Corruption and Related Infractions Risk Prevention Plan

FRAMEWORK

Corruption is a complex and multifaceted phenomenon that affects society in several dimensions, from politic and economy, to the everyday life of the common citizen. It is a phenomenon that affects all societies, past and present, harming social development and economic growth, generating inequalities and reputational damages to the institutions.

In the scope of combating this phenomenon, the National Anti-Corruption Strategy 2020-2024 was approved in 2021, which gave rise to the approval, release and implementation of Law-Decree No. 109-E/2021, that established a new legal framework for the prevention and repression of corruption and related infractions, that stipulates that it is now mandatory to adopt a set of preventive measures by entities with 50 or more employees.

In this context, Metalúrgica Progresso de Vale de Cambra, SA, (“MPVC” or “Company”), takes on the commitment of ensuring the necessary conditions for the fulfilment of the norms in terms of corruption prevention.

For that effect, this Corruption and Related Infractions Risk Prevention Plan (“PPR”) is adopted which, along with the Code of Ethics and Conduct, the Anti-Corruption Code, the Whistleblower Protection Policy, the report channel, the in-house training plan regarding these subjects, and the Compliance Officer (“CO”), completes the instrument package necessary to fulfil what is outlined in art. 5th of the RGPC.

In the PPR, which will be periodically monitored and reviewed, potential corruption and related infractions risks are identified and classified, as well as the measures already in place for their prevention and also the measures that will allow the mitigation of occurrences and impacts in the company’s activity.

MPVC considers that the current PPR is qualified to meet the current obligations and needs, as well as to protect the legal and commercial interests of the company, and its monitoring and revision will allow its adaptation to new demands generated by business development and economic, social, and political context.

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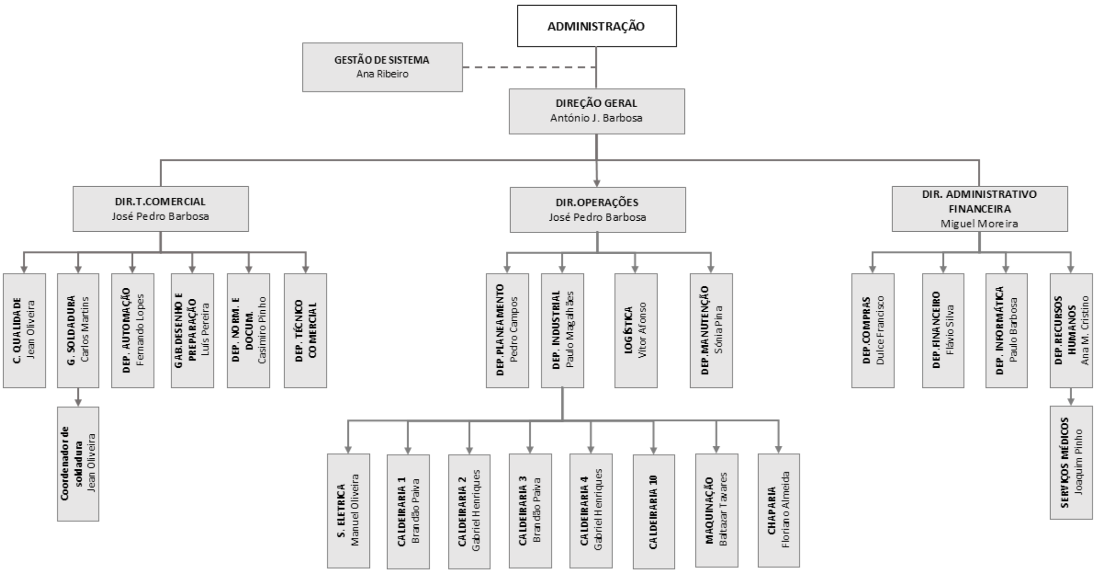
ORGANIZATION

MPVC is a family business, formed as a Joint-Stock Company, and its management is based on the typical governing bodies: General Assembly, Board of Directors, and Sole Auditor.

Considering the size of the company and the shareholder structure, it has been our understanding not to institute other support or supervision organs.

The operations are supported by a General Management, that coordinates four Administrations: Environment, Commercial, Operations, and Administrative and Financial. These branch out in several departments.



The Board meets informally every week, and monthly to control and monitor commercial/operational management (works in progress, new business perspectives, strategical purchases), financial (6 month cash flow, new operations, investments), and Human Resources. There is also a payment meeting on Monday, every other week, to double check if the premisses of purchase approvals have been met.

We would also like to point out that the management / decision process is agile and close, the Board and Management are approachable, and interventional, if needed, almost immediately for any employee.

