	
12 - Exposure of Alcobre to acts of embezzlement, malfeasance, influence peddling, concussion, economic participation in business or abuse of power by a public agent	Risk of adverse involvement of an Alcobre employee in acts of embezzlement, malfeasance, influence peddling, concussion, economic participation in a business or abuse of power by a public agent (e.g., use of a public agent's dominant position to influence the department's investment decisions).	<ul style="list-style-type: none"> Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest). 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Financial Directorate 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
13 - Fraud in obtaining or embezzling subsidy, grant or credit	Risk of involvement in an adverse act carried out by public entities in the process of structuring subsidies (for example, manipulation of financial metrics to justify obtaining subsidies)	<ul style="list-style-type: none"> Segregation of functions in the review and approval of project proposals and activities to be submitted to obtain subsidies or public support of a similar nature. 	
14 - Act or practice that constitutes tax evasion or fraud in social contributions	Risk of adverse involvement of an Alcobre employee in an act of tax evasion or fraud in social contributions	<ul style="list-style-type: none"> Implementation of a tax contingency audit plan. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Purchasing & Procurement Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
1 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a public entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation)	Risk of bribery or influence management in order to facilitate or unblock a particular process or project (e.g. contract award)	<ul style="list-style-type: none"> • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. • Archive of main communications with public entities. 	
2 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a private entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation, hidden commissions)	Risk of bribery or influence management vis-à-vis the various third parties involved in the development of the purchasing process (e.g. raw material suppliers)	<ul style="list-style-type: none"> • Anti-corruption clauses, including acceptance of Alcobre's policies on this matter, in contracts signed with third parties. • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Purchasing & Procurement Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
4 - Analysis of integrity in relationships with third parties (other than customers) for concrete risks of non-existent or insufficient corruption	Risk arising from the establishment of a commercial relationship with third parties with an adverse level of suitability, due to failures in the application of advance risk assessment procedures (e.g., suppliers of raw materials or other goods and services)	<ul style="list-style-type: none"> Third-party risk assessment procedure. 	
5 - Intermediation of confidential corporate information between Alcobre employees and third parties, obtained through illegal methods	Risk of inappropriate exchange of confidential information (e.g. technical specifications) with malicious intent	<ul style="list-style-type: none"> Procedures to prevent market manipulation and abuse of privileged information, including coding confidential information and restricting access to it. Carrying out regular communications regarding the prohibition of sharing or use for personal or third party benefits of confidential information and respective disciplinary and legal consequences. 	



3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Purchasing & Procurement Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
6 - Identification of collusion situations in negotiations (procurement processes, bid manipulation, cartels and price fixing)	Risk of collusion in the procurement process in the choice of third parties in the scope of supplier selection, contrary to Alcobre's interests (depending on the technical assessment at the price component level)	<ul style="list-style-type: none"> Internal system for approving bank transfers, with defined limits for approval (depending on the hierarchical position held in the organization). Execution of a dashboard for regular automatic detection of situations that constitute irregularities in interactions with suppliers. Implementation of an audit plan for communications maintained with suppliers. 	
7 - Existence of conflicts of interest by an Alcobre employee or third party representing Alcobre	Risk of conflicts of interest between Alcobre employees and third parties involved in formulating final purchase or sale prices	<ul style="list-style-type: none"> Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest). Application of the principle of segregation of procurement functions from suppliers and other business partners. Development and execution of conflict of interest management policy. 	

3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Purchasing & Procurement Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
<p>9 - Receiving or making offers, trips, gifts, promotional expenses, sponsorships and other items not in line with internal procedures defined in regulations and/or not in line with normal business practice</p>	<p>Risk of improperly receiving or making offers, trips, gifts, promotional expenses, sponsorships and the like, with the intention of acting corruptly in order to facilitate or unblock a certain process (e.g., offers by a supplier to obtain a business advantage in the process of selecting supplier)</p>	<ul style="list-style-type: none"> • Implementation of an Alcobre gift and hospitality policy for dissemination and guidance regarding the guidelines and procedures for offering and/or receiving travel, gifts, entertainment events and other hospitality. • Integrity training plan (including matters of anti-corruption, conflicts of interest and third-party risk assessment) and carrying out regular training actions for all employees (with different levels of depth depending on their hierarchical position in the organization, as well as in activities carried out by them). 	