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RISCOS DE CORRUPÇÃO E INFRAÇÕES CONEXAS

1 – Crimes of corruption and related infractions

According to DL Nr. 109-E/2021, it is understood as corruption and related infractions the following crimes: active corruption, passive corruption, undue receiving and offering of advantage, embezzlement, economic participation on a deal, financial extortion, abuse of power, malfeasance, influence trafficking, money laundering, fraud in obtaining and misappropriating subsidies, grants, or credits.

Considering the activity executed by Metalúrgica Progresso, the society may eventually be held accountable due to the following kinds of crimes:

	Legal Type	Description
Corruption	Active corruption	Who, either personally or a through an intermediary, with their knowledge or confirmation, gives or promises to give an employee or third party, by their indication or with their knowledge, a financial or non-financial advantage, for the practice of an action or omission in the exercise of their functions, even if said action or omission does not imply the breach of the duties of their role.
	Active corruption in the private sector	Who, personally or, with their knowledge or confirmation, through an intermediary, gives or promises to give a worker in the private sector, or a third party with their knowledge, a financial or non-financial advantage, that is not due to them, for the practice of an action or omission that is a breach of the duties of their role.
	Active corruption with damage of international commerce	Who, personally or, with their knowledge or confirmation, through an intermediary, gives or promises to give a worker, national, foreign, or from an international organization, or to any holder of political office, national or foreign, or to a third party with their consent, a monetary or non-monetary advantage, that isn't due to them, to obtain or conserve a deal, contract, or any other undue advantage in international trade.
	Passive corruption in the private sector	Who [worker of the private sector], personally or, with their knowledge or confirmation, through an intermediary, requests or accepts, for themselves or a third party, any undue monetary or non-monetary advantage, or the promise of said advantage, for the commission of any action or omission that constitutes a violation of the duties of their role.
Related infractions	Undue offer of advantage	Whoever, personally or through an intermediary, with their knowledge or confirmation, gives or promises to give an employee or third party by their indication or with their knowledge, any undue financial or non-financial advantage, for the performance of their role, or because of it.
	Influence trafficking	Whoever, personally or through an intermediary with their knowledge or confirmation, requests or accepts, for themselves or for a third party, a financial or non-financial advantage, or the promise of said advantage, to abuse their influence, real or otherwise, with any public entity; or whoever, personally or through an intermediary with their consent or confirmation, gives or promises to give a financial or non-financial advantage to the people mentioned above.
	Laundering	Whoever converts, transfers, aids or facilitates any operation for the conversion or transfer of advantages obtained, by themselves or a third party, directly or indirectly, with the intent of masking their illicit origin or to avoid criminal persecution for the crime(s) committed.
	Diversion of subsidy, grant, or subsidized credit	Whoever uses instalments obtained from a subsidy, grant, or subsidized credit for anything other than their legally intended purpose, or from what is predicted in the line of credit by the legally relevant authority.
	Fraud in obtaining a subsidy or grant	Whoever obtains a subsidy or grant: a) Giving the authorities or competent entities inaccurate or incomplete information, about themselves or third parties, and regarding important facts for the concession of the subsidy or grant; b) Omitting information about important facts for the concession; c) Using any document to justify the right to the concession of the subsidy or grant, or any facts important for the concession, obtained through inaccurate or incomplete information.
	Fraud in the obtaining of credit	Whoever, when presenting a proposal for the concession, maintenance, or modification of the conditions of a credit destined to an entity or company: a) Gives inaccurate or incomplete written information with the intention of certification, or that are otherwise important for the decision regarding the request; b) Using documents related with the economic situation that are inaccurate or incomplete, namely balance sheets, accounting of profits and losses, general asset descriptions or assessments; c) Hiding any possible deterioration of the economic situation that may have happened in the meantime regarding the situation described at the time of the loan application and that may be important for the decision regarding the request.
Conflict of interests	Hiring	Whenever a particular interest of the employee is in competition with any interest that they have to protect during the performance of their duties in the company and that, therefore, may also interfere with the company's interests.
Harassment	Fight Against Harassment	It is an unwanted behaviour, namely based in a factor of discrimination, committed when accessing employment or during the employment, work, or professional training stage, with the intent or effect of disturbing or embarrassing the person, to affect their dignity, or create an intimidating, hostile, degrading, humiliating, or destabilising work environment.
Global	Global Risk	It is a risk that encompasses all areas of regulatory compliance.

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2 – Definition of degrees of risk

The definition of degrees of risk, for the effects of this Risk Prevention Plan, follows two variables:

» the probability of occurrence of the situations that carry risk and
» the predictable impact of the infractions that it may give rise to (or the severity of the consequence).

The probability of occurrence of the situations that carry risk can be classified in the following manner:

» Very likely to occur;
» Likely to occur;
» May occur;
» Unlikely to occur;
» Very unlikely to occur.