3. Assessment of Corruption Risks and Related Offenses




3.4. Identification and classification of corruption risks and related offenses



Purchasing & Procurement Department ●			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
10 - Economic extortion of third parties (Alcobre employees or third parties)	Risk of misappropriation of assets (e.g., stocks of materials) by employees or third parties inherent to the development of Alcobre’s activities	<ul style="list-style-type: none"> • Internal procedures and support systems to ensure that access to Alcobre systems and circulation within Alcobre facilities is controlled and identifiable. • Accounting procedures for controlling inventoried assets (e.g., material stocks) with the respective accounting records. 	●




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Human Resources Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
1 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a public entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation)	Risk of bribery or influence management in order to facilitate or unlock a specific process or project (e.g., payment of facilitation in the context of interaction with public employment promotion institutions to hire one employee over another)	<ul style="list-style-type: none"> • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. • Archive of main communications with public entities. 	
2 - Act of bribery by an Alcobre employee or third party representing Alcobre to a representative of a private entity (kickbacks, economic participation in business, receipt or undue offer of an advantage, payment of facilitation, hidden commissions)	Risk of bribery or influence management vis-à-vis the various third parties involved in the recruitment process	<ul style="list-style-type: none"> • Anti-corruption clauses, including acceptance of Alcobre's policies on this matter, in contracts signed with third parties. • Implementation of a communication plan that covers topics relating to anti-corruption in force at Alcobre and awareness of the reporting channel and adequate treatment of complaints received. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Human Resources Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
4 - Analysis of integrity in relationships with third parties (other than customers) for concrete risks of non-existent or insufficient corruption	Risk arising from the establishment of a commercial relationship with third parties with an adverse level of suitability, due to failures in the application of advance risk assessment procedures (e.g., service providers)	<ul style="list-style-type: none"> • Third party integrity risk assessment procedure. 	
5 - Intermediation of confidential corporate information between Alcobre employees and third parties, obtained through illegal methods	Risk of inappropriate exchange of confidential information (e.g., employee personal information) with malicious intent	<ul style="list-style-type: none"> • Procedures to prevent market manipulation and abuse of privileged information, including coding confidential information and restricting access to it. • Carrying out regular communications regarding the prohibition of sharing or use for personal or third party benefits of confidential information and respective disciplinary and legal consequences. 	




3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses

Human Resources Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
7 - Existence of conflicts of interest by an Alcobre employee or third party representing Alcobre	No relevant risks identified	<ul style="list-style-type: none"> Regular communication with employees of Alcobre's Code of Ethics and Conduct for dissemination and guidance regarding Alcobre's ethical principles (such as access to confidential information and conflicts of interest). 	
9 - Receiving or making offers, trips, gifts, promotional expenses, sponsorships and other items not in line with internal procedures defined in regulations and/or not in line with normal business practice	No relevant risks identified	<ul style="list-style-type: none"> Integrity training plan (including matters of anti-corruption, conflicts of interest and third-party risk assessment) and carrying out regular training actions for all employees (with different levels of depth depending on their hierarchical position in the organization, as well as in activities carried out by them). 	

3. Assessment of Corruption Risks and Related Offenses



3.4. Identification and classification of corruption risks and related offenses

Human Resources Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
11 - Existence of "revolving door" situations (movement of management level employees between positions at Alcobre and jobs in the public sector and vice versa)	Risk of unidentified and unanalyzed exposure and lack of mitigation plans in the movement of individuals between positions at Alcobre and jobs in the public sector and vice versa	<ul style="list-style-type: none"> • Procedure for analyzing the suitability of potential collaborators, identifying integrity risks (e.g., ties with the State) and defining mitigation measures for specific cases. 	
15 - Favoritism granted to an employee, regardless of qualifications, merit or entitlement, for a job or benefit due to political affiliations or connections	Risk of granting favoritism to an employee in an internal promotion process, with the aim of obtaining an undue advantage for themselves or third parties	<ul style="list-style-type: none"> • Procedure for evaluating employee performance (with different criteria depending on the activities carried out at Alcobre). 	

3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses



Human Resources Department 			
Corruption risks and related offenses	Main inherent risks identified	Controls	Score
16 - Analysis of the integrity and suitability of an individual in the process of recruiting and hiring non-existent or insufficient personnel	Risk of involvement in an adverse act or reputational implications due to failures in the process of verifying an employee's suitability (e.g., inappropriate historical behavior)	<ul style="list-style-type: none"> • Procedure for analyzing the suitability of current or potential employees, identifying integrity risks (e.g., connections with the State) and defining mitigation measures for specific cases. 	

3. Assessment of Corruption Risks and Related Offenses

3.4. Identification and classification of corruption risks and related offenses



The use of an objective methodology to evaluate the score of each risk contributes to understanding the exposure to risk inherent to Alcobre. In effect, identifying the inherent risk allows you to develop an early vision of a risk mitigation strategy.

3. Assessment of Corruption Risks and Related Offenses



3.5. Matrix breakdown of corruption risks and related offenses

Once the assessment and classification of the risks of corruption and related offenses to which Alcobre is subject has been completed, it is crucial to position the results obtained in the inherent risk assessment at the transversal level of Alcobre's cluster organization. The presentation of the matrix arrangement of risks makes it possible to map the impact and probability of occurrence of the risk to which the activity of each cluster in the organization is exposed, allowing a global and complete analysis.

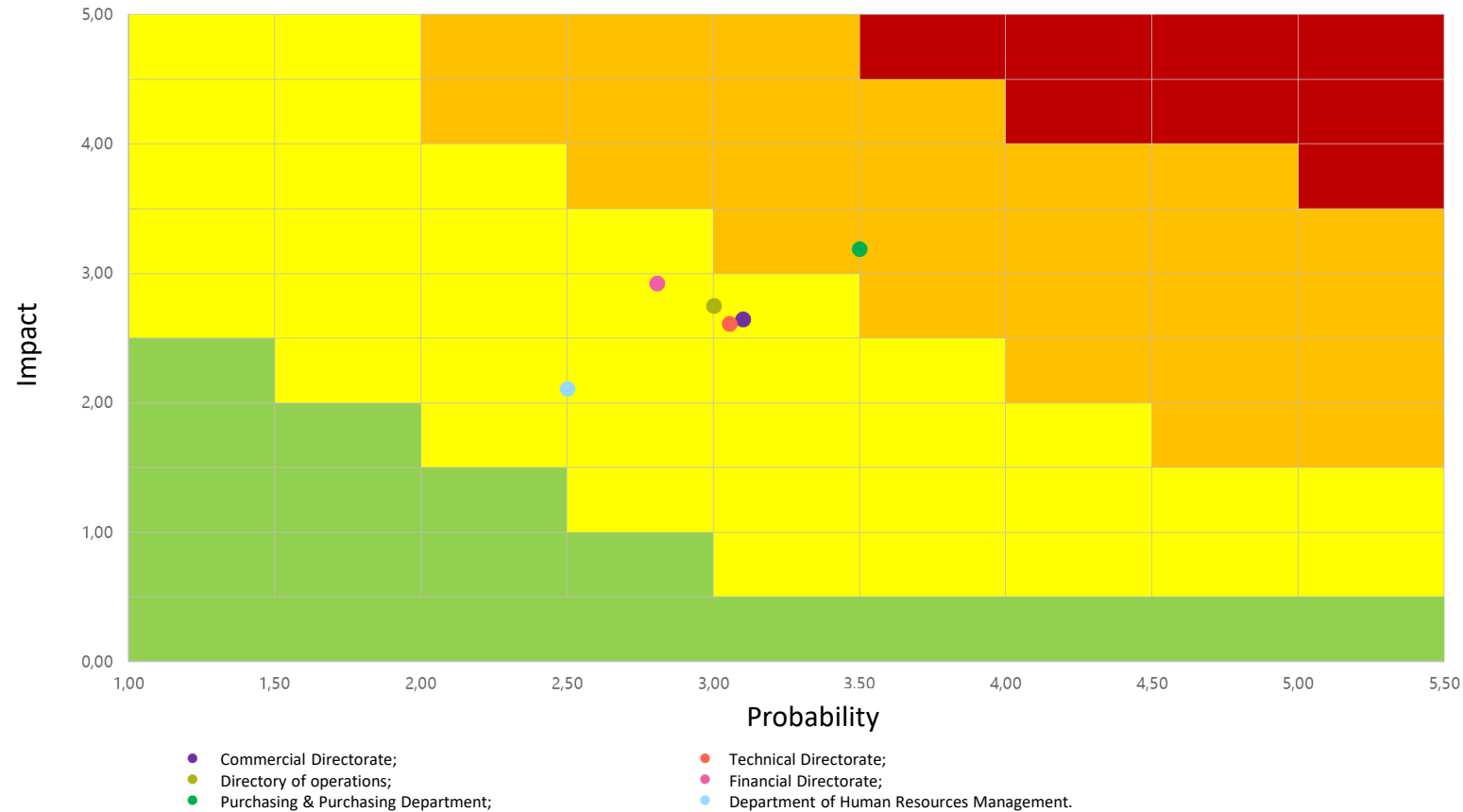
Additionally, it is possible to position each of the risks of corruption and related infractions, previously identified using the risk identification number, in an individualized risk perspective, considering the respective inherent risk score. This matrix arrangement allows us to materialize, in terms of impact and probability of occurrence, the criticality of the different dimensions that corruption encompasses, taking into account the specific context of Alcobre.