Likewise, the predictable impact of the infractions to which it can give rise to may be classified in the following manner:

» High: the situation of risk identified may cause significant financial and reputational damages, harming the company's credibility.
» Moderate: the situation of risk identified may carry financial risks and disturb the normal operation of the company.
» Reduced: the situation of risk identified does not have the potential to cause financial damages, and the infractions in question are not liable to cause relevant damages to the company's reputation.

By crossing the two variables, we obtain the following degree of risk matrix.

Degrees of Risk		Occurrence				
		Very Unlikely (1)	Unlikely (2)	Possible (3)	Likely (4)	Very Likely (5)
Impact	Reduced (1)	1	2	3	4	5
	Moderate (2)	2	4	6	8	10
	Elevated (3)	3	6	9	12	15

Colour/Risk	Description
Reduced	Risks that should be monitored, but that don't represent a real threat for the continuation of the activity.
Moderate	Risks that demand monitoring, assessment, and mitigating actions.
Elevated	Risks that require intervention, as they are likely to cause high reputational, commercial, legal and/or financial damages.

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3 – Risk Matrix

Caption:

CI (Internal Control)
CO (Compliance Officer)
RH (Human Resources)
RD (Department Head)

Activity	Situation of Risk	Risk enhancing factors	Related infractions	Occur	Imp	Degree of Risk	Preventive / Corrective measures	Responsible for the measure
Sales / negotiation of works contracts	- Undue favouring of third party - Offering or acceptance of favours in exchange for the concession of an advantage and/or benefits - Using and/or divulging privileged information for self-benefit, or for the benefit of third parties	Use of intermediaries	Corruption (including all different types) Undue offering of advantage Influence trafficking	2	3	6	- Code of Ethics and Conduct - Anti-corruption Code - Internal communication channel for irregularities Corrective measures: - Inclusion of anti-corruption clauses in the contracts - Reinforcing communicating / divulging the policies - Reinforcement of internal training	 CO CO RH
General / technical purchases, subcontracting	- Purchase of raw materials not aligned with real needs and/or outside of market conditions - Omission and/or manipulation of information with the intent of conditioning purchase decisions - Undue favouring of a certain supplier or service provider - Offering or acceptance of favours in exchange for the concession of an advantage and/or benefits - Using and/or divulging privileged information for self-benefit, or for the benefit of third parties	Use of intermediaries Relationship with public agents and/or Politically Exposed Persons Transactions with countries internationally sanctioned	Corruption Undue offering of advantage Influence trafficking Money laundering	3	3	9	Code of Ethics and Conduct - Anti-corruption Code of Conduct - Sustainable Purchase Policy - Internal Norm PG006 - Qualification and Assessment of suppliers - Internal Norm PR05 - Logistics - Internal communication channel for irregularities Corrective measures: - Inclusion of anti-corruption clauses in the contracts - Reinforcing communicating / divulging the policies - Reinforcement of internal training - Increase evaluation procedures for suppliers / service providers	 CO CO RH RD

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Activity	Situation of Risk	Risk enhancing factors	Related infractions	Occur	Imp	Degree of Risk	Preventive / Corrective measures	Responsible for the measure
Acquisition of specialized services (maintenance goods, communications, office supplies, transports, insurances, information technologies and systems, audits, construction services, etc.).	- Purchase of services not aligned with real needs and/or outside of market conditions - Omission and/or manipulation of information with the intent of conditioning purchase decisions - Undue favouring of third party - Offering or acceptance of favours in exchange for the concession of an advantage and/or benefits - Using and/or divulging privileged information for self-benefit, or for the benefit of third parties - Situations of conflicts of Interests	Transactions with related parties Discretion on the consultation / proposal evaluation process Relationship with public entities/employees Occasional, small cash payments	Corruption Undue offering of advantage Influence trafficking	**3**	**3**	**9**	- Code of Ethics and Conduct - Anti-corruption Code of Conduct - Sustainable Purchase Policy - Internal Norm PG006 - Qualification and Assessment of suppliers - Internal Norm PR05 - Logistics - Internal communication channel for irregularities Corrective measures: - Inclusion of anti-corruption clauses in the contracts - Reinforcing communicating / divulging the policies - Reinforcement of internal training - Increase evaluation procedures for suppliers / service providers	CO CO RH RD
Relationship with Customs	- Offering or acceptance of favours in exchange for the concession of an advantage and/or benefits - Situations of conflicts of Interests	Relationship (indirect) with public entities - Use of intermediaries	Corruption Undue offering of advantage Influence trafficking	**2**	**2**	**4**	- Code of Ethics and Conduct - Anti-corruption Code of Conduct - Internal communication channel for irregularities Corrective measures: - Reinforcing communicating / divulging the policies - Reinforcement of internal training - Increase evaluation procedures for suppliers / service providers	CO RH RD
Recruitment / Relationship with employees	- Lack of impartiality in the selection criteria - Undue favouring or prejudice of candidate - Offering or acceptance of favours in exchange for the concession of and advantage and/or benefits - Situations of conflicts of Interests		Corruption Undue offering of advantage Influence trafficking	**1**	**2**	**2**	- Code of Ethics and Conduct - Anti-corruption Code of Conduct - Diversity and inclusion policy - Internal communication channel for irregularities Corrective measures: - Reinforcing communicating / divulging the policies - Reinforcement of internal training	CO RH