The two aforementioned matrix provisions are presented below.

3. Assessment of Corruption Risks and Related Offenses

3.5. Matrix breakdown of corruption risks and related offenses

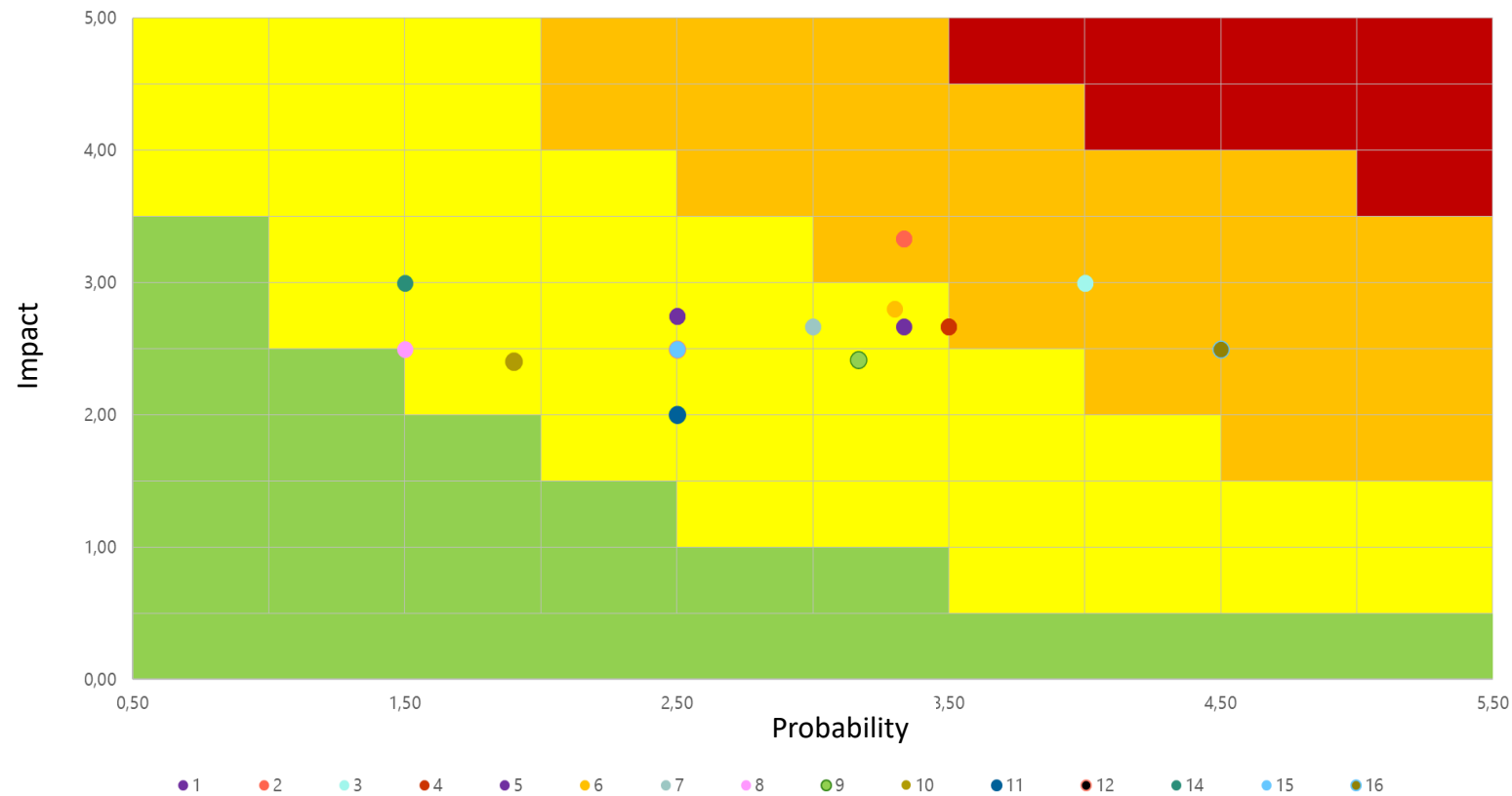
Inherent risk score matrix by cluster



3. Assessment of Corruption Risks and Related Offenses

3.5. Matrix breakdown of corruption risks and related offenses

Inherent risk scoring matrix per identified risk



4. Assessment of the implementation and execution of the PPR

The PPR presented here aims to complement Alcobre's internal control system in identifying and monitoring risks of corruption and related infractions. To comply with the provisions of the RGPC, the PPR must be updated every three years, or whenever a new risk or a new opportunity for improvement is identified, or when there is sufficient information to justify changes to the proposed measures. Additionally, Alcobre is responsible for approving, reviewing and publishing the PPR.

In accordance with the provisions of the RGPC, Alcobre undertakes to carry out an assessment of the PPR in October of each year for identified situations of significant or critical risk, and an annual report regarding the global execution of the PPR in April of each year, which will include measuring the degree of implementation of the identified controls, with the aim of evaluating the progress made in implementing them and monitoring the risks of corruption and related infractions identified.

Alcobre promotes the dissemination of the PPR and the aforementioned PPR evaluation and execution reports to employees on its intranet and to other stakeholders on its official website.