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Activity	Situation of Risk	Risk enhancing factors	Related infractions	Occur	Imp	Degree of Risk	Preventive / Corrective measures	Responsible for the measure
Finance Department » Presentation of credit applications regarding credit lines with banks	- Provision of inexact or incomplete written information, namely about the financial situation of the society, for a credit application		Fraud in obtaining credit	**2**	**2**	**4**	- Code of Ethics and Conduct - Anti-corruption Code of Conduct - Demand of higher approval level considering the amounts in question Correction measures: - Revision of the procedures and authorization levels	CI/CO
Finance Department » Movement of bank accounts	- Undue payments - Omission and/or manipulation of information with the intent of conditioning decisions	Undue use of movement codes	Corruption Undue offering of advantage Influence trafficking	**1**	**3**	**3**	- Code of Ethics and Conduct - Anti-corruption Code of Conduct - Demand of higher approval level considering the amounts in question Correction measures: - Revision of the procedures and authorization levels	CI/CO
Access to funds	- Undue payments - Undue favouring of third party - Offering or acceptance of favours in exchange for the concession of and advantage and/or benefits	Asking occasional cash advances for travel expenses	Corruption Undue offering of advantage Influence trafficking	**1**	**3**	**3**	- Previous validation by management - Mandatory presentation of expense invoices Correction measures: - Revision of the procedures and authorization levels	CI/CO
Offering or receiving of gifts	- Offering or acceptance of favours in exchange for the concession of an advantage and/or benefits		Active corruption Active corruption in the private sector Passive corruption in the private sector Undue offering of advantage	**2**	**3**	**6**	- Code of Ethics and Conduct - Anti-corruption Code of Conduct - Internal communication channel for irregularities Corrective measures: - Reinforcing communicating / divulging the policies - Reinforcement of internal training - Establish mandatory registration of offerings and receipts	CO RH CO
Code of Ethics and Conduct	- Lack of monitoring of adherence by the Administration - Non-compliance by employees and third parties		Corruption and related infractions	**2**	**3**	**6**	Corrective measures: - Reinforcing communicating / divulging the policies - Reinforcement of internal training	CO RH
Report channel	- Not ensuring functioning and mechanisms regarding the report channel	Hiding information Elimination of registries related with reports	Abuse of power	**2**	**2**	**4**	- Code of Ethics and Conduct - Privacy Policy - Whistleblower Protection Policy Corrective measures: - Reinforcing communicating / divulging the policies - Reinforcement of internal training	CO RH

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EXECUTION and MONITORING of the PPR

The Company follows internal activity control procedures, in the various facets of the operations that it undertakes, that are continuously being adjusted to the demands they face, which includes the assumption of the requirement to care for the need to control corruption risks and conflicts of interests specific to their activity.

It is the responsibility of the administrative bodies to implement control systems and procedures to monitor the fulfilment of all internal norms and, specifically, of this PPR. And to ensure General Compliance in the company and, inherently, of this PPR, we designate **Dr.ª Ana Margarida Soares,** Director of Human Resources, who is available for all questions regarding this matter at the following email: ***recursos.humanos@progresso.pt***.

Following the scope of the PPR, and according to the law, the Company:

- Materializes a specific training plan about all the matters at hand, during the first semester of each fiscal year, for all workers;

- Elaborates the reports stipulated by law about the situations identified, one interim, in October (if applicable), and a final one, in April.

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RELATED DOCUMENTS

The Company has in effect a set of Policies and Manuals that complement and strengthen what is stated in this Risk Prevention Plan and Related Infractions, namely:

Declaration of Mission, Vision and Values

Human Rights Policies

Anti-Corruption Code of Conduct

Diversity and Inclusion Plan

Environment and Quality Policy

Sustainable Purchase Policy

Privacy Policy

Whistleblower Protection Policy

Health and Safety Plan

Emergency Manual

Self-Protection Measures

VALIDITY AND COMMUNICATION

This Code is in effect after December 2nd, 2025, is valid for three years and it may be subjected to interim review, if needed.

The Company will take measures so that all workers and other recipients are aware and understand the scope of this Policy, publishing it internally and on the Company's website.

Vale de Cambra, December 2nd, 2025

The Board of Directors

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