For questions relating to PPR, please contact the RCN:

- Financial Director – Rita Costa (rcosta@alcobre.pt)

Annex 1 – Corruption risk dictionary

The Risk Dictionary presents the main risks of corruption and related infractions to which Alcobre is subject in the development of its activity, aggregated by risk group (bribery, relations with third parties, bonuses, economic extortion, relations with the State and management human resources).

Annex 2 – Corruption risk assessment model

The corruption risk assessment model calculates the global inherent risk to which Alcobre is subject in terms of corruption and related offenses, based on the risk to which each cluster is exposed. For each of the identified risks, described in the Corruption Risk Dictionary, the individual inherent risk score is calculated, based on their impact classifications and probability of occurrence, as well as inputs from discussion sessions held, document review and analysis Alcobre's organizational and operational context.

ALCOBRE Management approves this Plan for the Prevention of Corruption Risks and Related Offenses (PPR) and makes it public to workers and interested third parties through its intranet and on its official website.

General Director/ CEO Huang Chao (Paul)

Commercial Director / CCO Vitor Ferreira

Operations Director / COO Carlos Granja

Finance Director / CFO Rita Costa

The background is a blue-tinted image featuring industrial pipes and a train. The pipes are in the foreground, and a train is visible in the background, all rendered in a monochromatic blue color scheme.

ALCOBRE

— A MEMBER OF HENGTONG GROUP —